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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

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☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the quarterly period ended March 31, 2024 or

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-13703



**Six Flags Entertainment Corporation**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation or Organization)

**1000 Ballpark Way Suite 400 , Arlington , TX 76011**

(Address of Principal Executive Offices, Including Zip Code)

**13-3995059**

(I.R.S. Employer Identification No.)

**( 972 ) 595-5000**

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.025 par value per share	SIX	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 definition 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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: At May 6, 2024, Six Flags Entertainment Corporation had 84,270,276 outstanding shares of common stock, par value \$0.025 per share.

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**SIX FLAGS ENTERTAINMENT CORPORATION**  
**FORM 10-Q**

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This Quarterly Report on Form 10-Q (this "Quarterly Report") and the documents incorporated herein by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include (i) the adequacy of our cash flows from operations, available cash and available amounts under our credit facilities to meet our liquidity needs, (ii) the risk that the proposed Mergers (as defined below) disrupts current plans and operations of the Company and the effect of the announcement or pendency of the Mergers on the business relationships, operating results and business generally of the Company, (iii) our expectations regarding the timing, costs, benefits and results of our strategic plan, (iv) impact of macro-economic conditions, including inflation on consumer spending, (v) our ability to implement our capital plans in a timely and cost effective manner, and our expectations regarding the anticipated costs, benefits and results of such capital plans, (vi) the extent to which having parks in diverse geographical locations protects our consolidated results against the effects of adverse weather and other events, (vii) our ongoing compliance with laws and regulations, and the effect of, and cost and timing of compliance with, newly enacted laws and regulations, (viii) our ability to obtain additional financing and the increased cost of capital due to rising interest rates, (ix) our expectations regarding the effect of certain accounting pronouncements, (x) our expectations regarding the cost or outcome of any litigation or other disputes, (xi) our annual income tax liability and the availability and effect of net operating loss carryforwards and other tax benefits, and (xii) our expectations regarding uncertain tax positions.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are, by their nature, subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Additional risks and uncertainties that could cause actual results to differ materially from those described in such forward-looking statements include, among others, the following:

- factors impacting our ability to consummate the transactions (collectively the "Mergers") contemplated by that certain Agreement and Plan of Merger (the "Merger Agreement"), dated November 2, 2023, by and among Six Flags Entertainment Corporation, ("Holdings"), Cedar Fair, L.P., ("Cedar Fair"), CopperSteel HoldCo, Inc. ("CopperSteel"), and CopperSteel Merger Sub, LLC ("Copper Merger Sub");
- the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement;
- factors impacting attendance, such as local conditions, contagious diseases, or the perceived threat of contagious diseases, events, disturbances and terrorist activities;
- economic impact of political instability and conflicts globally, such as the war in Ukraine and the Middle East;
- recall of food, toys and other retail products sold at our parks;
- accidents or incidents involving the safety of guests and employees, or contagious disease outbreaks at our parks or other parks in our industry, and negative publicity about us or our industry;
- availability of commercially reasonable insurance policies at reasonable rates;
- inability to achieve desired improvements and financial performance targets;
- adverse weather conditions, such as excess heat or cold, rain and storms;
- general financial and credit market conditions, including our ability to access credit or raise capital;
- macro-economic conditions (including supply chain issues and the impact of inflation on customer spending patterns);
- our ability to successfully implement our strategy;
- changes in public and consumer tastes;
- construction delays in capital improvements or ride downtime;
- competition with other theme parks, water parks and entertainment alternatives;
- dependence on a seasonal workforce;
- unionization activities and labor disputes;
- laws and regulations affecting labor and employee benefit costs, including increases in state and federally mandated minimum wages, healthcare reform and potential wage and hour claims;
- availability of labor;
- environmental laws and regulations;
- laws and regulations affecting corporate taxation;
- pending, threatened or future legal proceedings and the significant expenses associated with litigation;
- cyber security risks; and
- other factors or uncertainties described in "Item 1A. Risk Factors" set forth in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report"), and in this Quarterly Report.

All forward-looking statements in this report, or that are made on our behalf by our directors, officers or employees related to the information contained herein, apply only as of the date of this report or as of the date they were made. While we believe that the

expectations reflected in such forward-looking statements are reasonable, we make no assurance that such expectations will be realized and actual results could vary materially. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation, except as required by applicable law, to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

#### **Available Information**

Copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, are available free of charge through our website at [investors.sixflags.com](http://investors.sixflags.com). References to our website in this Quarterly Report are provided as a convenience and do not constitute an incorporation by reference of the information contained on, or accessible through, the website. Therefore, such information should not be considered part of this Quarterly Report. These reports, and any amendments to these reports, are made available on our website as soon as reasonably practicable after we electronically file such reports with, or furnish them to, the United States Securities and Exchange Commission (the "SEC"). Copies are also available, without charge, by sending a written request to Six Flags Entertainment Corporation, 1000 Ballpark Way Suite 400, Arlington, TX 76011, Attn: Investor Relations.

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As used herein, unless the context requires otherwise, the terms "we," "our," "Company" and "Six Flags" refer collectively to Six Flags Entertainment Corporation and its consolidated subsidiaries, and "Holdings" refers only to Six Flags Entertainment Corporation, without regard to its consolidated subsidiaries.

**PART I — FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**SIX FLAGS ENTERTAINMENT CORPORATION**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

	As of		
	March 31, 2024	December 31, 2023	April 2, 2023
	(unaudited)		(unaudited)
(Amounts in thousands, except share data)			
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 60,702	\$ 77,585	\$ 64,749
Accounts receivable, net	53,523	62,660	45,462
Inventories	39,188	31,624	41,016
Prepaid expenses and other current assets	102,275	80,897	83,639
Total current assets	255,688	252,766	234,866
<b>Property and equipment, net:</b>			
Property and equipment, at cost	2,770,068	2,733,094	2,621,518
Accumulated depreciation	(1,472,781)	(1,447,861)	(1,380,846)
Total property and equipment, net	1,297,287	1,285,233	1,240,672
Goodwill	659,618	659,618	659,618
Intangible assets, net of accumulated amortization of \$ 312 , \$ 306 and \$ 290 as of March 31, 2024, December 31, 2023 and April 2, 2023, respectively	344,135	344,141	344,158
Right-of-use operating leases, net	146,023	134,857	156,376
Other assets, net	35,131	34,859	22,502
<b>Total assets</b>	<b>\$ 2,737,882</b>	<b>\$ 2,711,474</b>	<b>\$ 2,658,192</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 44,539	\$ 27,235	\$ 43,513
Accrued compensation, payroll taxes and benefits	21,304	18,957	14,417
Self-insurance reserves	63,743	64,605	34,032
Accrued interest payable	42,752	28,704	27,527
Other accrued liabilities	69,949	73,087	60,032
Deferred revenue	165,414	127,556	152,096
Short-term borrowings	230,000	180,000	170,000
Current portion of long-term debt	56,867	56,867	—
Short-term lease liabilities	10,986	10,514	12,040
Total current liabilities	705,554	587,525	513,657
<b>Noncurrent liabilities:</b>			
Long-term debt	2,129,642	2,128,612	2,281,841
Long-term lease liabilities	171,713	155,335	166,562
Other long-term liabilities	27,195	27,263	28,477
Deferred income taxes	161,139	189,700	162,973
<b>Total liabilities</b>	<b>3,195,243</b>	<b>3,088,435</b>	<b>3,153,510</b>
Redeemable noncontrolling interests	520,998	520,998	521,395
<b>Stockholders' deficit:</b>			
Preferred stock, \$ 1.00 par value	—	—	—
Common stock, \$ 0.025 par value, 280,000,000 shares authorized; 84,274,760 , 84,124,014 and 83,279,300 shares issued and outstanding at March 31, 2024, December 31, 2023 and April 2, 2023, respectively	2,116	2,112	2,082
Capital in excess of par value	1,133,551	1,131,208	1,122,429
Accumulated deficit	(2,044,329)	(1,961,603)	(2,070,530)
Accumulated other comprehensive loss, net of tax	(69,697)	(69,676)	(70,694)
Total stockholders' deficit	(978,359)	(897,959)	(1,016,713)
<b>Total liabilities and stockholders' deficit</b>	<b>2,737,882</b>	<b>2,711,474</b>	<b>2,658,192</b>

See accompanying notes to unaudited condensed consolidated financial statements.



**SIX FLAGS ENTERTAINMENT CORPORATION**  
**Condensed Consolidated Statements of Operations**  
**(Unaudited)**

	Three Months Ended	
	March 31, 2024	April 2, 2023
<i>(Amounts in thousands, except per share data)</i>		
Park admissions	\$ 70,801	\$ 76,303
Park food, merchandise and other	54,397	52,786
Sponsorship, international agreements and accommodations	8,093	13,101
Total revenues	133,291	142,190
Operating expenses (excluding depreciation and amortization shown separately below)	113,955	108,870
Selling, general and administrative expenses (including stock-based compensation of \$ 2,347 and \$ 3,314 in 2024 and 2023, respectively, and excluding depreciation and amortization shown separately below)	42,517	44,247
Costs of products sold	11,123	9,765
Depreciation and amortization	29,500	29,114
Loss on disposal of assets	1,394	2,435
Operating loss	( 65,198 )	( 52,241 )
Interest expense, net	41,800	36,302
Other income, net	( 1,040 )	( 832 )
Loss before income taxes	( 105,958 )	( 87,711 )
Income tax benefit	( 23,232 )	( 17,852 )
Net loss attributable to Six Flags Entertainment Corporation	\$ ( 82,726 )	\$ ( 69,859 )
Weighted-average common shares outstanding:		
Basic:	84,166	83,207
Diluted:	84,166	83,207
Loss per average common share outstanding:		
Basic:	\$ ( 0.98 )	\$ ( 0.84 )
Diluted:	\$ ( 0.98 )	\$ ( 0.84 )

See accompanying notes to unaudited condensed consolidated financial statements.

**SIX FLAGS ENTERTAINMENT CORPORATION**  
**Condensed Consolidated Statements of Comprehensive Income**  
**(Unaudited)**

<i>(Amounts in thousands)</i>	<b>Three Months Ended</b>	
	<b>March 31, 2024</b>	<b>April 2, 2023</b>
Net loss	\$ ( 82,726 )	\$ ( 69,859 )
Other comprehensive loss, net of tax		
Foreign currency translation adjustment <sup>(1)</sup>	422	916
Defined benefit retirement plan <sup>(2)</sup>	163	176
Change in cash flow hedging <sup>(3)</sup>	( 606 )	( 591 )
Other comprehensive income (loss), net of tax	( 21 )	501
Comprehensive loss attributable to Six Flags Entertainment Corporation	\$ ( 82,747 )	\$ ( 69,358 )

(1) Foreign currency translation adjustment is presented net of tax expense of \$ 0.1 million for the three months ended March 31, 2024 and April 2, 2023.

(2) Defined benefit retirement plan is presented net of tax expense of \$ 0.1 million for the three months ended March 31, 2024 and April 2, 2023, respectively.

(3) Change in fair value of cash flow hedging is presented net of tax benefit of \$ 0.2 million for the three months ended March 31, 2024 and April 2, 2023.

See accompanying notes to unaudited condensed consolidated financial statements.

**SIX FLAGS ENTERTAINMENT CORPORATION**  
**Consolidated Statements of Stockholders' Deficit**  
**(Unaudited)**

	Common stock		Capital in	Accumulated	Accumulated	Total
	Shares issued	Amount	excess of par value	deficit	other comprehensive loss	stockholders' deficit
<i>(Amounts in thousands, except share data)</i>						
<b>Balances at January 1, 2023</b>	83,178,294	\$ 2,079	\$ 1,119,222	\$ (2,000,671 )	\$ (71,195 )	\$ (950,565 )
Issuance of common stock	104,660	3	( 3 )	—	—	—
Stock-based compensation	—	—	3,314	—	—	3,314
Payment of tax withholdings on equity-based compensation through shares withheld	( 3,654 )	—	( 104 )	—	—	( 104 )
Net loss attributable to Six Flags Entertainment Corporation	—	—	—	( 69,859 )	—	( 69,859 )
Net other comprehensive loss, net of tax	—	—	—	—	501	501
<b>Balances at April 2, 2023</b>	83,279,300	\$ 2,082	\$ 1,122,429	\$ (2,070,530 )	\$ (70,694 )	\$ (1,016,713 )

	Common stock		Capital in	Accumulated	Accumulated	Total
	Shares issued	Amount	excess of par value	deficit	other comprehensive loss	stockholders' deficit
<i>(Amounts in thousands, except share data)</i>						
<b>Balances at December 31, 2023</b>	84,124,014	\$ 2,112	\$ 1,131,208	\$ (1,961,603 )	\$ (69,676 )	\$ (897,959 )
Issuance of common stock	155,324	4	116	—	—	120
Stock-based compensation	—	—	2,347	—	—	2,347
Payment of tax withholdings on equity-based compensation through shares withheld	( 4,578 )	—	( 120 )	—	—	( 120 )
Net loss attributable to Six Flags Entertainment Corporation	—	—	—	( 82,726 )	—	( 82,726 )
Net other comprehensive loss, net of tax	—	—	—	—	( 21 )	( 21 )
<b>Balances at March 31, 2024</b>	84,274,760	\$ 2,116	\$ 1,133,551	\$ (2,044,329 )	\$ (69,697 )	\$ (978,359 )

See accompanying notes to unaudited condensed consolidated financial statements.

