

The background of the slide is a wide-angle, high-angle shot of the interior of the Madison Square Garden arena. The arena is dimly lit with a blue color scheme. In the center, the New York Rangers logo is prominently displayed on a large, illuminated structure. The logo features a shield with a red and white diagonal design, and the words "NEW YORK RANGERS" are written across it. Above the shield, the words "NEW YORK RANGERS" are also visible in a blue banner. The arena's seating and structural elements are visible in the background, creating a sense of depth and scale.

# MSGS Valuation Pitchbook

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A blue-tinted photograph of an arena, likely Madison Square Garden, with the New York Rangers logo prominently displayed on the ceiling. The arena floor is visible below, and the overall atmosphere is dimly lit with blue lighting.

# Part A: Company and Industry Analysis & Forecast



Madison Square Garden Sports (MSGS) owns and manages the New York Knicks (NBA) and New York Rangers (NHL), generating revenue through ticket sales, sponsorships, and media rights.

Operating in a competitive sports industry with rising franchise valuations and media deals, MSGS faces challenges like cord-cutting and streaming competition.





Madison Square Garden Sports (MSGGS) operates a diversified business model, leveraging its ownership of premier sports franchises—the New York Knicks (NBA) and New York Rangers (NHL). The model includes four key revenue streams:

- **Ticket Sales:** High-demand events supported by MSGGS's iconic venues.
- **Sponsorships:** Partnerships with leading brands seeking exposure in the largest U.S. media market.
- **Media Rights:** Long-term contracts with regional sports networks (RSNs) and potential growth in streaming platforms.
- **Merchandising:** Monetization of team brands through licensed products.

MSGGS enjoys a premium brand status in the largest U.S. media market. Despite strong fan engagement and consistent financial performance, it faces challenges from the decline of traditional RSNs and competition for viewership from streaming services. However, MSGGS has demonstrated financial stability and growth through consistent playoff appearances and high franchise valuations.



MSGGS has shown strong financial performance driven by **fan engagement** and **playoff success** but trades below asset value due to limited Class A voting rights and media industry concerns.

It is poised to leverage its assets and market size while addressing industry challenges to boost shareholder value.

Applying **Porter's Five Forces**, MSGGS enjoys significant bargaining power as a premium brand in the largest U.S. media market, yet faces high competitive rivalry from other franchises and substitute entertainment options.

The firm's reliance on regional sports networks (RSNs) is a **vulnerability in a market shifting** towards direct-to-consumer streaming.

# Benchmarking Analysis



# Benchmarking Analysis - Chosen Comps



Company	Reasoning
	Live Nation aligns with MSGS through its focus on premium live events and leveraging venue assets for revenue.
	TKO parallels MSGS in monetizing iconic sports brands through events, media rights, and sponsorships.
	AMC and MSGS share a focus on premium venues and face challenges adapting to digital competition.
	MSG Entertainment operates synergistically with MSGS, leveraging iconic venues and New York's market.
	Manchester United, like MSGS, monetizes its global sports brand through media, sponsorships, and fan loyalty.
	Formula One mirrors MSGS in monetizing sports through media, sponsorships, and global events.

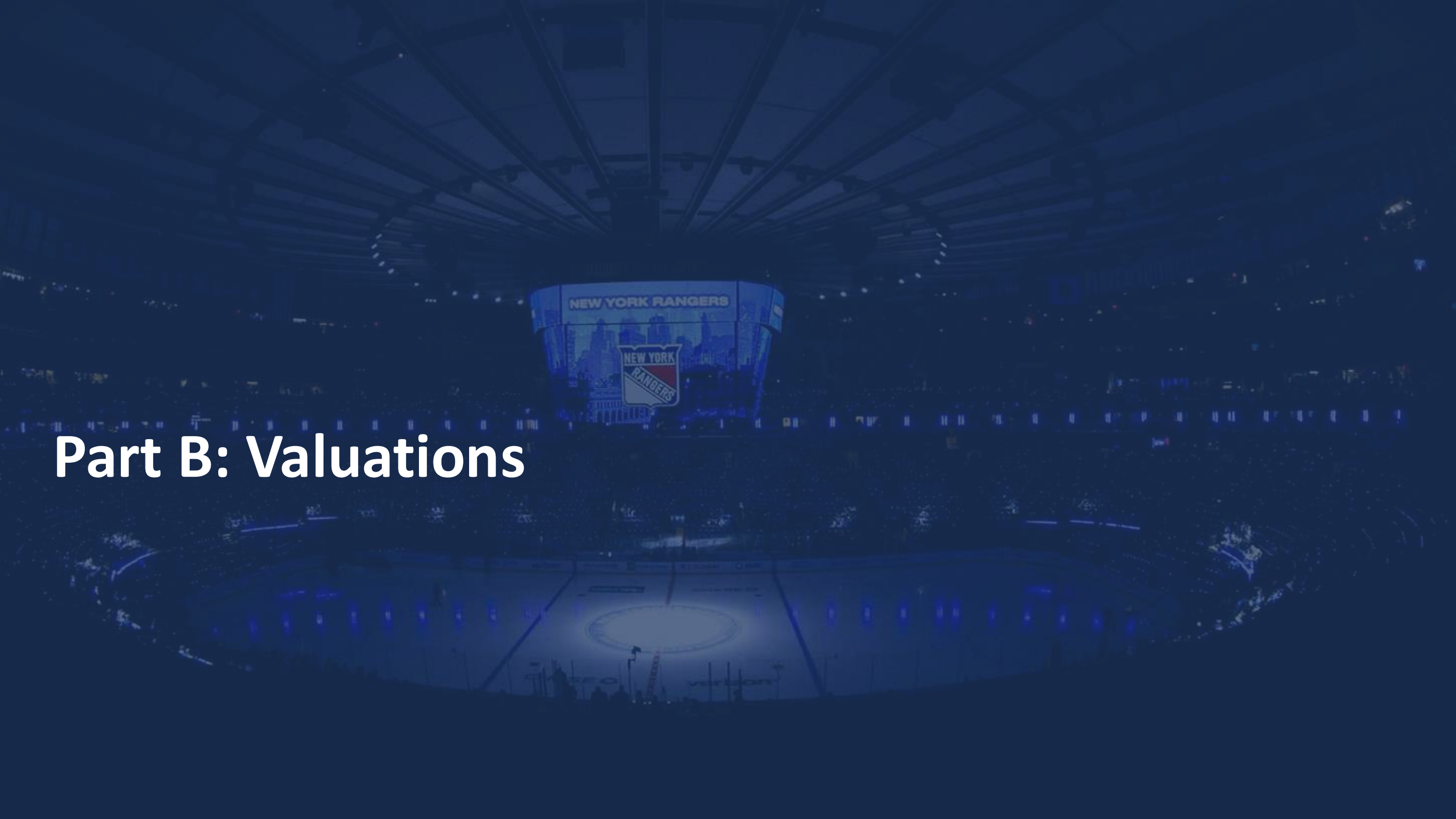
# Five Year Free Cash Flow Forecast & Assumptions