**SIX FLAGS ENTERTAINMENT CORPORATION**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**

	Three Months Ended	
	March 31, 2024	April 2, 2023
<i>(Amounts in thousands)</i>		
<b>Cash flows from operating activities:</b>		
Net loss	\$ ( 82,726 )	\$ ( 69,859 )
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	29,500	29,114
Stock-based compensation	2,347	3,314
Interest accretion on notes payable	211	278
Amortization of debt issuance costs	1,155	1,566
Loss on disposal of assets	1,394	2,435
Deferred income tax benefit	( 26,970 )	( 20,672 )
Other	( 1,651 )	30
Changes in operating assets and liabilities:		
Decrease in accounts receivable - trade	8,861	7,426
Increase in inventories, prepaid expenses and other current assets	( 29,608 )	( 18,672 )
(Increase) decrease in deposits and other assets	( 1,307 )	2,834
(Increase) decrease in ROU operating leases	( 11,328 )	2,847
Increase in accounts payable, deferred revenue and accrued liabilities and other long-term liabilities	49,995	12,070
Increase in operating lease liabilities	15,605	1,977
(Decrease) increase in accrued interest payable	14,048	( 10,957 )
Net cash used in operating activities	\$ ( 30,474 )	\$ ( 56,269 )
<b>Cash flows from investing activities:</b>		
Additions to property and equipment	( 37,218 )	( 25,488 )
Property insurance recoveries	—	481
Proceeds from asset sales	227	—
Net cash used in investing activities	\$ ( 36,991 )	\$ ( 25,007 )
<b>Cash flows from financing activities:</b>		
Repayment of borrowings	( 10,000 )	( 10,000 )
Proceeds from borrowings	60,000	80,000
Payment of debt issuance costs	—	( 970 )
Payment of tax withholdings on equity-based compensation through shares withheld	( 120 )	( 104 )
Reduction in finance lease liability	( 260 )	( 247 )
Net cash provided by financing activities	\$ 49,620	\$ 68,679
Effect of exchange rate on cash	\$ 962	\$ ( 2,776 )
Net decrease in cash and cash equivalents	\$ ( 16,883 )	\$ ( 15,373 )
Cash and cash equivalents at beginning of period	\$ 77,585	\$ 80,122
Cash and cash equivalents at end of period	\$ 60,702	\$ 64,749
<b>Supplemental cash flow information</b>		
Cash paid for interest	\$ 27,508	\$ 46,209
Cash paid for income taxes	\$ 3,743	\$ 311

See accompanying notes to unaudited condensed consolidated financial statements.

## 1. General — Basis of Presentation

We own and operate regional theme parks and water parks. We are the largest regional theme park operator in the world, and we are the largest operator of water parks in North America based on the number of parks we operate. Of the 27 parks we own or operate, 24 parks are located in the United States, two are located in Mexico, and one is located in Montreal, Canada.

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed, or omitted, pursuant to the rules and regulations of the SEC.

Our current fiscal year will end on December 29, 2024. This Quarterly Report covers the period January 1, 2024 – March 31, 2024 ("the three months ended March 31, 2024"). The comparison period in the prior year covers the dates January 2, 2023 – April 2, 2023 ("the three months ended April 2, 2023").

The 2023 Annual Report includes additional information about us, our operations and our financial position, and should be referred to in conjunction with this Quarterly Report. The information furnished in this Quarterly Report reflects all normal and recurring adjustments that are, in the opinion of management, necessary to present a fair statement of the results for the periods presented.

Results of operations for the three months ended March 31, 2024, are not indicative of the results expected for the full year. Our operations are highly seasonal, with approximately 70 % - 75 % of park attendance and revenues in a typical year occurring in the second and third calendar quarters of each year, with the most significant period falling between Memorial Day and Labor Day.

### ***Revision of Previously Issued Financial Statements***

During the third quarter of 2023, we identified an accounting error for our stock-based compensation expense related to the recognition of expense for dividend equivalent rights ("DERs"). The error primarily relates to the inadvertent reversal of stock-based compensation expense for vested DERs for periods beginning in the first quarter of 2020 through the fourth quarter of 2022.

We have assessed the error and concluded that it was not material to any prior periods. However, the aggregate amount of the error would have been material to our condensed consolidated financial statements in the current period. Therefore, we have revised our previously issued financial information. Prior periods not presented herein will be revised, as applicable, in future filings. Refer to [Note 10 - Revision to Previously Reported Financial Information](#) for additional information.

### ***Merger with Cedar Fair L.P.***

On November 2, 2023, Holdings, Cedar Fair, CopperSteel and Copper Merger Sub entered into the Merger Agreement, providing for a merger of equals through (i) the merger of Copper Merger Sub with and into Cedar Fair (the "Cedar Fair First Merger"), with Cedar Fair continuing its existence as the surviving entity (the "Cedar Fair Surviving Entity") following the Cedar Fair First Merger as a direct subsidiary of CopperSteel, (ii) the subsequent merger of the Cedar Fair Surviving Entity with and into CopperSteel (the "Cedar Fair Second Merger" and together with the Cedar Fair First Merger, the "Cedar Fair Mergers"), with CopperSteel continuing as the surviving corporation, and (iii) the subsequent merger of Six Flags with and into CopperSteel, with CopperSteel continuing as the surviving corporation (the "Six Flags Merger" and together with the Cedar Fair Mergers, the "Mergers"). If the Mergers are completed, subject to certain exceptions, (i) each issued and outstanding unit of limited partnership interest in Cedar Fair (each a "Cedar Fair Unit" and collectively, the "Cedar Fair Units") will be converted into the right to receive one (1) share of common stock, par value \$ 0.01 per share, of CopperSteel (the "CopperSteel Common Stock"), as may be adjusted pursuant to the Merger Agreement (the "Cedar Fair Exchange Ratio"), together with cash in lieu of fractional shares of CopperSteel Common Stock, without interest and (ii) each issued and outstanding share of Holdings common stock, par value \$ 0.025 per share (the "Six Flags Common Stock") will be converted into the right to receive 0.58 shares of CopperSteel Common Stock (as the same may be adjusted pursuant to the Merger Agreement, the "Six Flags Exchange Ratio"), together with cash in lieu of fractional shares of CopperSteel Common Stock, without interest. Subject to the terms of the Merger Agreement and applicable law, Six Flags will declare and set a record date for a special dividend to holder of record of Six Flags Common Stock as of the close of business one business day prior to the closing of the Mergers of (i) \$ 1.00 plus (ii) the product (rounded to the nearest whole cent) of (a) the Six Flags Exchange Ratio and (ii) the aggregate amount of distributions per unit declared or paid by Cedar Fair with respect to a Cedar Fair Unit with a record date following November 2, 2023 and prior to the effective

time of the Six Flags Merger, subject to certain adjustments provided under the Merger Agreement, the payment of which is contingent upon the consummation of the Mergers.

Upon consummation of the Mergers, Holdings and Cedar Fair will each have been merged with and into CopperSteel, with CopperSteel as the parent entity and successor corporation to Holdings and Cedar Fair. Upon closing, CopperSteel will be headquartered in Charlotte, North Carolina, and is expected to change its name to "Six Flags Entertainment Corporation" and be listed on the New York Stock Exchange ("NYSE") under the ticker symbol "FUN."

On March 12, 2024, at a special meeting stockholders of Holdings (the "Special Meeting") called to consider and adopt the Merger Agreement, the stockholders of Holdings approved the Mergers.

The obligations of Holdings and Cedar Fair to complete the Mergers are subject to the satisfaction or waiver, in whole or in part (to the extent permitted by applicable law) of a number of conditions set forth in the Merger Agreement, a copy of which is attached as an exhibit to the Annual Report on Form 10-K. Completion of the Mergers is subject to, among other things, antitrust review in the United States. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"), and the rules promulgated thereunder, the Mergers cannot be completed until the parties to the Merger Agreement have given notification and furnished information to the Federal Trade Commission ("FTC") and the Department of Justice ("DOJ"), and until the applicable waiting period has expired or has been terminated. On January 22, 2024, Holdings and Cedar Fair each received a request for additional information and documentary materials (a "Second Request") from the DOJ in connection with the DOJ's review of the Mergers. The effect of a Second Request is to extend the waiting period imposed by the HSR Act, until 30 days after each of Holdings and Cedar Fair has substantially complied with the Second Request issued to it, unless that period is extended voluntarily by the parties or terminated earlier by the DOJ. On April 19, 2024, Cedar Fair and Holdings certified substantial compliance with the Second Request.

**a. Consolidated U.S. GAAP Presentation**

Our accounting policies reflect industry practices and conform to U.S. GAAP.

The unaudited condensed consolidated financial statements include our accounts and the accounts of our wholly owned subsidiaries. We also consolidate the partnerships that own Six Flags Over Texas ("SFOT") and Six Flags Over Georgia (including Six Flags White Water Atlanta) ("SFOG", and together with SFOT, the "Partnership Parks") in our unaudited condensed consolidated financial statements, as we have determined that we have the power to direct the activities of the Partnership Parks that most significantly impact their economic performance and we have the obligation to absorb losses and receive benefits from the Partnership Parks that can be potentially significant to these entities. The equity interests owned by non-affiliated parties in the Partnership Parks are reflected in the accompanying unaudited condensed consolidated balance sheets as redeemable non-controlling interests.

**b. Income Taxes**

We recorded a valuation allowance of \$ 94.6 million, \$ 93.6 million and \$ 97.6 million as of March 31, 2024, December 31, 2023, and April 2, 2023, respectively, due to uncertainties related to our ability to use some of our deferred tax assets, primarily consisting of certain state net operating loss and other tax carryforwards, before they expire. The valuation allowance is based on our estimates of taxable income by jurisdiction in which we operate and the period over which our deferred tax assets are recoverable. Our projected taxable income over the foreseeable future indicates we will be able to use all of our federal net operating loss carryforwards before they expire.

We classify interest and penalties attributable to income taxes as part of income tax expense. As of March 31, 2024, December 31, 2023, and April 2, 2023, the expense recognized for interest and penalties was not material.

**c. Goodwill**

As of March 31, 2024, the fair value of our single reporting unit exceeded our carrying amount. We have one reporting unit at the same level for which Holdings common stock is traded and we believe our market capitalization is the best indicator of our reporting unit's fair value. As of March 31, 2024, we did not identify any triggering events that would require a full quantitative analysis to be performed.

**d. Long-Lived Assets**

We review long-lived assets, including finite-lived intangible assets subject to amortization, for impairment upon the occurrence of events or changes in circumstances that would indicate that the carrying value of the asset or group of assets may not be recoverable,

"triggering event(s)". Recoverability of assets to be held and used is measured by comparing the carrying amount of the asset or group of assets to the projected future net cash flows expected to be generated by the asset or group of assets. If such assets are not determined to be fully recoverable, any impairment to be recognized is measured by the amount by which the carrying amount of the asset or group of assets exceeds its respective estimated fair value. Assets held-for-sale are reported at the lower of the carrying amount or fair value less costs to sell. As of March 31, 2024, we did not identify any triggering events that would require a quantitative analysis.

**e. Earnings Per Common Share**

We incurred a net loss for the three months ended March 31, 2024 and April 2, 2023. Therefore, diluted shares outstanding equaled basic shares outstanding for purposes of determining loss per common share because their inclusion would be antidilutive. The computation of diluted earnings per share excluded the effect of 1,135,000 and 1,607,000 antidilutive stock options and restricted stock units for the three months ended March 31, 2024, and April 2, 2023, respectively.