5-year FCF Forecast					
	2025E	2026E	2027E	2028E	2029E
Revenue (\$M)	1072.3	1143.2	1221.0	1280.1	1343.1
Adj. EBIT (\$M)	106.1	113.0	120.4	182.8	191.7
Unlevered FCF	91.2	97.0	103.3	150.2	157.4

Revenue Growth Assumptions		Expenses & FCF Assumptions (as a % of revenue)	
Events-related	3-5%	COGS	55.6% across all years
Media rights	3% across all years	SG&A Expenses	30-34%
Sponsorship, Signage, Suite	10-15%	D&A	0.4% across all years
League Distribution	3% except 2025E	Investment in NWC	2-5%
EBIT Margin	10-14%	Capital Expenditure	0.1% across all years

# Part B: Valuations





## CAPM Assumptions

Risk-free rate	<b>3.50%</b>
Pre-tax cost of debt	<b>5.21%</b>
Equity Risk Premium	<b>5.00%</b>
Small Stock Premium	<b>0.00%</b>
Effective Tax Rate - MSGS	<b>26%</b>

## Re-levered Beta Analysis

Average Unlevered Beta	<b>0.73</b>
Debt / Capital	<b>43.0%</b>
Equity / Capital	<b>57.0%</b>
Industry D/E	<b>75.5%</b>
Beta (Re-levered)	<b>1.14</b>

## WACC Calculations

Required Debt Return	<b>3.86%</b>
Required Equity Return	<b>8.15%</b>
Debt Weighting	<b>43.0%</b>
Equity Weighting	<b>57.0%</b>
<b>WACC</b>	<b>6.5%</b>

# DCF Analysis & Assumptions



Assumptions	
Terminal Value Growth Rate	3.5%
Weighted Average Cost of Capital	6.5%
EV / Revenue	4.5x
Control Premium	30%

*Dollars in millions, except per share*

	Projected Year End, September 30th				
	2025E	2026E	2027E	2028E	2029E
EBIT Adjusted	\$ 106.1	\$ 113.0	\$ 120.4	\$ 182.8	\$ 191.7
Less: Taxes @ 26%	\$ (27.6)	\$ (29.4)	\$ (31.3)	\$ (47.5)	\$ (49.8)
Net Operating Profit After Taxes (NOPAT)	\$ 78.5	\$ 83.6	\$ 89.1	\$ 135.3	\$ 141.8
Add: Depreciation & Amortization	\$ 4.7	\$ 4.9	\$ 5.2	\$ 5.4	\$ 5.7
Add: Stock-based compensation	\$ 21.9	\$ 23.2	\$ 24.5	\$ 25.6	\$ 26.7
Less: Capex	\$ (1.3)	\$ (1.4)	\$ (1.5)	\$ (1.5)	\$ (1.6)
Less: Investment in NWC	\$ (12.6)	\$ (13.3)	\$ (14.1)	\$ (14.7)	\$ (15.4)
<b>Unlevered Free Cash Flow</b>	<b>\$ 91.2</b>	<b>\$ 97.0</b>	<b>\$ 103.2</b>	<b>\$ 150.1</b>	<b>\$ 157.3</b>

# DCF Analysis - Sensitivity



DCF - Gordon Growth												
Discount Rate	Per Share Value at Growth Rate of:						Per Share Value with Control Premium					
	3.0%		3.5%		4.0%		30.0%					
8.5%	\$	167.97	\$	201.15	\$	247.61	\$	218.36	\$	261.50	\$	321.90
7.5%	\$	168.53	\$	201.72	\$	248.18	\$	219.09	\$	262.24	\$	322.64
6.5%	\$	169.13	\$	202.31	\$	248.77	\$	219.86	\$	263.01	\$	323.41
5.5%	\$	169.75	\$	202.93	\$	249.40	\$	220.67	\$	263.81	\$	324.21
4.5%	\$	170.40	\$	203.58	\$	250.05	\$	221.52	\$	264.66	\$	325.06

DCF - EV / Revenue												
Discount Rate	Per Share Value at Exit Multiple of:						Per Share Value with Control Premium					
	4.0x		4.5x		5.0x		30.0%					
8.5%	\$	138.55	\$	158.94	\$	179.34	\$	180.11	\$	206.62	\$	233.14
7.5%	\$	139.11	\$	159.51	\$	179.90	\$	180.85	\$	207.36	\$	233.88
6.5%	\$	139.71	\$	160.10	\$	180.50	\$	181.62	\$	208.13	\$	234.65
5.5%	\$	140.33	\$	160.72	\$	181.12	\$	182.43	\$	208.94	\$	235.45
4.5%	\$	140.98	\$	161.37	\$	181.77	\$	183.27	\$	209.79	\$	236.30

# Trading Comps Analysis & Assumptions















With a valuation multiple of 4.5-6.2x, our valuation shows MSGS' fair value to be trading between \$192.0 and \$287.4, accounting for a 30% control premium.

EV/Revenue Comps Multiples		EV/Revenue Comps Multiples		
Min	1.3x	2024 Revenue (\$M)	\$1037.4	\$1037.4
First Quartile	2.5x	Implied EV	\$4668.3	\$6431.9
Median	3.6x	Equity Value	\$3550.5	\$5314.1
Mean	3.6x	Shares Outstanding	24M	24M
Third Quartile	4.5x	Implied Price per share	\$147.7	\$221.1
Max	6.2x	With 30% control premium	\$192.0	\$287.4

# Precedent Transactions Analysis



Company	EV/Revenue & Date
	Acquired for 8.5x EV/Revenue on 5/30/2022
	Acquired for 7.5x EV/Revenue on 12/24/2023
	Acquired for 8.3x EV/Revenue on 6/7/2022
	Acquired for 5.0x EV/Revenue on 12/19/2022
	Acquired for 6.2x, 9.2x EV/Revenue on 1/4/2022, 10/24/2024
	Acquired for 12.0x EV/Revenue on 12/20/2022
	Acquired for 8.8x EV/Revenue on 12/27/2023
	Acquired for 8.2x EV/Revenue on 6/13/2023
	Acquired for 10.0x EV/Revenue on 4/19/2024
	Acquired for 11.3x EV/Revenue on 9/18/2019
	Acquired for 9.0x EV/Revenue on 9/5/2017
	Acquired for 13.7x EV/Revenue on 5/29/2014

## EV/Revenue

**Median** 8.8x

**Mean** 9.0x

## New York Knicks

**Revenue 2024** \$543M

**Valuation** \$4,765.3M

## New York Rangers

**Revenue 2024** \$265M

**Valuation** \$2,325.6M

## Training Facilities

**Building on Balance Sheet** \$51.6M

## Total Value SOTP

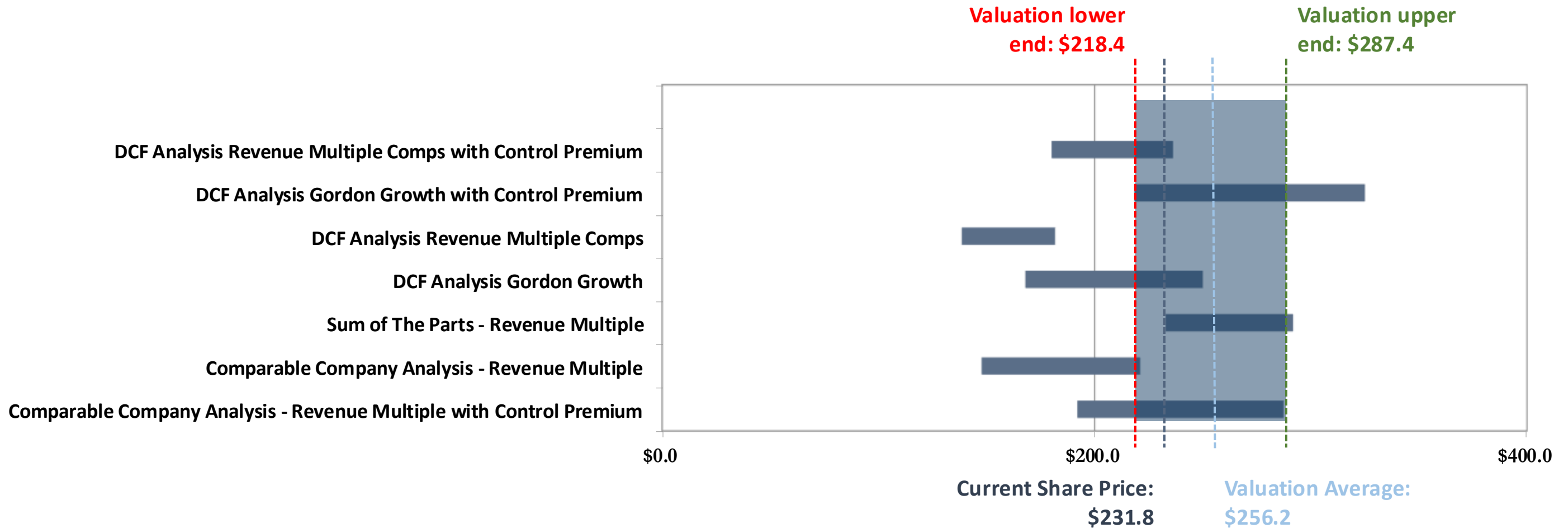
**MSG Enterprise Value** \$7,142.6M

**MSG Equity Value / Share** \$250.7

# Consolidation of Valuation Results



With a current share price of \$231.8, MSGS's fair value, through our consolidated valuations, should be between \$218.4 and \$287.4. This corresponds to a 10-24% upside for MSGS stocks.