**f. Stock Benefit Plans**

Pursuant to the Six Flags Entertainment Corporation Long-Term Incentive Plan (the "Long-Term Incentive Plan"), we may grant stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, deferred stock units, performance stock units, performance and cash-settled awards and dividend equivalent rights ("DERs") to select employees, officers, directors and consultants.

Periodically, we grant performance stock units to key employees. These awards vest based on attainment of specific performance targets most often related to Adjusted EBITDA or revenue over a defined period. As of March 31, 2024, we have not determined that it is probable that we will achieve any of the performance targets associated with our outstanding performance units, and we have therefore not recognized any expense for these awards. Upon closing of the Mergers, all outstanding performance units will convert to Restricted Stock Units ("RSU") or reissued as performance units in the new company, in accordance with the Merger agreement.

During the three months ended March 31, 2024 and April 2, 2023, stock-based compensation expense consisted of the following:

	Three Months Ended	
	March 31, 2024	April 2, 2023
(Amounts in thousands)		
Long-term incentive plan	\$ 2,322	\$ 3,284
Employee stock purchase plan	25	30
Total stock-based compensation	\$ 2,347	\$ 3,314

**g. Accounts Receivable, Net**

Accounts receivable are reported at net realizable value and consist primarily of amounts due from guests for the sale of group outings and multi-use admission products that allow for payment plans, such as season passes, annual passes, memberships and our Six Flags Plus pass. We are not exposed to a significant concentration of credit risk; however, based on the age of receivables, our historical experience and other factors and assumptions we believe to be customary and reasonable, we record an allowance for doubtful accounts. As of March 31, 2024, December 31, 2023 and April 2, 2023, we have recorded an allowance for doubtful accounts of \$ 3.6 million, \$ 4.2 million, and \$ 2.7 million, respectively, which is primarily comprised of estimated payment defaults under our Six Flags Plus pass and other multi-use admission products that allow for payment plans. To the extent that payments for products for which an allowance for doubtful accounts is established have not been recognized in revenue, the allowance recorded is offset with a corresponding reduction in deferred revenue.

**h. Recent Accounting Pronouncements Not Yet Adopted**

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting, to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes, requiring more granular disclosure of the components of income taxes. This ASU is effective for fiscal years beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. We are currently evaluating the impact of this standard on our consolidated financial statements and related disclosures.

## 2. Revenue

Revenues are recognized when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Sales and other taxes we collect concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contract are recognized as expense.

The following tables present our revenues disaggregated by contract duration for the three month periods ended March 31, 2024 and April 2, 2023, respectively. Long-term and short-term contracts consist of our contracts with customers with terms greater than one year and less than or equal to one year, respectively.

	Three Months Ended March 31, 2024			
	Park Admissions	Park Food, Merchandise and Other	Sponsorship, International Agreements and Accommodations	Total
(Amounts in thousands)				
Long-term contracts	\$ 13,875	\$ 1,056	\$ 1,959	\$ 16,890
Short-term contracts and other <sup>(1)</sup>	56,926	53,341	6,134	116,401
Total revenues	\$ 70,801	\$ 54,397	\$ 8,093	\$ 133,291

  

	Three Months Ended April 2, 2023			
	Park Admissions	Park Food, Merchandise and Other	Sponsorship, International Agreements and Accommodations	Total
(Amounts in thousands)				
Long-term contracts	\$ 4,861	\$ 540	\$ 6,763	\$ 12,164
Short-term contracts and other <sup>(1)</sup>	71,442	52,246	6,338	130,026
Total revenues	\$ 76,303	\$ 52,786	\$ 13,101	\$ 142,190

<sup>(1)</sup> Other revenues primarily include sales of single-use tickets and short-term transactional sales for which we have the right to invoice.

### Long-term Contracts

As of December 31, 2023, \$ 89.2 million of unearned revenue associated with outstanding long-term contracts was reported in "Deferred revenue," of which \$ 4.5 million was recognized as revenue for long-term contracts during the three months ended March 31, 2024. As of March 31, 2024, the total unearned amount of revenue for remaining long-term contract performance obligations was \$ 86.7 million. As of January 1, 2023, \$ 33.5 million of unearned revenue associated with outstanding long-term contracts was reported in "Deferred revenue," of which \$ 12.2 million was recognized as revenue for long-term contracts during the three months ended April 2, 2023. As of April 2, 2023, the total unearned amount of revenue for remaining long-term contract performance obligations was \$ 42.8 million.

As of March 31, 2024, we expect to recognize estimated revenue for partially or wholly unsatisfied performance obligations on long-term contracts of approximately \$ 78.1 million in the remainder of 2024, \$ 5.5 million in 2025, \$ 4.4 million in 2026, \$ 4.2 million in 2027, and \$ 5.0 million in 2028 and thereafter.

## 3. Long-Term Indebtedness

### Credit Facility

As of March 31, 2024, our credit facility consisted of a \$ 500.0 million revolving credit facility (the "Revolving Credit Facility") and a \$ 479.0 million Tranche B Term Loan facility (the "Term Loan B") pursuant to the amended and restated secured credit facility that we entered into in May 2020 and last amended in May 2023 (the "Credit Facility").



On May 3, 2023, we amended our existing senior secured credit facility to, among other things, (i) establish a \$ 500.0 million replacement revolving credit facility maturing in May 2028, subject to springing maturity conditions, (ii) maintain the same interest rate margins on borrowings under the replacement revolving credit facility as were previously in effect, while reducing the fee on unused revolving commitments to 0.5 %, stepping down to 0.375 % upon achieving a senior secured leverage ratio of less than 1.25 :1.00, (iii) replace LIBOR as the interest rate benchmark for borrowings under the senior secured credit facility with Term SOFR, plus a 0.10 % Term SOFR Adjustment, (iv) modify the maximum senior secured leverage ratio that the Company must maintain to 4.50 :1.00 for the four fiscal-quarter periods ending on or about December 31, 2022, March 31, 2023, and June 30, 2023, 4.25 :1.00 for the four fiscal-quarter period ending on or about September 30, 2023, and each four fiscal-quarter period thereafter through the four fiscal-quarter period ending on or about June 30, 2024, and 3.75 :1.00 for the four fiscal-quarter period ending on or about September 30, 2024, and each four fiscal-quarter period thereafter, and (v) make certain other changes to the covenants and other terms of the senior secured credit facility.

As of March 31, 2024, our available borrowing capacity under our Revolving Credit Facility was \$ 249.0 million after reducing the facility by \$ 230.0 million borrowings outstanding and \$ 21.0 million of outstanding letters of credit. As of December 31, 2023 and April 2, 2023, \$ 180.0 million and \$ 170.0 million, respectively, under the Revolving Credit Facility were outstanding (excluding amounts reserved for letters of credit in the amount of \$ 21.0 million). Interest on the Revolving Credit Facility accrues at an annual rate of SOFR, plus a Term SOFR Adjustment of 0.10 %, plus an applicable margin with an unused commitment fee based on our senior secured leverage ratio. As of March 31, 2024, the Revolving Credit Facility had an interest rate of 8.68 %. As of March 31, 2024, the Revolving Credit Facility unused commitment fee was 0.500 %. The Revolving Credit Facility matures in May 2028.

As of March 31, 2024, December 31, 2023 and April 2, 2023, \$ 479.0 million was outstanding under the Term Loan B. Interest on the Term Loan B accrues at an annual rate of SOFR, plus a Term SOFR Adjustment of 0.10 %, plus 1.75 %. The Term Loan B consists of only floating rate debt. As of March 31, 2024, the applicable interest rate on the Term Loan B was 7.18 %. The Term Loan B matures on April 17, 2026.

As of March 31, 2024, we are in compliance with all relevant covenants. Additionally, as of March 31, 2024, the entire remaining borrowing capacity of our Revolving Credit Facility would be available to us without breaching our maximum net leverage maintenance or other relevant covenant.

#### **2024 Notes, 2025 Notes, 2027 Notes and 2031 Notes**

##### *2024 Notes and 2024 Notes Add-ons*

In June 2016, Holdings issued \$ 300.0 million of 4.875 % senior unsecured notes due 2024 and, in April 2017, issued an additional \$ 700.0 million of senior unsecured notes due 2024 (together, the "2024 Notes"). During March of 2020, we prepaid \$ 50.5 million of the outstanding 2024 Notes principal, reducing the outstanding amount to \$ 949.5 million. On April 26, 2023, we commenced a cash tender offer (the "Tender Offer") for any and all outstanding 2024 Notes. The consideration offered for each \$1,000 principal amount of the 2024 Notes was \$ 1,000.50 (the "Purchase Price"), plus accrued and unpaid interest. On May 3, 2023, we repaid \$ 892.6 million, or 94.0 % of the aggregate principal amount of the 2024 Notes that were tendered to us. The remainder of the 2024 Notes is due in July 2024.

##### *2027 Notes*

In April 2017, Holdings issued \$ 500.0 million of 5.50 % senior notes due 2027 (the "2027 Notes").

##### *2025 Notes*

In April 2020, our subsidiary Six Flags Theme Parks ("SFTP") issued \$ 725.0 million of 7.00 % senior secured notes due 2025 (the "2025 Notes").

On July 1, 2022, Holdings prepaid \$ 360.0 million of the 2025 Notes at a premium of 103.5 %. The transaction reduced the outstanding amount of the 2025 Notes to \$ 365.0 million.

##### *2031 Notes*

On May 3, 2023, the Company issued \$ 800.0 million in aggregate principal amount of 7.25 % senior unsecured notes due 2031 ( the "2031 Notes") at an offering price of 99.248 % of the principal amount thereof. Net of the original issuance discount and debt issuance costs, the Company received net proceeds of \$ 784.0 million.

Net cash proceeds from the 2031 Notes, together with other available cash, including borrowings under our Revolving Credit Facility, were used to pay the Purchase Price, plus accrued and unpaid interest, with respect to the 2024 Notes.

As of March 31, 2024, \$ 56.9 million of the 2024 Notes, \$ 365.0 million of the 2025 Notes, \$ 500.0 million of the 2027 Notes and \$ 800.0 million of the 2031 Notes, were issued and outstanding. Interest payments of \$ 1.4 million for the 2024 Notes are due semi-annually on January 31 and July 31 of each year. Following the repayment of \$ 360 million of the 2025 Notes, interest payments of \$ 12.7 million for the 2025 Notes are due semi-annually on January 1 and July 1 each year. Interest payments of \$ 13.8 million for the 2027 Notes are due semi-annually on April 15 and October 15 of each year. For the 2031 Notes, an interest payment of \$ 29.0 million is due semi-annually on May 15 and November 15 of each year.

### Long-Term Indebtedness Summary

As of March 31, 2024, December 31, 2023 and April 2, 2023, the principal balance of our long-term debt consisted of the following:

(Amounts in thousands)	As of		
	March 31, 2024	December 31, 2023	April 2, 2023
Term Loan B	\$ 479,000	\$ 479,000	\$ 479,000
Revolving Credit Facility	230,000	180,000	170,000
2024 Notes	56,867	56,867	949,490
2025 Notes	365,000	365,000	365,000
2027 Notes	500,000	500,000	500,000
2031 Notes	800,000	800,000	—
Net discount	( 5,956 )	( 6,167 )	( 1,859 )
Deferred financing costs	( 8,402 )	( 9,221 )	( 9,790 )
Total debt	\$ 2,416,509	\$ 2,365,479	\$ 2,451,841
Less current portion of long-term debt	( 56,867 )	( 56,867 )	—
Less short-term borrowings	( 230,000 )	( 180,000 )	( 170,000 )
Total long-term debt	\$ 2,129,642	\$ 2,128,612	\$ 2,281,841

### Fair-Value of Long-Term Indebtedness

As of March 31, 2024, December 31, 2023 and April 2, 2023, the fair value of our long-term debt was \$ 2,430.4 million, \$ 2,374.7 million and \$ 2,423.8 million, respectively.