A blue-tinted photograph of an empty arena, likely Madison Square Garden, with a large New York Rangers logo on the ceiling. The arena floor is visible, and the seating areas are dark. The text "Part C: Strategic Recommendations" is overlaid in white.

# Part C: Strategic Recommendations



Based on the on our current valuation of MSGS, we have two recommendations:

## First Recommendation:

When MSGS's stock **trades significantly below** its intrinsic value (e.g., near the lower DCF range of \$218.40 per share), conducting a share buyback becomes an effective way to enhance shareholder value and demonstrate the management's confidence in the company's underlying worth.

By reducing the number of outstanding shares, a **buyback** not only increases earnings per share but also helps narrow the gap between the market price and the company's true valuation, reinforcing the message that MSGS is undervalued and has strong growth potential.



## Second Recommendation:

If MSGS's share price **approaches or exceeds the upper range of its intrinsic valuation** (e.g., \$287.40 per share based on our football field analysis), selling one or both franchises represents a compelling opportunity to maximize shareholder returns.

Capitalizing on premium valuations for the Knicks or Rangers, especially in a market that values sports franchises highly, would **generate** substantial liquidity for reinvestment, debt reduction, or shareholder distributions, while ensuring that the company strategically benefits from current favorable market conditions.

# Part D: Appendices



# Appendix A: DCF Calculations (1/2)



Dollars in millions, except per share

	Projected Year End, September 30th				
	2025E	2026E	2027E	2028E	2029E
EBIT Adjusted	\$ 106.1	\$ 113.0	\$ 120.4	\$ 182.8	\$ 191.7
Less: Taxes @ 26%	\$ (27.6)	\$ (29.4)	\$ (31.3)	\$ (47.5)	\$ (49.8)
Net Operating Profit After Taxes (NOPAT)	\$ 78.5	\$ 83.6	\$ 89.1	\$ 135.3	\$ 141.8
Add: Depreciation & Amortization	\$ 4.7	\$ 4.9	\$ 5.2	\$ 5.4	\$ 5.7
Add: Stock-based compensation	\$ 21.9	\$ 23.2	\$ 24.5	\$ 25.6	\$ 26.7
Less: Capex	\$ (1.3)	\$ (1.4)	\$ (1.5)	\$ (1.5)	\$ (1.6)
Less: Investment in NWC	\$ (12.6)	\$ (13.3)	\$ (14.1)	\$ (14.7)	\$ (15.4)
<b>Unlevered Free Cash Flow</b>	<b>\$ 91.2</b>	<b>\$ 97.0</b>	<b>\$ 103.2</b>	<b>\$ 150.1</b>	<b>\$ 157.3</b>

## Assumptions:

Gordon Growth ~ Terminal Value growth rate	<b>3.5%</b>	The average between developed economies GDP growth & US 10-yr treasury yield
WACC	<b>6.50%</b>	As calculated, refer to WACC
Shares outstanding	<b>24,033,880</b>	Includes class A shares, class B shares, and outstanding ITM stock options
EV/EBITDA	<b>25.1x</b>	
EV/Revenue	<b>4.5x</b>	
Control Premium	<b>30.00%</b>	

[Report: Bucs owners turn down offer of more than \\$6.05 billion | Reuters](#)

Forbes valued Bucs at 4.2 billion, Bucs received an offer of 6.05 billion, indicating 44% control premium

[Celtics sale could smash highest price ever paid for NBA team and net every other franchise \\$300 million as part of \\$10 billion league expansion | talkSPORT](#)

Forbes valued Celtics at 4.7 billion, Celtics was rumored to receive 6 billion, indicating 28% control premium

[Chelsea Soccer Club's \\$5.3 Billion Acquisition Completed](#)

Forbes valued Chelsea at 3.1 billion, acquired for 5.3 billion, indicating 71% control premium

Sports teams receive an above-average control premium, typically above 30%, we will use a conservative approach in our valuation and use 30%.

# Appendix A: DCF Calculations (2/2)



DCF Sensitivity Analysis for MSGS, Gordon Growth

Discount Rate	A	B			C		D		E			K				
	PV of Cash Flows 2025-2029	Present Value of Residual at Growth Rate of:			Excess Cash ITM Options		Excess Cash Operations		Enterprise Value at Growth Rate of:			Per Share Value with Control Premium 30.0%				
		3.0%	3.5%	4.0%					3.0%	3.5%	4.0%	3.0%	3.5%	4.0%		
8.5%	\$460.1	\$ 4,628.3	\$ 5,425.9	\$ 6,542.6	\$ 13.9		\$ 52.3	\$5,154.7	\$5,952.3	\$7,068.9	\$ 167.97	\$ 201.15	\$ 247.61	\$ 218.36	\$ 261.50	\$ 321.90
7.5%	\$473.8	\$ 4,628.3	\$ 5,425.9	\$ 6,542.6	\$ 13.9		\$ 52.3	\$5,168.3	\$5,965.9	\$7,082.5	\$ 168.53	\$ 201.72	\$ 248.18	\$ 219.09	\$ 262.24	\$ 322.64
6.5%	\$488.1	\$ 4,628.3	\$ 5,425.9	\$ 6,542.6	\$ 13.9		\$ 52.3	\$5,182.6	\$5,980.2	\$7,096.8	\$ 169.13	\$ 202.31	\$ 248.77	\$ 219.86	\$ 263.01	\$ 323.41
5.5%	\$503.0	\$ 4,628.3	\$ 5,425.9	\$ 6,542.6	\$ 13.9		\$ 52.3	\$5,197.5	\$5,995.1	\$7,111.7	\$ 169.75	\$ 202.93	\$ 249.40	\$ 220.67	\$ 263.81	\$ 324.21
4.5%	\$518.6	\$ 4,628.3	\$ 5,425.9	\$ 6,542.6	\$ 13.9		\$ 52.3	\$5,213.1	\$6,010.7	\$7,127.4	\$ 170.40	\$ 203.58	\$ 250.05	\$ 221.52	\$ 264.66	\$ 325.06

Discount Rate	F	G	H	I			J			K		
	Total Debt	Unfunded Pension Liabilities	Equity to Employees	Equity Value at Growth Rate of:			Per Share Value at Growth Rate of:			Per Share Value with Control Premium 30.0%		
				3.0%	3.5%	4.0%	3.0%	3.5%	4.0%	3.0%	3.5%	4.0%
8.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$4,036.9	\$4,834.5	\$5,951.1	\$ 167.97	\$ 201.15	\$ 247.61	\$ 218.36	\$ 261.50	\$ 321.90
7.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$4,050.5	\$4,848.1	\$5,964.8	\$ 168.53	\$ 201.72	\$ 248.18	\$ 219.09	\$ 262.24	\$ 322.64
6.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$4,064.8	\$4,862.4	\$5,979.0	\$ 169.13	\$ 202.31	\$ 248.77	\$ 219.86	\$ 263.01	\$ 323.41
5.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$4,079.7	\$4,877.3	\$5,993.9	\$ 169.75	\$ 202.93	\$ 249.40	\$ 220.67	\$ 263.81	\$ 324.21
4.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$4,095.3	\$4,892.9	\$6,009.6	\$ 170.40	\$ 203.58	\$ 250.05	\$ 221.52	\$ 264.66	\$ 325.06

DCF Sensitivity Analysis for MSGS, EV/Revenue

Discount Rate	A	B			C		D		E			K				
	PV of Cash Flows 2025-2029	Present Value of Residual at Exit Multiple of:			Excess Cash ITM Options		Excess Cash Operations		Enterprise Value at Exit Multiple of:			Per Share Value with Control Premium 30.0%				
		4.0x	4.5x	5.0x					4.0x	4.5x	5.0x	4.0x	4.5x	5.0x		
8.5%	\$460.1	\$ 3,921.3	\$ 4,411.5	\$ 4,901.6	\$ 13.9		\$ 52.3	\$4,447.6	\$4,937.8	\$5,427.9	\$ 138.55	\$ 158.94	\$ 179.34	\$ 180.11	\$ 206.62	\$ 233.14
7.5%	\$473.8	\$ 3,921.3	\$ 4,411.5	\$ 4,901.6	\$ 13.9		\$ 52.3	\$4,461.3	\$4,951.4	\$5,441.6	\$ 139.11	\$ 159.51	\$ 179.90	\$ 180.85	\$ 207.36	\$ 233.88
6.5%	\$488.1	\$ 3,921.3	\$ 4,411.5	\$ 4,901.6	\$ 13.9		\$ 52.3	\$4,475.5	\$4,965.7	\$5,455.9	\$ 139.71	\$ 160.10	\$ 180.50	\$ 181.62	\$ 208.13	\$ 234.65
5.5%	\$503.0	\$ 3,921.3	\$ 4,411.5	\$ 4,901.6	\$ 13.9		\$ 52.3	\$4,490.5	\$4,980.6	\$5,470.8	\$ 140.33	\$ 160.72	\$ 181.12	\$ 182.43	\$ 208.94	\$ 235.45
4.5%	\$518.6	\$ 3,921.3	\$ 4,411.5	\$ 4,901.6	\$ 13.9		\$ 52.3	\$4,506.1	\$4,996.2	\$5,486.4	\$ 140.98	\$ 161.37	\$ 181.77	\$ 183.27	\$ 209.79	\$ 236.30

Discount Rate	F	G	H	I			J			K		
	Total Debt	Unfunded Pension Liabilities	Equity to Employees	Equity Value at Exit Multiple of:			Per Share Value at Exit Multiple of:			Per Share Value with Control Premium 30.0%		
				4.0x	4.5x	5.0x	4.0x	4.5x	5.0x	4.0x	4.5x	5.0x
8.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$3,329.8	\$3,820.0	\$4,310.2	\$ 138.55	\$ 158.94	\$ 179.34	\$ 180.11	\$ 206.62	\$ 233.14
7.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$3,343.5	\$3,833.6	\$4,323.8	\$ 139.11	\$ 159.51	\$ 179.90	\$ 180.85	\$ 207.36	\$ 233.88
6.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$3,357.7	\$3,847.9	\$4,338.1	\$ 139.71	\$ 160.10	\$ 180.50	\$ 181.62	\$ 208.13	\$ 234.65
5.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$3,372.7	\$3,862.8	\$4,353.0	\$ 140.33	\$ 160.72	\$ 181.12	\$ 182.43	\$ 208.94	\$ 235.45
4.5%	\$ 1,093.4	\$ 3.0	\$ 21.4	\$3,388.3	\$3,878.4	\$4,368.6	\$ 140.98	\$ 161.37	\$ 181.77	\$ 183.27	\$ 209.79	\$ 236.30

# Appendix B: Precedent Transactions and SOTP (1/2)



## Precedent Transactions - New York Knicks and New York Rangers

Announced Between 2014 and 2024

(\$ USD in Millions Except Per Share Amounts in USD as Stated)