### Merger Commitment Letter

Six Flags, Cedar Fair and CopperSteel have entered into a Second Amended and Restated Commitment Letter dated as of May 1, 2024 (the “Debt Commitment Letter”), with Goldman Sachs Bank USA (“Goldman Sachs”) and certain other additional arrangers party thereto (together with Goldman Sachs, collectively, the “Arrangers”), pursuant to which the Arrangers have committed to provide a senior secured revolving credit facility consisting of revolving credit commitments in an aggregate amount not to exceed \$ 850 million (the “Committed Debt Financing”). The Debt Commitment Letter amends and restates that certain commitment letter, dated December 5, 2023, by and among Six Flags, Cedar Fair, CopperSteel, Goldman Sachs and the other additional arrangers party thereto. The obligation of the Arrangers to provide the Debt Financing under the Debt Commitment Letter is subject to a number of additional conditions, including the receipt of executed loan documentation, accuracy of certain representations and warranties, the consummation of the transactions contemplated by the Merger Agreement, the repayment in full of the existing Cedar Fair revolving credit facility and the repayment in full of the Six Flags credit facilities and the termination thereof.

### Recent Events

On May 2, 2024, we consummated the private sale of \$ 850.0 million in aggregate principal amount of 6.625 % senior secured notes due 2032 at an offering price of 100 % of the principal amount thereof. We received net proceeds of \$ 843.6 million, a portion of which were used to fully repay the principal amounts outstanding under the existing Term Loan B and Revolving Credit Facility of \$ 479.0 million and \$ 235.0 million, respectively. Additionally, on May 2, 2024, we delivered to the trustee of the 2025 Notes a notice of redemption to repay \$ 165.0 million of aggregate principal at par value on July 1, 2024.

#### 4. Accumulated Other Comprehensive Loss

Changes in the composition of Accumulated Other Comprehensive Loss ("AOCL") during the three months ended March 31, 2024, were as follows:

(Amounts in thousands)	Cumulative Translation Adjustment	Cash Flow Hedges	Defined Benefit Plans	Income Taxes	Accumulated Other Comprehensive Loss
Balances at December 31, 2023	\$ ( 30,009 )	\$ 2,160	\$ ( 37,334 )	\$ ( 4,493 )	\$ ( 69,676 )
Net current period change	563	—	—	( 141 )	422
Amounts reclassified from AOCI	—	( 806 )	217	146	( 443 )
Balances at March 31, 2024	\$ ( 29,446 )	\$ 1,354	\$ ( 37,117 )	\$ ( 4,488 )	\$ ( 69,697 )

Reclassifications out of AOCL during the three months ended March 31, 2024 and April 2, 2023:

Component of AOCL	Location of Reclassification into Earnings	Reclassification of (Gain) Loss from AOCL into Earnings	
		Three Months Ended	
		March 31, 2024	April 2, 2023
Amortization of gain on interest rate hedge	Interest expense, net	\$ ( 806 )	\$ ( 787 )
	Income tax expense	200	196
	Net of tax	\$ ( 606 )	\$ ( 591 )
Amortization of deferred actuarial loss and prior service cost	Operating expenses	\$ 217	\$ 234
	Income tax benefit	( 54 )	( 58 )
	Net of tax	\$ 163	\$ 176
Total reclassifications		\$ ( 443 )	\$ ( 415 )

#### 5. Derivative Financial Instruments

We hold interest rate swap agreements that mitigate the risk of an increase in the effective interest rate on the Term Loan B. We enter into derivative contracts for risk management purposes only and do not utilize derivative instruments for trading or speculative purposes. As such, in conjunction with the repayment of a portion of the Term Loan B in April 2020, certain of our interest rate swap agreements were de-designated because the hedged interest was no longer probable to occur.

Derivative assets and derivative liabilities that have maturity dates equal to or less than twelve months from the balance sheet date are included in "Prepaid expenses and other current assets" and "Other accrued liabilities," respectively. Derivative assets and derivative liabilities that have maturity dates greater than twelve months from the balance sheet date are included in "Other assets, net" and "Other long-term liabilities," respectively.

On March 24, 2022, we terminated the August 2019 Swap Agreements for net cash proceeds of \$ 7.4 million. The swap agreements were used as economic hedges against rising interest rates and had been designated as cash flow hedges prior to termination. We recorded the settlement in accumulated other comprehensive income in the amount of \$ 7.7 million which will be amortized through September 2024, the maturity date of the Term Loan B.

Derivative assets recorded at fair value in an asset position as well as their classification on our unaudited condensed consolidated balance sheets as of March 31, 2024, December 31, 2023 and April 2, 2023:

(Amounts in thousands)	Derivative Assets		
	March 31, 2024	December 31, 2023	April 2, 2023
<b>Derivatives Not Designated as Hedging Instruments</b>			
Interest rate swap agreements — prepaid expenses and other current assets	\$ 3,393	\$ 3,156	\$ 4,610
Interest rate swap agreements — other assets, net	2,441	2,262	3,225
	<u>\$ 5,834</u>	<u>\$ 5,418</u>	<u>\$ 7,835</u>

Derivative liabilities recorded at fair value in our unaudited condensed consolidated balance sheets as of March 31, 2024, December 31, 2023 and April 2, 2023:

(Amounts in thousands)	Derivative Liabilities		
	March 31, 2024	December 31, 2023	April 2, 2023
<b>Derivatives Not Designated as Hedging Instruments</b>			
Interest rate swap agreements — other accrued liabilities	\$ 4,305	\$ 4,047	\$ 6,253
Interest rate swap agreements — other long-term liabilities	3,285	3,302	4,859
	<u>\$ 7,590</u>	<u>\$ 7,349</u>	<u>\$ 11,112</u>

Gains and losses on derivatives not designated as hedging instruments are recognized in "Interest expense, net" in our condensed consolidated statements of operations, and were not material for the three months ended March 31, 2024 and April 2, 2023.

Gains and losses before taxes on derivatives designated as hedging instruments that were recognized in "Interest expense, net" in the condensed consolidated statements of operations for the three months ended March 31, 2024, and April 2, 2023, were as follows:

### Three Months Ended March 31, 2024 and April 2, 2023

(Amounts in thousands)	Gain (Loss) Reclassified from AOCL into Interest Expense, Net	
	2024	2023
Interest rate swap agreements	\$ 806	\$ 787
Total	<u>\$ 806</u>	<u>\$ 787</u>

As of March 31, 2024, we expect to reclassify net gains of \$ 1.4 million, currently recorded in AOCL, into "Interest expense, net" within the next twelve months.

## 6. Commitments and Contingencies

### Partnership Parks

We have guaranteed the obligations of the general partners of those partnerships to (i) make minimum annual distributions (including rent) of approximately \$ 88.5 million in 2024 (subject to cost of living adjustments) to the limited partners in the Partnership Parks (based on our ownership of units as of March 31, 2024, our share of the distribution will be approximately \$ 39.4 million) and (ii) make minimum capital expenditures at each of the Partnership Parks during rolling five-year periods, based generally on 6.0 % of the Partnership Parks' revenues. Pursuant to the 2024 annual offer to purchase limited partnership units tendered by the unit holders (the "Partnership Park Put") in May 2024, we purchased 0.005 limited partnership units from the Texas partnership for a nominal amount and 0.269 limited partnership units of the Georgia partnership for \$ 1.1 million. As we purchase additional units, we are entitled to a proportionate increase in our share of the minimum annual distributions.

The agreed price for units tendered in the Partnership Park Put is based on a valuation of each of the respective Partnership Parks (the "Specified Price") that is the greater of (a) a valuation for each of the respective Partnership Parks derived by multiplying such park's weighted average four-year EBITDA (as defined in the agreements that govern the partnerships) by a specified multiple ( 8.0 in the case of SFOG and 8.5 in the case of SFOT) and (b) a valuation derived from the highest prices previously offered for the units of the

Partnership Parks by certain entities. In light of the temporary suspension of operations of the parks due to the COVID-19 pandemic in March 2020, which would have caused the value of the Partnership Park units to decrease in 2021 and thereafter, we adjusted our annual offer to purchase these units to set a minimum price floor for all future purchases. Pursuant to the new minimum price floor, the Specified Price for the Partnership Parks, if determined as of March 31, 2024, is \$ 409.7 million in the case of SFOG and \$ 527.4 million in the case of SFOT. As of March 31, 2024, we owned approximately 31.5 % and 54.1 % of the Georgia limited partner interests and Texas limited partner interests, respectively. Our obligations with respect to SFOG and SFOT will continue until 2027 and 2028, respectively.

In January 2027 with respect to the Georgia Partnership and in January 2028 with respect to the Texas Partnership, we will have the option (each the "End-of-Term Option") to require the redemption of all the limited partnership units we do not then own in the Partnerships. To exercise the End-of-Term Option, we must give the Georgia Partnership notice of its exercise no later than December 31, 2024, and we must give the Texas Partnership notice of its exercise no later than December 31, 2025. If the End-of-Term Option is not exercised, the parties may decide to renew and extend the arrangements relating to the Partnership Parks. Alternatively, if the End-of-Term Option is not exercised, the Partnership Park entities may be sold and the proceeds applied to redeem the outstanding interests in the Georgia Partnership and Texas Partnership, as applicable. If the End-of-Term Option is exercised, the price offered, and required to be accepted by the holders' of the limited units we do not then own would, is based on the agreed-upon value of the partnerships included in the original agreements, multiplied by the change in the Consumer Price Index ("CPI") between the beginning and end of the agreement. The agreements for Georgia Partnership and Texas Partnership began in 1997 and 1998, respectively. The agreed-upon value for the partnerships when the agreements were executed was \$ 250.0 million and \$ 374.8 million for SFOG and SFOT, respectively. As of December 31, 2023, the agreed-upon value, as adjusted for CPI, would be \$ 483.5 million and \$ 712.7 million for SFOG and SFOT, respectively. The agreed-upon values, if determined as of December 31, 2023, multiplied by the 68.5 % and 45.9 % of units held by the limited partner for SFOG and SFOT, respectively, represent \$ 330.9 million and \$ 332.6 million that would be required to be paid to the limited partner of SFOG and SFOT, respectively, if the End-of-Term Option were to be exercised. The actual agreed-upon value for the End-of-Term Option will be further adjusted by CPI until the end of each respective agreement. The decision to exercise, or not exercise, the End-of-Term Option for either of SFOT or SFOG will ultimately be made based on numerous factors, including prevailing macro-economic and industry conditions and the cost and availability of financing to fund the purchase.

We incurred \$ 26.0 million of capital expenditures at the Partnership Parks during the 2023 season and expect to incur approximately \$ 25.0 million to \$ 30.0 million of capital expenditures at these parks during 2024, an amount in excess of the minimum required expenditure. Cash flows from operations at the Partnership Parks will be used to satisfy the annual distribution and capital expenditure requirements, before any funds are required from us. The Partnership Parks generated approximately \$ 16.0 million of cash in 2023, after deduction of capital expenditures and excluding the impact of short-term intercompany advances from or payments to Holdings.

Redeemable noncontrolling interests represent the non-affiliated parties' share of the assets of the Partnership Parks that are less than wholly-owned: SFOT, SFOG and Six Flags White Water Atlanta, which is owned by the partnership that owns SFOG. As of March 31, 2024, redeemable noncontrolling interests of the SFOG and SFOT partnerships was \$ 280.2 million and \$ 240.8 million, respectively, which approximates redemption value.

### **Insurance**

We maintain insurance of the types and in amounts that we believe are commercially reasonable and that are available to businesses in our industry.

The majority of our current insurance policies expire on December 31, 2024. We generally renegotiate our insurance policies on an annual basis. We cannot predict the level of the premiums that we may be required to pay for subsequent insurance coverage, the level of any self-insurance retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks.

### **Self-Insurance Reserves**

Self-insurance reserves are recorded for the estimated amounts of guest and employee claims and expenses incurred each period that are not covered by insurance. Reserves are established for both identified claims and incurred but not reported ("IBNR") claims. Such amounts are accrued for when claim amounts become probable and estimable. Reserves for identified claims are based upon the Company's historical claims experience and third-party estimates of settlement costs. Reserves for IBNR claims are based upon our claims data history, actuarially determined loss development factors and certain other qualitative considerations. We maintain self-insurance reserves for healthcare, auto, general liability, and workers' compensation claims.

## **Legal Proceedings**

While certain legal proceedings and related indemnification obligations to which we are a party specify the amounts claimed, these claims may not represent reasonably possible losses. Except as noted below, given the inherent uncertainties of litigation, the ultimate outcome of these matters cannot be predicted at this time, nor can the amount of possible loss or range of loss, if any, be reasonably estimated, except in circumstances where an aggregate litigation accrual has been recorded for probable and reasonably estimable loss contingencies. A determination of the amount of accrual required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new information or developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

### **Legal Proceedings Related to Proposed Mergers**

On February 16, 2024, a purported stockholder of the Company filed a complaint captioned Garfield vs. Baldanza, et al., No. 342-350320-24, against the Company, its Board of Directors (the "Board"), Cedar Fair, and CopperSteel (collectively, the "Defendants") in the District Court of Tarrant County, Texas (the "Garfield Complaint").