### New York Knicks, LLC - Comparable M&A Transactions:

Acquirer Name	Target Name	Announcement Date	Percentage Acquired	Transaction Enterprise Value	Transaction Date LTM Revenue	Valuation Multiples		
						TEV / LTM	Revenue	
Clearlake Capital Group, L.P.	Chelsea FC Holdings Limited	2022-05-30	61.5%	5,300.0	625.7	8.5 x		Soccer Team
Trawlers Limited	Manchester United plc	2023-12-24	25.0%	6,300.0	842.9	7.5 x		Soccer Team
Walton-Penner Family	Denver Broncos Team, LLC	2022-06-07	100.0%	4,650.0	563.0	8.3 x		Football Team
Eagle Football Holdings LLC	Olympique Lyonnais Group	2022-12-19	77.5%	800.0	160.0	5.0 x		Soccer Team
Arctos Partners LP	Lightning Hockey L.P.	2022-01-04	40.0%	1,000.0	161.0	6.2 x		Hockey Team
Matt Ishbia	Phoenix Suns	2022-12-20	50%+	4,000.0	334.0	12.0 x		NBA Team
Las Vegas Sands Corporation	Dallas Basketball Limited	2023-12-27	69.0%	3,800.0	433.0	8.8 x		NBA team
Michael Andlauer	Ottawa Senators Hockey Club	2023-06-13	90.0%	1,055.6	128.0	8.2 x		Hockey Team
Smith Entertainment Group	Arizona Coyotes	2024-04-19	NM	1,200.0	120.0	10.0 x		Hockey Team
Alibaba Group Holding Ltd.	Brooklyn Nets	2019-09-18	100.0%	3,300.0	292.0	11.3 x		NBA Team
Tilman Fertitta	Rocket Ball, Ltd.	2017-09-05	100.0%	2,200.0	244.0	9.0 x		NBA Team
Doug Ostrover and Marc Lipschultz	Vinik Sports Group, LLC	2024-10-24	50%+	1,800.0	196.0	9.2 x		Hockey Team
Steven A. Ballmer	Los Angeles Clippers, Inc.	2014-05-29	100.0%	2,000.0	146.0	13.7 x		NBA Team

Maximum	\$	6,300.0	\$	842.9	13.7 x
75th Percentile		4,000.0		433.0	10.0 x
<b>Median</b>		<b>2,200.0</b>		<b>244.0</b>	<b>8.8 x</b>
<b>Mean</b>		<b>2,877.4</b>		<b>326.6</b>	<b>9.0 x</b>
25th Percentile		1,200.0		160.0	8.2 x
Minimum		800.0		120.0	5.0 x

# Appendix B: Precedent Transactions and SOTP (2/2)



## New York Knicks- Income Statement

	2019	2020	2021	2022	2023	2024
Revenue	472.00	421.00	-	452.00	504.00	543.00
Operating Income	157.00	178.00	-	155.00	169.00	182.00
Debt/ Value (4%)						
Player Expenses	134.00	103.00	-	111.00	156.00	168.00
Gate Receipts						175.00

## New York Rangers- Income Statement

	2019	2020	2021	2022	2023	2024
Revenue	270.00	225.00	94.00	249.00	265.00	265.00
Operating Income	123.00	87.00	(20.00)	90.00	69.00	69.00
Debt/ Value (3%)						
Player Expenses	75.00	74.00	61.00	76.00	92.00	92.00
Gate Receipts						118.00

## MSG Training Facilities- Balance Sheet

	2019	2020	2021	2022	2023	2024
Buildings	34.8	53.6	53.8	51.4	51.5	51.6

## Sum of The Parts Enterprise Value- Sensitivity

TEV/LTM Revenue		Enterprise Value	-	Total Debt	-	Unfunded Pension Liabilities	-	Equity to Employees	=	Equity Value	Equity Value Per Share
25th Percentile	8.2 x	6,714.8		\$ 1,093.4		\$ 3.0		\$ 21.4		5,597.0	232.9
Median	8.8 x	7,142.6		\$ 1,093.4		\$ 3.0		\$ 21.4		6,024.8	250.7
75th Percentile	10.0 x	8,131.6		\$ 1,093.4		\$ 3.0		\$ 21.4		7,013.8	291.8

# Appendix C: Benchmarking Analysis



## Selected Public Companies Analysis

As of September 30, 2024

COMPANY INFORMATION		REVENUE GROWTH					EBITDA GROWTH					EBITDA MARGIN				
Company Name	Ticker	2023	2024	LTM	2025	2026	2023	2024	LTM	2025	2026	2023	2024	LTM	2025	2026
Live Nation Entertainment, Inc.	LYV	36.4%	2.35%	4.7%	14.10%	9.01%	42.8%	16.9%	1.5%	7.2%	11.8%	7.7%	9.0%	7.5%	9.0%	9.0%
TKO Group Holdings Inc	TKO	46.9%	65.1%	65.7%	12.4%	12.0%	1.3%	54.1%	9.0%	15.0%	19.8%	36.5%	45.1%	24.0%	46.1%	49.4%
IMAX Corporation	IMAX	24.6%	1.1%	-7.8%	9.7%	4.7%	59.3%	6.7%	-10.1%	12.6%	6.5%	30.1%	36.1%	28.6%	37.0%	37.6%
Cinemark Holdings, Inc.	CNK	24.9%	-1.4%	-6.3%	10.9%	5.8%	298.0%	-0.5%	-10.6%	21.0%	8.0%	19.7%	19.5%	18.8%	21.3%	21.8%
AMC Entertainment Holdings, Inc.	AMC	23.0%	-3.9%	-7.8%	10.9%	5.7%	295.0%	-33.2%	-8.1%	84.9%	22.3%	8.0%	6.1%	7.9%	10.3%	11.9%
Madison Square Garden Entertainment Corp.	MSGE	30.3%	12.7%	-0.4%	-0.1%	5.4%	1495.2%	13.0%	11.2%	11.0%	1.9%	19.4%	19.5%	19.1%	21.7%	20.9%
Vail Resorts, Inc.	MTN	14.4%	-0.1%	0.0%	4.4%	3.8%	-7.3%	-0.8%	0.0%	3.2%	5.7%	27.5%	27.2%	27.2%	28.3%	28.8%
DraftKings Inc.	DKNG	63.6%	35.2%	25.7%	28.0%	19.2%	-53.9%	-299.0%	-62.1%	213.2%	57.0%	-4.1%	6.1%	-4.8%	14.8%	19.5%
Caesars Entertainment Corporation	CZR	6.5%	-1.3%	-2.2%	3.8%	2.2%	21.9%	-2.9%	-2.7%	5.0%	2.9%	30.8%	33.6%	30.7%	34.0%	34.2%
Boyd Gaming Corporation	BYD	5.2%	3.9%	2.8%	0.9%	1.9%	-4.6%	-2.3%	-7.7%	-1.3%	2.0%	34.4%	32.3%	28.4%	31.7%	31.7%
Six Flags Entertainment Corporation	FUN	-1.1%	82.7%	1.0%	4.0%	5.1%	-30.2%	89.9%	-1.7%	11.1%	10.4%	29.3%	30.5%	25.6%	32.6%	34.2%
Manchester United Ltd. Class A	MANU	11.2%	2.1%	0.0%	0.7%	8.9%	371.9%	-4.7%	0.0%	6.0%	18.5%	23.9%	22.3%	19.5%	23.5%	25.6%
Planet Fitness, Inc.	PLNT	14.4%	8.7%	5.1%	9.4%	10.5%	11.0%	9.3%	10.8%	13.5%	14.6%	40.6%	40.9%	43.6%	42.4%	44.0%
Formula One Group	FWONA	25.2%	18.1%	14.6%	11.7%	8.1%	4.2%	23.7%	15.5%	21.4%	15.1%	21.3%	22.3%	24.8%	24.3%	25.8%
Comcast Corporation	CMCSA	0.1%	1.5%	1.2%	-0.7%	3.0%	3.3%	0.5%	0.1%	1.5%	3.7%	31.0%	30.6%	30.3%	31.3%	31.5%
Madison Square Garden Sports Corp.	MSGS	8.0%	15.7%		-6.1%	8.6%	-2.6%	68.1%		-63.5%	54.6%	10.0%	14.5%		5.6%	8.0%
<b>Min</b>		-1.1%	-3.9%	-7.8%	-0.7%	1.9%	-53.9%	-299.0%	-62.1%	-1.3%	1.9%	-4.1%	6.1%	-4.8%	9.0%	9.0%
<b>First Quartile</b>		8.9%	0.5%	-1.3%	2.3%	4.3%	-1.7%	-2.6%	-7.9%	5.5%	4.7%	19.6%	19.5%	18.9%	21.5%	21.3%
<b>Mean</b>		21.7%	15.1%	6.4%	8.0%	7.0%	167.2%	-8.6%	-3.7%	28.4%	13.3%	23.7%	25.4%	22.1%	27.2%	28.4%
<b>Median</b>		23.0%	2.3%	1.0%	9.4%	5.7%	11.0%	0.5%	0.0%	11.1%	10.4%	27.5%	27.2%	24.8%	28.3%	28.8%
<b>Third Quartile</b>		27.8%	15.4%	4.9%	11.3%	9.0%	177.1%	14.9%	5.3%	18.0%	16.8%	30.9%	33.0%	28.5%	33.3%	34.2%
<b>Max</b>		63.6%	82.7%	65.7%	28.0%	19.2%	1495.2%	89.9%	15.5%	213.2%	57.0%	40.6%	45.1%	43.6%	46.1%	49.4%

LTM = Latest Twelve Months

EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization

Source: S&P Capital IQ, SEC Filings, Annual and Interim Reports.

# Appendix D: Trading Comps (1/2)



## Selected Public Companies Analysis

(US\$ in millions, except per share data)

COMPANY INFORMATION				MARKET DATA						
Company Name	Ticker	Display Currency	FX Rate	Common Stock Price on September 30, 2024	Number of Common Shares Outstanding (millions)	Market Capitalization (\$ millions)	Book Value of Debt (\$ millions) <sup>(1)</sup>	Cash Balance (\$ millions)	Minority Interest (\$ millions)	Enterprise Value (\$ millions)
Live Nation Entertainment, Inc.	LYV	USD		\$ 109.49	230.3	\$ 25,216	\$ 8,189	\$ 5,490	\$ 1,666	29,580
TKO Group Holdings Inc	TKO	USD		\$ 123.71	81.1	\$ 10,033	\$ 2,989	\$ 457	\$ 4,631	17,195
AMC Entertainment Holdings, Inc.	AMC	USD		\$ 4.55	375.7	\$ 1,709	\$ 8,463	\$ 527	\$ -	9,645
Madison Square Garden Entertainment Corp.	MSGE	USD		\$ 42.53	48.5	\$ 2,063	\$ 1,145	\$ 37	\$ -	3,171
Manchester United Ltd. Class A	MANU	USD		\$ 16.18	169.3	\$ 2,739	\$ 715	\$ 95	\$ -	3,359
Formula One Group	FWONA	USD		\$ 71.53	236.2	\$ 16,895	\$ 2,928	\$ 2,666	\$ -	17,157
Madison Square Garden Sports Corp.	MSGS	USD		\$ 208.26	24	\$ 4,998	\$ 1,093	\$ 52	\$ -	6,039