The Garfield Complaint alleged, among other things, that the Company made materially false and misleading statements in connection with the proposed Mergers in the definitive proxy statement/final prospectus (the "Proxy Statement/Prospectus") filed with respect to the Mergers, and that the Board breached their fiduciary duties to stockholders in approving the merger and in disseminating the challenged disclosures. The Garfield Complaint sought, among other relief, to enjoin or unwind the proposed transaction unless and until the Defendants made certain supplemental disclosures.

The Company received additional letters and draft complaints similarly demanding supplemental disclosures (the "Disclosure Demands").

On March 4, 2024, the Defendants and the plaintiff in the Garfield Complaint entered into a memorandum of understanding whereby the plaintiff agreed to voluntarily dismiss with prejudice all claims against the Defendants once the Company filed supplemental disclosures, among other things.

Although the Company believes that the disclosures set forth in the Proxy/Prospectus complied with applicable laws, in order to moot the various disclosure claims in the Garfield Complaint and the Disclosure Demands, and to avoid nuisance and possible expense and business delays, the Company determined voluntarily to file certain supplemental disclosures set forth in a Form 8-K filed on March 4, 2023 (the "Supplemental Disclosures").

Following the Supplemental Disclosures, on March 8, 2024, the plaintiff in the Garfield Complaint filed a Notice of Nonsuit with Prejudice, dismissing his claims.

### **Putative Securities Class Action Lawsuit**

In February 2020, two putative securities class action complaints were filed against Holdings and certain of its former executive officers (collectively, the "defendants") in the U.S. District Court for the Northern District of Texas. On March 2, 2020, the two cases were consolidated in an action captioned *Electrical Workers Pension Fund Local 103 I.B.E.W. v. Six Flags Entertainment Corp., et al.*, Case No. 4:20-cv-00201-P (N.D. Tex.) (the "Electrical Workers litigation"), and an amended complaint was filed on March 20, 2020. On May 8, 2020, Oklahoma Firefighters Pension and Retirement System ("Oklahoma Firefighters") and Electrical Workers Pension Fund Local 103 I.B.E.W. were appointed as lead plaintiffs, Bernstein Litowitz Berger & Grossman LLP was appointed as lead counsel, and McKool Smith PC was appointed as liaison counsel. On July 2, 2020, lead plaintiffs filed a consolidated complaint. The consolidated complaint alleges, among other things, that the defendants made materially false or misleading statements or omissions regarding the Company's business, operations and growth prospects, specifically with respect to the development of its Six Flags branded parks in China and the financial health of its former partner, Riverside Investment Group Co. Ltd., in violation of the federal securities laws. The consolidated complaint seeks an unspecified amount of compensatory damages and other relief on behalf of a putative class of purchasers of Holdings' publicly traded common stock during the period between April 24, 2018 and February 19, 2020. On August 3, 2020, defendants filed a motion to dismiss the consolidated complaint. On March 3, 2021, the district court granted defendants' motion, dismissing the complaint in its entirety and with prejudice.

On August 25, 2021, Co-Lead Plaintiff Oklahoma Firefighters filed a notice of appeal to the U.S. Court of Appeals for the Fifth Circuit ("the Fifth Circuit") from the district court's decisions granting defendants' motion to dismiss, denying plaintiffs' motion to amend or set aside judgment, and denying plaintiffs' motion for leave to file a supplemental brief. The appeal was fully briefed as of December 15, 2021, and oral argument was held on March 7, 2022. On January 18, 2023, the Fifth Circuit reversed the dismissal and remanded

the case to the district court for further proceedings. On February 9, 2023, the Fifth Circuit mandate issued to the district court. On March 7, 2023, the district court entered a scheduling order governing pre-trial proceedings. On April 18, 2023, Oklahoma Firefighters filed a motion for leave to file an amended complaint that would add a new named plaintiff, remove former Co-Lead Plaintiff Electrical Workers Pension Fund Local 103 I.B.E.W., and modify the case caption. On May 2, 2023, defendants filed an opposition to that motion and a motion for judgment on the pleadings. On June 2, 2023, the district court granted defendants' motion for judgment on the pleadings, dismissing the case with prejudice, and denied Oklahoma Firefighters' motions. On June 30, 2023, plaintiffs filed a notice of appeal to the Fifth Circuit from the district court's decisions. The appeal was fully briefed as of December 4, 2023, and oral argument was held on March 4, 2024. On April 18, 2024, the Fifth Circuit reversed the dismissal and remanded the case to the district court. We believe this lawsuit is without merit; however, there can be no assurance regarding the ultimate outcome. Regardless of the merit of plaintiffs' claims, litigation may be expensive, time-consuming, disruptive to the Company's operations and distracting to management. The outcome of this litigation is inherently uncertain, and we cannot reasonably estimate any loss or range of loss that may arise from this matter.

### **Stockholder Derivative Lawsuits**

On March 20, 2020, a putative stockholder derivative lawsuit was filed on behalf of nominal defendant Holdings in the U.S. District Court for the Northern District of Texas against certain of its then-current and former executive officers and directors (the "individual defendants") in an action captioned *Schwartz v. Reid-Anderson, et al.*, Case No. 4:20-cv-00262-P (N.D. Tex.). In April 2020, two additional stockholder derivative lawsuits, making substantially identical allegations as the Schwartz complaint, were filed by Trustees of the St. Clair County Employees' Retirement System and Mr. Mehmet Ali Albayrak in the U.S. District Court for the Northern District of Texas in actions captioned *Martin, et al. v. Reid-Anderson, et al.*, Case No. 4:20-cv-00311-P (N.D. Tex.) and *Albayrak v. Reid-Anderson, et al.*, Case No. 4:20-cv-00312-P (N.D. Tex.), respectively. On April 8, 2020, plaintiffs in all three of these putative derivative actions moved to consolidate the actions and appoint lead counsel. On May 8, 2020, the district court granted the plaintiffs' motion to consolidate. The consolidated action is captioned *In re Six Flags Entertainment Corp. Derivative Litigation*, Case No. 4:20-cv-00262-P (N.D. Tex.). On August 10, 2020, plaintiffs filed a consolidated derivative complaint. The consolidated derivative complaint alleges breach of fiduciary duty, insider selling, waste of corporate assets, unjust enrichment, and contribution for violations of federal securities laws. The consolidated derivative complaint references, and makes many of the same allegations as are set forth in, the Electrical Workers litigation, alleging, among other things, that the individual defendants breached their fiduciary duties, committed waste, are liable for contribution for, or were unjustly enriched by making, failing to correct, or failing to implement adequate internal controls relating to alleged materially false or misleading statements or omissions regarding the Company's business, operations and growth prospects, specifically with respect to the prospects of the development of Six Flags branded parks in China and the financial health of its former partner, Riverside Investment Group Co. Ltd. The consolidated derivative complaint also alleges that a former officer and director sold shares of the Company while allegedly in possession of material non-public information concerning the same. On September 9, 2020, Holdings and the individual defendants filed a motion to dismiss the consolidated complaint. On April 28, 2021, the district court granted defendants' motion, dismissing the consolidated complaint in its entirety and with prejudice and denying leave to amend. Plaintiffs' time to appeal the judgment dismissing this action in its entirety and with prejudice and denying leave to amend lapsed in May 2021.

On May 5, 2020, a putative stockholder derivative lawsuit was filed on behalf of nominal defendant Holdings, by Richard Francisco in Texas state court against certain of its then-current and former executive officers and directors (the "individual defendants") in an action captioned *Francisco v. Reid-Anderson, et al.*, Case No. DC-20-06425 (160th Dist. Ct., Dallas Cty., Tex.) (the "Francisco action"). The petition in the Francisco action alleges breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets. The petition in the Francisco action references, and makes many of the same allegations, as are set forth in the Electrical Workers litigation, alleging, among other things, that the individual defendants breached their fiduciary duties, were unjustly enriched by, abused their control, committed gross mismanagement, and committed waste by making, failing to correct, or failing to implement adequate internal controls relating to alleged materially false or misleading statements or omissions regarding the Company's business, operations and growth prospects, specifically with respect to the prospects of the development of Six Flags branded parks in China and the financial health of its former partner, Riverside Investment Group Co. Ltd. The petition also alleges that a former officer and director engaged in insider trading. On May 28, 2020, the parties in the Francisco action filed a joint motion to stay proceedings through the resolution of the forthcoming motion to dismiss the Electrical Workers litigation. On June 3, 2020, the district court granted the joint motion to stay proceedings. On June 12, 2020, an additional stockholder derivative lawsuit, making substantially identical allegations as the Francisco petition, was filed on behalf of nominal defendant Holdings in Texas state court by putative stockholder Cliff Bragdon in an action captioned *Bragdon v. Reid-Anderson, et al.*, Case No. DC-20-08180 (298th Dist. Ct., Dallas Cty., Tex.) (the "Bragdon action"). On July 10, 2020, the district court granted an agreed motion filed by the parties in the Francisco and Bragdon actions to consolidate cases, to accept service and an unopposed motion to appoint co-lead and liaison counsel, and to stay both the Francisco and Bragdon actions through final resolution of the motion to dismiss the Electrical Workers litigation. The consolidated state derivative action was captioned *In re Six Flags Entertainment Corp. Derivative Litigation*, Case No. DC-20-06425 (160th Dist. Ct., Dallas Cty., Tex.). On September 8, 2020, the parties to the consolidated state derivative action filed an agreed motion to transfer the case from Dallas County to Tarrant County, which motion was so ordered on September 27, 2020. The consolidated action is now captioned *In re*



Six Flags Ent. Corp. Derivative Litigation, No. 096-320958-20 (96th Dist. Ct., Tarrant Cty., Tex.). On February 9, 2023, the stay was lifted in the consolidated action when the Fifth Circuit issued the mandate in the Electrical Workers litigation. On April 27, 2023 and May 30, 2023, the parties informed the court that they were conferring, that they would provide a further update within 30 days, and that, in the meantime, the defendants had no obligation to respond to the Francisco or Bragdon complaints or the consolidated action. On June 29, 2023, plaintiffs filed a notice of non-suit without prejudice.

On February 16, 2023, a putative stockholder derivative lawsuit was filed on behalf of nominal defendant Holdings by John Hancock in Texas state court against certain of its former executive officers and directors (the "individual defendants") in an action captioned Hancock v. Roedel, et al., Case No. 348-340304-23 (348th Dist. Ct., Tarrant Cty., Tex.). Plaintiff refers to and makes many of the same allegations as are set forth in the Electrical Workers litigation, claiming that, among other things, the individual defendants caused Six Flags to make false and misleading statements and omissions about the status of construction of Six Flags branded parks in China and the financial health of its former partner, Riverside Investment Group Co. Ltd. Plaintiff asserts breach of fiduciary duty and unjust enrichment claims. Plaintiff seeks an unspecified amount of monetary damages and equitable relief including, but not limited to, disgorgement. On May 5, 2023, the individual defendants and the Company agreed to accept service of the petition, and plaintiff agreed that the individual defendants and the Company had no obligation to respond to the petition and that defendant's answer dates are tolled until plaintiff files an amended petition. Plaintiff stated Plaintiff would file an amended petition by June 30, 2023. On August 25, 2023, Plaintiff filed an amended petition. On September 7, 2023, the individual defendants and the Company filed a motion to stay pending resolution of a duplicative federal derivative action, captioned Dela Cruz v. Reid-Anderson, et al, Case No. 3:23-CV-0396-D (N.D. Tex), and described below. On September 15, 2023, the court granted the motion to stay and ordered the action stayed until 30 days after a ruling by the federal court on the motions to dismiss pending in Dela Cruz v. Reid-Anderson. On March 6, 2024, the parties jointly stipulated to stay the action pending resolution of the appeal in Dela Cruz v. Reid-Anderson. Also on March 6, 2024, the court approved the stipulation and ordered the action stayed until 30 days after the Fifth Circuit's resolution of the appeal in Dela Cruz v. Reid-Anderson.

On February 22, 2023, a putative stockholder derivative lawsuit was filed on behalf of nominal defendant Holdings by Antonio Dela Cruz in in the U.S. District Court for the Northern District of Texas against certain of its current and former executive officers and directors (the "individual defendants") in an action captioned Cruz v. Reid-Anderson, et al., Case No. 3:23-CV-0396-D (N.D. Tex.). Plaintiff refers to and makes many of the same allegations as are set forth in the Electrical Workers litigation, claiming that, among other things, the individual defendants caused Six Flags to make false and misleading statements and omissions about the status of construction of Six Flags branded parks in China and the financial health of its former partner, Riverside Investment Group Co. Ltd. Plaintiff asserts contribution, breach of fiduciary duty, and unjust enrichment claims. Plaintiff seeks an unspecified amount of monetary damages and equitable relief including, but not limited to, disgorgement. On September 12, 2023, Six Flags and the individual defendants filed motions to dismiss the amended complaint. On January 12, 2024, the district court granted defendants' motions, dismissing the complaint in its entirety and with prejudice. On February 7, 2024, Plaintiffs filed a Notice of Appeal of the district court's decision. On February 27, 2024, the Fifth Circuit informed the parties that, among other things, the appeal has been docketed, the appellate record is complete, and the Appellant's brief is due within 40 days. On April 8, 2024, plaintiff filed the Appellant's brief. Defendants will file briefs in opposition.

#### ***Wage and Hour Class Action Lawsuits***

Holdings and/or certain of its consolidated subsidiaries are named defendants in various lawsuits generally alleging violations of federal and/or state laws regulating wage and hour pay. Plaintiffs in these lawsuits seek monetary damages, including unpaid wages, statutory penalties, and/or attorneys' fees and costs. Regardless of the merits of particular suits, litigation may be expensive, time-consuming, disruptive to the Company's operations and distract management from the operation of our business. In recognition of these impacts on the business, the Company may enter into settlement agreements or other arrangements to settle litigation and resolve such disputes. No assurance can be given that such agreements can be obtained on acceptable terms or at all, or that litigation will not occur. These agreements may also significantly increase the Company's operating expenses. The outcomes of these lawsuits are inherently uncertain, and we cannot reasonably estimate any loss or range of loss that may arise from these matters in excess of the amounts that we have recognized for these lawsuits, which amounts are not material to our consolidated financial statements.

#### ***Personal Injury Lawsuit***

On November 18, 2021, the Texas Judicial Panel on Multidistrict Litigation consolidated numerous lawsuits filed against Six Flags Splashtown, LLC d/b/a Six Flags Hurricane Harbor Splashtown asserting claims arising from an alleged chemical vapor release on July 17, 2021 at Six Flags Splashtown. Certain plaintiffs have also named unaffiliated third parties as additional defendants. The consolidated multidistrict litigation is captioned *In re Six Flags Splashtown Litigation* (Master File No. 2021-77214), and is pending in the 295th Judicial District Court in Harris County, Texas. Plaintiffs are seeking compensatory and punitive damages. On April 14, 2023, Six Flags Splashtown settled with 421 plaintiffs, including all bellwether plaintiffs set for trial on April 17, 2023, for an immaterial amount. On September 22, 2023, Six Flag Splashtown settled with 55 additional plaintiffs, including the Bellwether plaintiffs set for trial on January 15, 2024, for an immaterial amount. On March 8, 2024, Six Flags Splashtown settled with six ( 6 ) plaintiffs who were set for trial on April



15, 2024, for an immaterial amount. Since mid-March 2024, Six Flags Splashtown has settled with all remaining plaintiffs arising from the alleged chemical release ( 13 plaintiffs represented by different law firms) who were set for trial later in 2024. All settlements were for an immaterial amount. All pro se plaintiffs have been dismissed. The parties are working to document these settlements and the Court has appointed a special master to determine the amounts each settling plaintiff in the 421 -plaintiff group will receive. Although the parties are working diligently towards finalizing settlement documents and dismissal of these cases, no assurance can be given that all plaintiffs in the 421 -plaintiff group will accept their allocated settlement amount and will enter into the finalized settlement with Six Flags Splashtown. The parties are also working towards finalizing the settlement agreement and releases from the other plaintiffs. As each plaintiff finalizes the settlement agreement and release, the parties will enter into agreed dismissals and seek final judgment in favor of Six Flags Splashtown. Although finalizing these settlements may come with additional operating expenses including payments for guardian ad litem fees, any additional costs that may arise from finalizing these settlements are not expected to be material to the Company's operating results.

#### **Litigation Relating to Routine Proceedings**

We are also engaged from time to time in other routine legal and tax proceedings incidental to our business. We do not believe that any of these routine proceedings will have a material impact on the business or our financial condition.

#### **Securities and Exchange Commission Investigation**

The Securities and Exchange Commission is conducting an investigation into the Company's disclosures and reporting made in 2018 through February 2020 related to its business, operations and growth prospects of its Six Flags branded parks in China and the financial health of its former business partner, Riverside Investment Group Co. Ltd. The Company received a document subpoena in February 2020 and subsequently certain current and former executives received subpoenas in connection with this matter and they continue to provide responsive information. The Company is fully cooperating and is committed to continuing to cooperate fully with the SEC in this matter. We cannot predict the length, scope or results of the investigation, or the impact, of the investigation on our results of operations, business or financial condition.

### **7. Business Segments**

Our chief operating decision maker "CODM" regularly receives consolidated information which is used to make strategic decisions. Each individual park location has a Park President or General Manager responsible for the operational results and executing the strategy set forth by the CODM. Substantially all of our parks provide similar products and services through a similar process to the same class of customer through a consistent method. We also believe that the parks share common economic characteristics. Based on these factors, we have only one reportable segment - parks.

The following information reflects our goodwill and long-lived assets (which consists of property and equipment, right-of-use operating leases and intangible assets) as of March 31, 2024, December 31, 2023 and April 2, 2023:

(Amounts in thousands)	As of		
	March 31, 2024	December 31, 2023	April 2, 2023
Domestic	\$ 2,307,386	\$ 2,297,440	\$ 2,283,902
Foreign	139,677	126,409	116,922
Total	<u>\$ 2,447,063</u>	<u>\$ 2,423,849</u>	<u>\$ 2,400,824</u>

The following information reflects our revenues and (loss) income before income taxes by domestic and foreign jurisdictions for the three months ended March 31, 2024, and April 2, 2023:

	Domestic	Foreign	Total
<b>2024</b>	(Amounts in thousands)		
Revenues	\$ 105,393	\$ 27,898	\$ 133,291
(Loss) income before income taxes	( 113,121 )	7,163	( 105,958 )
<b>2023</b>			
Revenues	\$ 120,482	\$ 21,708	\$ 142,190
(Loss) income before income taxes	( 95,356 )	7,645	( 87,711 )

## 8. Pension Benefits

We froze our pension plan effective March 31, 2006, and effective February 16, 2009, the remaining participants in the pension plan no longer earned future benefits. The following summarizes our pension costs during the three months ended March 31, 2024, and April 2, 2023, respectively:

(Amounts in thousands)	Three Months Ended	
	March 31, 2024	April 2, 2023
Service cost	\$ —	\$ —
Interest cost	1,877	1,954
Expected return on plan assets	( 2,409 )	( 2,402 )
Amortization of net actuarial loss	217	234
Administrative fees	225	650
Total net periodic (benefit) expense	\$ ( 90 )	\$ 436

The components of net periodic pension (benefit) expense were included in "Other (income) expense, net" in the condensed consolidated statements of operations.

### Weighted-Average Assumptions Used To Determine Net Cost

	Three Months Ended	
	March 31, 2024	April 2, 2023
Discount rate	4.75 %	4.95 %
Rate of compensation increase	N/A	N/A
Expected return on plan assets	5.75 %	5.75 %

### Employer Contributions

We did not make any pension contributions during the three month periods ended March 31, 2024 and April 2, 2023.

## 9. Stock Repurchase Plans

On March 30, 2017, Holdings announced that its Board of Directors approved a stock repurchase plan that permits Holdings to repurchase an incremental \$ 500.0 million in shares of Holdings' common stock (the "March 2017 Stock Repurchase Plan"). As of March 31, 2024, Holdings had repurchased 8,071,000 shares at a cumulative cost of approximately \$ 365.1 million and an average price per share of \$ 45.24 under the March 2017 Stock Repurchase Plan, leaving approximately \$ 134.9 million available for permitted repurchases. We have not made any repurchases during the three months ended March 31, 2024.

## 10. Revision to Previously Reported Financial Information

During the third quarter of 2023, we identified an accounting error for our stock-based compensation expense related to the recognition of expense for dividend equivalent rights ("DERs"). The error primarily relates to the inadvertent reversal of stock-based compensation expense for vested DERs for periods beginning in the first quarter of 2020 through the fourth quarter of 2022. We have assessed the error and concluded that it was not material to any prior periods. However, the aggregate amount of the error would have

been material to our condensed consolidated financial statements in the current period. Therefore, we have revised our previously issued financial information. Prior periods not presented herein will be revised, as applicable, in future filings.

The following table presents the impact of correcting the error previously discussed on the affected line items of our condensed consolidated balance sheet as of January 1, 2023.

(Amounts in thousands)	As of January 1, 2023		
	As Reported	Adjustments	As Revised
Capital in excess of par value	\$ 1,104,051	\$ 15,171	\$ 1,119,222
Accumulated deficit	( 1,985,500 )	( 15,171 )	( 2,000,671 )
Total stockholders' deficit	( 950,565 )	—	( 950,565 )
Total liabilities and stockholders' deficit	\$ 2,665,825	\$ —	\$ 2,665,825

The following table presents the impact of correcting the error previously discussed on the affected line items of our condensed consolidated balance sheet as of April 2, 2023.

(Amounts in thousands)	As of April 2, 2023		
	As Reported	Adjustments	As Revised
Capital in excess of par value	\$ 1,107,258	\$ 15,171	\$ 1,122,429
Accumulated deficit	( 2,055,359 )	( 15,171 )	( 2,070,530 )
Total stockholders' deficit	( 1,016,713 )	—	( 1,016,713 )
Total liabilities and stockholders' deficit	\$ 2,658,192	\$ —	\$ 2,658,192

The impacts of the revisions have been reflected throughout the financial statements, including the applicable footnotes, as appropriate.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis contain forward-looking statements relating to future events or our future financial performance, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements. Please see the discussion regarding forward-looking statements included under the caption "[Cautionary Note Regarding Forward-Looking Statements](#)" included elsewhere in this Quarterly Report and "Item 1A. Risk Factors" in the 2023 Annual Report and in this Quarterly Report for further discussion of the uncertainties, risks and assumptions associated with these statements.

The following discussion and analysis present information that we believe is relevant to an assessment and understanding of our condensed consolidated balance sheets and results of operations. This information should be read in conjunction with the condensed consolidated financial statements, and the notes thereto, and other financial data included elsewhere in this Quarterly Report. The following information should also be read in conjunction with our audited consolidated financial statements, and the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2023 Annual Report.

### *Use of Certain Per Capita Metrics*

We use certain per capita metrics that are non-GAAP measures of the performance of our business on a per guest basis and believe that these metrics provide relevant and useful information for investors because they assist in comparing our operating performance on a consistent basis, make it easier to compare our results with those of other companies in our industry and allows investors to review performance in the same manner as our management.

- Total guest spending per capita is the total revenue generated from our guests, on a per guest basis, through admissions and in-park spending. Total guest spending per capita is calculated by dividing the sum of park admissions revenue and park food merchandise and other revenue by total attendance.
- Admissions revenue per capita is the total revenue generated from our guests, on a per guest basis, to enter our parks. Admissions revenue per capita is calculated by dividing park admission revenue by total attendance.
- In-park spending per capita is the total revenue generated from our guests, on a per guest basis, on items sold within our parks, such as food and beverages, games and merchandise. In-park spending per capita is calculated by dividing park food, merchandise and other revenue by total attendance.

### **Overview**

We are the largest regional theme park operator in the world and the largest operator of water parks in North America based on the number of parks we operate. Of our 27 regional theme parks and water parks, 24 are located in the United States, two are located in Mexico and one is located in Montreal, Canada. Our parks are located in geographically diverse markets across North America and generally offer a broad selection of state-of-the-art and traditional thrill rides, water attractions, themed areas, concerts and shows, restaurants, game venues and retail outlets, providing a complete family-oriented entertainment experience. We work continuously to improve our parks and our guests' experiences to meet our guests' evolving preferences.