# Appendix D: Trading Comps (2/2)



## Guideline Companies Metrics

LTM EBITDA	2025 EBITDA	2026 EBITDA	LTM Revenue	2025 Revenue	2026 Revenue
\$ 1,535	\$ 2,342	\$ 2,592	\$ 23,316	\$ 26,755	\$ 29,168
\$ 656	\$ 1,434	\$ 1,718	\$ 2,776	\$ 3,111	\$ 3,479
\$ 198	\$ 526	\$ 643	\$ 4,435	\$ 5,128	\$ 5,421
\$ 184	\$ 214	\$ 225	\$ 956	\$ 1,007	\$ 1,056
\$ 189	\$ 200	\$ 236	\$ 844	\$ 849	\$ 925
\$ 791	\$ 1,031	\$ 1,186	\$ 3,709	\$ 4,248	\$ 4,592
\$ 155	\$ 84	\$ 92	\$ 1,037	\$ 1,047	\$ 1,112

## ENTERPRISE VALUE AS MULTIPLE OF

LTM EBITDA	2025 EBITDA	2026 EBITDA	LTM Revenue	2025 Revenue	2026 Revenue
19.3x	12.6x	11.4x	1.27x	1.11x	1.01x
26.2x	12.0x	10.0x	6.19x	5.53x	4.94x
48.6x	18.3x	15.0x	2.17x	1.88x	1.78x
17.3x	14.8x	14.1x	3.32x	3.15x	3.00x
17.8x	16.8x	14.2x	3.98x	3.95x	3.63x
21.7x	16.6x	14.5x	4.63x	4.04x	3.74x
38.9x	71.8x	65.7x	5.82x	5.77x	5.43x
17.3x	12.0x	10.0x	1.3x	1.1x	1.0x
18.1x	13.2x	12.1x	2.5x	2.2x	2.1x
25.1x	15.2x	13.2x	3.6x	3.3x	3.0x
20.5x	15.7x	14.2x	3.6x	3.6x	3.3x
25.1x	16.8x	14.4x	4.5x	4.0x	3.7x
48.6x	18.3x	15.0x	6.2x	5.5x	4.9x
25.1x	16.8x	14.4x	4.5x	4.0x	3.7x

# Appendix E: WACC Calculation (1/2)



Assumptions and Sources	
Valuation Date	9/30/24
Risk-Free Rate (Rf)	3.50% <i>Normalized 20-yr treasury yield</i>
Pretax Cost of Debt (i)	5.21% <i>Alpha Spread</i>
Equity Risk Premium (Rp)	5.00% <i>As stated in the case</i>
Small Stock Premium (Ssp)	0.00% <i>MSGS is not a "small stock"</i>
Effective Tax Rate - Target Company (tt)	26.0% <i>As stated in the case</i>
Alpha (A)	
Country Risk Premium (CRP)	

Formulas	
<b>Relevering Calculations</b>	
Unlevered Beta =	Beta (Observed) / [ 1 + D/E ( 1 - ti ) ]
Relevered Beta =	Unlevered Beta * [ 1 + D/E ( 1 - tt ) ]
<b>Debt-to-Equity Calculation</b>	
Industry Average D/E =	(Debt/Capital) / (Equity/Capital)
<b>Required Return on Capital Calculations</b>	
Return on Debt =	[ (i + CRP) * (1 - t) ]
Return on Equity =	[ Rf + b (Rp) + CRP + Ssp + A ]

Comparable Company Analysis											
	Ticker	Beta	Book Value of Debt (\$ millions) <sup>(1)</sup>	Stock Price (as of September 30, 2024)	Number of Common Shares Outstanding (millions)	Market Value of Equity (\$ millions)	Total Capital (\$ millions)	Debt/Equity	Debt/Capital	Effective Tax Rate/ Statutory Tax Rate	Beta (Unlevered)
Live Nation Entertainment, Inc.	LYV	1.33	\$ 8,189	\$ 109.49	230.3	\$ 25,216	\$ 10,143	32.5%	80.7%	25.6%	1.07
TKO Group Holdings Inc	TKO	0.72	\$ 2,989	\$ 123.71	81.1	\$ 10,033	\$ 13,022	29.8%	23.0%	15.2%	0.57
AMC Entertainment Holdings, Inc.	AMC	1.99	\$ 8,463	\$ 4.55	375.7	\$ 1,709	\$ 10,173	495.1%	83.2%	36.0%	0.48
Madison Square Garden Entertainment Corp.	MSGE	1.03	\$ 1,145	\$ 42.53	48.5	\$ 2,063	\$ 3,208	55.5%	35.7%	37.0%	0.76
Manchester United Ltd. Class A	MANU	0.68	\$ 715	\$ 16.18	169.3	\$ 2,739	\$ 3,454	26.1%	20.7%	25.0%	0.57
Formula One Group	FWONA	1.11	\$ 2,928	\$ 71.53	236.2	\$ 16,895	\$ 19,823	17.3%	14.8%	4.1%	0.95

# Appendix E: WACC Calculation (2/2)



## Relevered Beta Analysis

Beta (Unlevered)	0.73
Debt / Capital (D)	43.0%
Equity / Capital (E)	57.0%
Industry D/E	75.5%
Effective Tax Rate - Target (tt)	26.0%
<b>Beta (Relevered)</b>	<b>1.14</b>

## Weighted Average Rate of Return - Capital Asset Pricing Model

	<u>Required Return</u>		<u>Weighting</u>		<u>WACC</u>
Debt	3.86%	x	43.0%	=	1.7%
Equity	8.15%	x	57.0%	=	4.6%
					6.3%

<b>Weighted Average Cost of Capital (rounded)</b>	<b>6.5%</b>
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