The results of operations for the three and three months ended March 31, 2024 and April 2, 2023, are not indicative of the results expected for the full year. Typically, our park operations generate approximately 70% - 75% of their annual revenue during the second and third quarter each year while certain expenses are incurred year-round.

Our revenue is derived from (i) the sale of tickets (including season passes and other multi-use products) for entrance to our parks, (ii) the sale of food and beverages, merchandise, games and attractions, parking and other services inside our parks, and (iii) sponsorship, international agreements and accommodations. Revenue from ticket sales and in-park sales are primarily impacted by park attendance and average pricing of our admission products and in-park offerings. Revenue from sponsorship, international agreements and accommodations can be impacted by the term, timing and extent of services and fees under these arrangements, which can result in fluctuations from quarter to quarter and year to year.

Our principal costs of operations include salaries and wages, employee benefits, advertising, third party services, repairs and maintenance, utilities, rent and insurance. A large portion of our expenses is relatively fixed when our parks are operating, as our costs for full-time employees, maintenance, utilities, rent, and insurance do not vary significantly with attendance.

### ***Merger Agreement with Cedar Fair***

On November 2, 2023, Holdings, Cedar Fair, CopperSteel and Copper Merger Sub entered into the Merger Agreement, providing for a merger of equals through (i) the merger of Copper Merger Sub with and into Cedar Fair (the "Cedar Fair First Merger"), with Cedar Fair continuing its existence as the surviving entity (the "Cedar Fair Surviving Entity") following the Cedar Fair First Merger as a direct subsidiary of CopperSteel, (ii) the subsequent merger of the Cedar Fair Surviving Entity with and into CopperSteel (the "Cedar Fair Second Merger" and together with the Cedar Fair First Merger, the "Cedar Fair Mergers"), with CopperSteel continuing as the surviving corporation, and (iii) the subsequent merger of Six Flags with and into CopperSteel, with CopperSteel continuing as the surviving corporation (the "Six Flags Merger" and together with the Cedar Fair Mergers, the "Mergers"). If the Mergers are completed, subject to certain exceptions, (i) each issued and outstanding unit of limited partnership interest in Cedar Fair (each a "Cedar Fair Unit" and collectively, the "Cedar Fair Units") will be converted into the right to receive one (1) share of common stock, par value \$0.01 per share, of CopperSteel (the "CopperSteel Common Stock"), as may be adjusted pursuant to the Merger Agreement (the "Cedar Fair Exchange Ratio"), together with cash in lieu of fractional shares of CopperSteel Common Stock, without interest and (ii) each issued and outstanding share of Holdings common stock, par value \$0.025 per share (the "Six Flags Common Stock") will be converted into the right to receive 0.58 shares of CopperSteel Common Stock (as the same may be adjusted pursuant to the Merger Agreement, the "Six Flags Exchange Ratio"), together with cash in lieu of fractional shares of CopperSteel Common Stock, without interest. Subject to the terms of the Merger Agreement and applicable law, Six Flags will declare and set a record date for a special dividend to holder of record of Six Flags Common Stock as of the close of business one business day prior to the closing of the Mergers of (i) \$1.00 plus (ii) the product (rounded to the nearest whole cent) of (a) the Six Flags Exchange Ratio and (ii) the aggregate amount of distributions per unit declared or paid by Cedar Fair with respect to a Cedar Fair Unit with a record date following November 2, 2023 and prior to the effective time of the Six Flags Merger, subject to certain adjustments provided under the Merger Agreement, the payment of which is contingent upon the consummation of the Mergers.

Upon consummation of the Mergers, Holdings and Cedar Fair will each have been merged with and into CopperSteel, with CopperSteel as the parent entity and successor corporation to Holdings and Cedar Fair. Upon closing, CopperSteel will be headquartered in Charlotte, North Carolina, and is expected to change its name to "Six Flags Entertainment Corporation" and be listed on the New York Stock Exchange ("NYSE") under the ticker symbol "FUN."

On March 12, 2024, at a special meeting stockholders of Holdings (the "Special Meeting") called to consider and adopt the Merger Agreement, the stockholders of Holdings approved the Mergers.

The obligations of Holdings and Cedar Fair to complete the Mergers are subject to the satisfaction or waiver, in whole or in part (to the extent permitted by applicable law) of a number of conditions set forth in the Merger Agreement, a copy of which is attached as an exhibit to the Annual Report on Form 10-K. Completion of the Mergers is subject to, among other things, antitrust review in the United States. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"), and the rules promulgated thereunder, the Mergers cannot be completed until the parties to the Merger Agreement have given notification and furnished information to the FTC and the DOJ, and until the applicable waiting period has expired or has been terminated. On January 22, 2024, Holdings and Cedar Fair each received a request for additional information and documentary materials (a "Second Request") from the DOJ in connection with the DOJ's review of the Mergers. The effect of a Second Request is to extend the waiting period imposed by the HSR Act, until 30 days after each of Holdings and Cedar Fair has substantially complied with the Second Request issued to it, unless that period is extended voluntarily by the parties or terminated earlier by the DOJ. On April 19, 2024, Cedar Fair and Holdings certified substantial compliance with the Second Request.

### ***Critical Accounting Policies and Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of revenues and expenses earned and incurred during the reporting period. Critical accounting estimates are fundamental to the portrayal of both our financial condition and results of operations and often require difficult, subjective and complex estimates and judgments. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which we believe to be reasonable under the circumstances. We adjust such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in these estimates resulting from the continuing changes in the economic environment will be reflected in the financial statements in future periods. With respect to our critical accounting policies and estimates, there have been no material developments or changes from the policies and estimates discussed in the 2023 Annual Report.

## Results of Operations

### Three Months Ended March 31, 2024 Compared to Three Months Ended April 2, 2023

The following table sets forth summary financial information for the three months ended March 31, 2024 and April 2, 2023:

(Amounts in thousands, except per capita data)	Three Months Ended		Change	
	March 31, 2024	April 2, 2023	\$	%
Total revenue	\$ 133,291	\$ 142,190	\$ (8,899)	(6) %
Operating expenses	113,955	108,870	5,085	5 %
Selling, general and administrative expenses	42,517	44,247	(1,730)	(4) %
Costs of products sold	11,123	9,765	1,358	14 %
Depreciation and amortization	29,500	29,114	386	1 %
Loss on disposal of assets	1,394	2,435	(1,041)	(43) %
Operating income	(65,198)	(52,241)	(12,957)	25 %
Interest expense, net	41,800	36,302	5,498	15 %
Other income, net	(1,040)	(832)	(208)	25 %
Loss before income taxes	(105,958)	(87,711)	(18,247)	21 %
Income tax benefit	(23,232)	(17,852)	(5,380)	30 %
Net loss attributable to Six Flags Entertainment Corporation	\$ (82,726)	\$ (69,859)	\$ (12,867)	18 %
Other Data:				
Attendance	1,684	1,596	88	6 %
Admissions revenue per capita	\$ 42.04	\$ 47.81	\$ (5.77)	(12) %
In-park spending per capita	\$ 32.31	\$ 33.07	\$ (0.76)	(2) %
Total guest spending per capita	\$ 74.35	\$ 80.88	\$ (6.53)	(8) %

## Revenue

Revenue for the three months ended March 31, 2024, totaled \$133.3 million, a decrease of \$8.9 million, or 6%, compared to the \$142.2 million for the three months ended April 2, 2023. The decrease was primarily attributable to a decrease in revenue related to memberships beyond the initial twelve-month commitment period, which is recognized evenly each month and not recognized based on attendance. The sale of new memberships was discontinued in early 2022; as a result there were fewer memberships during the three months ended March 31, 2024 as compared to the three months ended April 2, 2023. Additionally, sponsorship, international agreements and accommodations revenue decreased \$5.0 million, primarily due to an adjustment to our international agreements revenue resulting from a change in the estimated opening date of our Six Flags branded park in Saudi Arabia to mid-2025, primarily due to supply chain delays that have been resolved. This estimate is reassessed on a quarterly basis in the normal course which, for the three months ended March 31, 2024, resulted in the shift of \$4.4 million of revenue previously recognized to future periods. These decreases were partially offset by an increase in attendance of 6%, primarily due to the shift in the timing of the Easter holiday.

Total guest spending per capita, which excludes sponsorship, international agreements and accommodations revenue, for the three months ended March 31, 2024, decreased \$6.53, to \$74.35, compared to the three months ended April 2, 2023, driven by a decrease in admissions revenue per capita of \$5.77, or 12%, and a decrease in in-park spending per capita of \$0.76, or 2%. The decrease in both admissions spending per capita and in-park spending per capita was driven primarily by a reduction in our revenue from memberships beyond the initial twelve-month commitment period, as discussed above, a portion of which is allocated to in-park food, merchandise and other.

## Operating expenses

Operating expenses for the three months ended March 31, 2024, increased \$5.1 million, or 5%, compared to the three months ended April 2, 2023, primarily driven by higher labor costs due to increased labor rates and the impact of inflation on other operating expenses.

*Selling, general and administrative expenses*

Selling, general and administrative expenses for the three months ended March 31, 2024, decreased \$1.7 million, or 4%, compared to the three months ended April 2, 2023. The decrease was primarily attributable to lower personnel costs from full-time headcount reductions, self-insurance reserves and professional fees. These decreases were partially offset by \$5.6 million of merger-related transaction costs associated with the proposed Mergers contemplated by the Merger Agreement.

*Cost of products sold*

Cost of products sold for the three months ended March 31, 2024 increased \$1.4 million, or 14%, compared to the three month period ended April 2, 2023, primarily due to higher unit sales resulting from higher attendance.

*Depreciation and amortization*

Depreciation and amortization expense for the three months ended March 31, 2024, increased \$0.4 million, or 1%, compared to the three months ended April 2, 2023. The increase in depreciation and amortization expense is primarily due to an increase in capital expenditures.

*Loss on disposal of assets*

We recognized a \$1.4 million loss on disposal of assets for the three months ended March 31, 2024, compared to a loss on disposal of assets of \$2.4 million for the three months ended April 2, 2023. The loss on disposal of assets in both periods was the result of normal-course asset retirements.

*Interest expense, net*

Interest expense, net for the three months ended March 31, 2024, increased \$5.5 million, or 15%, compared to the three months ended April 2, 2023. The increase is primarily attributable to an increase in the cost of our floating rate debt and increased borrowings on our Revolving Credit Facility and higher interest rates on the 2031 Notes entered in April 2023 compared to the 2024 Notes of which \$892.6 million was repaid during the second quarter of 2023.

*Income tax benefit*

Income tax benefit for the three months ended March 31, 2024 was \$23.2 million, an effective tax rate of 21.9%. The difference between our effective tax rate and the federal statutory rate primarily results from state and foreign income taxes and certain nondeductible expenses, including nondeductible executive compensation. Income tax benefit for the three months ended April 2, 2023, was \$17.9 million, an effective tax rate of 20.4%. The difference between the federal statutory rate and our effective tax rate was due to state and foreign income taxes and nondeductible expenses, including certain nondeductible executive compensation.

### Calculation of EBITDA for the three months ended March 31, 2024 and April 2, 2023

The presentation of Modified EBITDA and Adjusted EBITDA provides additional information to investors about the calculation of, and compliance with, certain financial covenants and other relevant metrics in our Credit Facility. Modified EBITDA and Adjusted EBITDA are material components of these covenants. We use Adjusted EBITDA in connection with certain components of our executive compensation program. In addition, investors, lenders, financial analysts and rating agencies have historically used EBITDA-related measures in our industry, along with other measures, to evaluate companies in our industry.

Modified EBITDA and Adjusted EBITDA are not a recognized term under accounting principles generally accepted in the United States of America ("GAAP"), should not be considered in isolation or as a substitute for a measure of our financial performance prepared in accordance with GAAP and is not indicative of income from operations as determined under GAAP. Modified EBITDA and Adjusted EBITDA and other non-GAAP financial measures have limitations which should be considered before using these measures to evaluate our financial performance. Modified EBITDA and Adjusted EBITDA, as presented by us, may not be comparable to similarly titled measures of other companies due to varying methods of calculation.

"Modified EBITDA," a non-GAAP measure, is defined as our consolidated loss from continuing operations, excluding the following: the cumulative effect of changes in accounting principles, discontinued operations gains or losses, income tax expense or benefit, restructure costs or recoveries, reorganization items (net), other income or expense, gain or loss on early extinguishment of debt, equity in income or loss of investees, interest expense (net), gain or loss on disposal of assets, gain or loss on the sale of investees, amortization, depreciation, stock-based compensation, impairment charges, fresh start accounting valuation adjustments and other significant non-recurring items, including transaction expenses incurred in connection with the proposed Mergers. Management uses non-GAAP measures for budgeting purposes, measuring actual results, allocating resources and in determining employee incentive compensation. We believe that Modified EBITDA provides relevant and useful information for investors because it assists in comparing our operating performance on a consistent basis, makes it easier to compare our results with those of other companies in our industry as it most closely ties our performance to that of our competitors from a park-level perspective and allows investors to review performance in the same manner as our management.

"Adjusted EBITDA," a non-GAAP measure, is defined as Modified EBITDA minus net income attributable to non-controlling interests. Adjusted EBITDA is approximately equal to "Parent Consolidated Adjusted EBITDA" as defined in our secured Credit Facility, except that Parent Consolidated Adjusted EBITDA excludes Adjusted EBITDA from equity investees that is not distributed to us in cash on a net basis and has limitations on the amounts of certain expenses that are excluded from the calculation. Our board of directors and management use Adjusted EBITDA to measure our performance and our current management incentive compensation plans are based largely on Adjusted EBITDA. We believe that Adjusted EBITDA is frequently used by analysts and investors as their primary measure of our performance in the evaluation of companies in our industry. In addition, the instruments governing our indebtedness use Adjusted EBITDA to measure our compliance with certain covenants and, in certain circumstances, our ability to make certain borrowings.

The following tables set forth a reconciliation of net loss to Modified EBITDA and Adjusted EBITDA for the three month periods ended March 31, 2024 and April 2, 2023:

	Three Months Ended	
	March 31, 2024	April 2, 2023
<i>(Amounts in thousands, except per share data)</i>		
Net loss	\$ (82,726)	\$ (69,859)
Income tax benefit	(23,232)	(17,852)
Other income, net	(1,040)	(832)
Interest expense, net	41,800	36,302
Loss on disposal of assets	1,394	2,435
Depreciation and amortization	29,500	29,114
Stock-based compensation	2,347	3,314
Merger-related transaction costs	5,561	—
Modified EBITDA	\$ (26,396)	\$ (17,378)
Third party interest in EBITDA of certain operations	—	—
Adjusted EBITDA	\$ (26,396)	\$ (17,378)



## Liquidity, Capital Commitments and Resources

Our principal sources of liquidity are cash generated from operations, funds from borrowings and existing cash on hand. Our principal uses of cash include the funding of our operations, including interest payments on our outstanding debt obligations, capital expenditures and payments to our partners in the Partnership Parks.

We did not pay any dividends during the three months ended March 31, 2024 and April 2, 2023.

As of March 31, 2024, we have repurchased 8,071,000 shares of common stock at a cumulative cost of approximately \$365.1 million and an average cost per share of \$45.24 under our approved stock repurchase program, leaving approximately \$134.9 million available for permitted repurchases.

Based on historical and anticipated future operating results, we believe cash flow from operations, available cash and amounts available under our Revolving Credit Facility will be adequate to meet our liquidity needs, including any anticipated requirements for working capital, capital expenditures, scheduled debt service and obligations under arrangements relating to the Partnership Parks. Additionally, we expect to utilize federal net operating loss carryforwards to reduce our cash tax obligations through fiscal year 2024. Due to the proposed Mergers, CopperSteel's future ability to use net operating losses to offset future taxable income may be restricted and these net operating losses could expire or otherwise be unavailable.

Our current and future liquidity is greatly dependent upon our operating results, which are driven largely by overall economic conditions as well as the price and perceived quality of the experience at our parks. Our liquidity could also be adversely affected by a disruption in the availability of credit as well as unfavorable weather; natural disasters; contagious diseases, such as COVID-19 or other variants; accidents or the occurrence of an event or condition at our parks. If such a material adverse event were to occur, we may be unable to borrow under the Revolving Credit Facility or may be required to repay amounts outstanding under the Credit Facility and/or may need to seek additional financing. In addition, we expect we may be required to seek additional financing to refinance all or a significant portion of our existing debt on or prior to maturity. The degree to which we are leveraged could adversely affect our ability to obtain any additional financing. See "[Cautionary Note Regarding Forward-Looking Statements](#)" and "Item 1A. Risk Factors" in the 2023 Annual Report and in this Quarterly Report.

As of March 31, 2024, the principal amount of our total indebtedness, was \$2,430.9 million. As of March 31, 2024, based on (i) non-revolving credit debt outstanding, (ii) anticipated levels of working capital revolving borrowings during 2023 and 2024, and (iii) required interest payments due to holders of the 2024 Notes, the 2025 Notes, the 2027 Notes and the 2031 Notes, we anticipate annual cash interest payments of approximately \$165 million and \$155 million during 2024 and 2025, respectively.

As of March 31, 2024, we had \$60.7 million of unrestricted cash and \$249.0 million available for borrowing under the Revolving Credit Facility. Our ability to borrow under the Revolving Credit Facility is contingent on our compliance with certain conditions, including a maximum senior secured net leverage maintenance covenant, a minimum liquidity covenant and the absence of any material adverse change in our business or financial condition. If we were to become unable to borrow under the Revolving Credit Facility, and our operating results significantly underperform our expectations, we may be unable to pay in full our obligations. A default under the Revolving Credit Facility could permit the lenders under the Credit Facility to accelerate the obligations thereunder. The Revolving Credit Facility expires in May 2028. The terms and availability of the Credit Facility and other indebtedness are not affected by changes in the ratings issued by rating agencies in respect of our indebtedness. As of March 31, 2024, we are in compliance with all covenants. For a more detailed description of our indebtedness, see [Note 3 - Long-term indebtedness](#) to the unaudited condensed consolidated financial statements included in this Quarterly Report.

### *Merger-Related Commitment Letter*

Six Flags, Cedar Fair and CopperSteel have entered into a Second Amended and Restated Commitment Letter dated as of May 1, 2024 (the "Debt Commitment Letter"), with Goldman Sachs Bank USA ("Goldman Sachs") and certain other additional arrangers party thereto (together with Goldman Sachs, collectively, the "Arrangers"), pursuant to which the Arrangers have committed to provide a senior secured revolving credit facility consisting of revolving credit commitments in an aggregate amount not to exceed \$850 million (the "Committed Debt Financing"). The Debt Commitment Letter amends and restates that certain commitment letter, dated December 5, 2023, by and among Six Flags, Cedar Fair, CopperSteel, Goldman Sachs and the other additional arrangers party thereto. The obligation of the Arrangers to provide the Debt Financing under the Debt Commitment Letter is subject to a number of additional conditions, including the receipt of executed loan documentation, accuracy of certain representations and warranties, the consummation of the transactions contemplated by the Merger Agreement, the repayment in full of the existing Cedar Fair revolving credit facility and the repayment in full of the Six Flags credit facilities and the termination thereof.

## Investments

We regularly make capital investments for new rides and attractions in our parks. In addition, we make capital investments in the food, retail and other in-park areas. We also make enhancements to theming and landscaping of our parks in order to provide a more complete, family-oriented entertainment experience; and invest in our information technology infrastructure to attain operational efficiencies. We regularly perform maintenance capital enhancements, with most expenditures made during the off-season. Repairs and maintenance costs for recurring and routine maintenance are expensed as incurred and are not included in capital expenditures.

## Cash Flows

(Amounts in thousands)	Three Months Ended	
	March 31, 2024	April 2, 2023
Net cash used in operating activities	\$ (30,474)	\$ (56,269)
Net cash used in investing activities	(36,991)	(25,007)
Net cash provided by financing activities	49,620	68,679
Effect of exchange rate on cash	962	(2,776)
Net decrease in cash and cash equivalents	\$ (16,883)	\$ (15,373)

During the three months ended March 31, 2024, net cash used in operating activities was \$30.5 million, compared to net cash used in operating activities of \$56.3 million during the three months ended April 2, 2023. The decrease in the cash usage was primarily driven by a \$25.0 million change in accrued interest due to the timing of interest payments for the 2031 Notes compared to the 2024 Notes and an increase in deferred revenue from the sale of multi-use admissions products as compared to the prior year period. Net cash used in investing activities was \$37.0 million for the three months ended March 31, 2024, compared to net cash used in investing activities of \$25.0 million in the three months ended April 2, 2023. The increase was primarily attributable to a planned increase in capital spending for new rides and attractions. Net cash provided by financing activities was \$49.6 million for the three months ended March 31, 2024, compared to \$68.7 million for the three months ended April 2, 2023. During three months ended March 31, 2024, we borrowed a net of \$50.0 million under our Revolving Credit Facility compared to net borrowings of \$70.0 million during the three months ended April 2, 2023 in order to fund operations and capital expenditures.

## Contractual Obligations

Since December 31, 2023, there have been no material changes to the contractual obligations of the Company outside the ordinary course of our business aside from the issuance of the 2032 Notes and the repayment of the Term Loan B and Revolving Credit Facility.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of March 31, 2024, there were no material changes in our market risk exposure from that disclosed in the 2023 Annual Report.

## ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation, as of March 31, 2024, of the effectiveness of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of the end of such period, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

**Changes in Internal Control over Financial Reporting.** As required by Exchange Act Rule 13a-15(d), the Company's management, including the Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of the Company's internal control over financial reporting to determine whether any change occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. Based on that evaluation there has been no change in the Company's internal control over financial reporting during the last fiscal quarter of the period covered by this report other than certain internal control changes related to the implementation of new accounting and financial reporting system that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting.

## **PART II — OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

The nature of the industry in which we operate tends to expose us to claims by guests, generally for injuries. Accordingly, we are party to various legal actions arising in the normal course of business. Historically, the great majority of these claims have been minor. Although we believe that we are adequately insured against guests' claims, if we become subject to damages that cannot by law be insured against, such as punitive damages or certain intentional misconduct by employees, there may be a material adverse effect on our operations.

For information regarding legal proceedings, see Note 15, Commitments and Contingencies, to the consolidated financial statements in the 2023 Annual Report, and [Note 6, Commitments and Contingencies](#), to the unaudited condensed consolidated financial statements in this Quarterly Report.

### **ITEM 1A. RISK FACTORS**

Since December 31, 2023, there have been no material changes to the Risk Factors of the Company.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

On March 30, 2017, we announced that our Board of Directors approved a stock repurchase plan that permits us to repurchase an incremental \$500.0 million in shares of common stock (the "March 2017 Stock Repurchase Plan"). As of March 31, 2024, we have repurchased 8,071,000 shares of common stock at a cumulative cost of approximately \$365.1 million and an average cost per share of \$45.24 under our approved stock repurchase program, leaving approximately \$134.9 million available for permitted repurchases.

**ITEM 6. EXHIBITS**

<a href="#">Exhibit 4.1</a>	<a href="#">Indenture, dated as of May 2, 2024, among Six Flags Entertainment Corporation, Six Flags Theme Parks Inc., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee and collateral agent. - incorporated by reference to Registrant's Current Report on Form 8-K (File No. 0001-13703) filed on May 2, 2024</a>
<a href="#">Exhibit 4.2</a>	<a href="#">Form of 6.625% Senior Secured Note due 2032 (included as Exhibit A to Exhibit 4.1 above)</a>
<a href="#">Exhibit 31.1*</a>	<a href="#">Certification of Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
<a href="#">Exhibit 31.2*</a>	<a href="#">Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
<a href="#">Exhibit 32.1*</a>	<a href="#">Certification of Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
<a href="#">Exhibit 32.2*</a>	<a href="#">Certification of Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
Exhibit 101*	The following financial statements and footnotes from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 formatted in Inline XBRL: (i) the Unaudited Condensed Consolidated Balance Sheets, (ii) the Unaudited Condensed Consolidated Statements of Operations, (iii) the Unaudited Condensed Consolidated Statements of Comprehensive Income, (iv) the Unaudited Condensed Consolidated Statements of Stockholders' Deficit, (v) the Unaudited Condensed Statements of Cash Flows, and (vi) related Notes to the Condensed Consolidated Financial Statements
Exhibit 104*	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL

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\* Filed herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**SIX FLAGS ENTERTAINMENT CORPORATION**

(Registrant)

Date: May 9, 2024

/s/ SELIM BASSOUL

Selim Bassoul

*President and Chief Executive Officer*

Date: May 9, 2024

/s/ GARY MICK

Gary Mick

*Chief Financial Officer*

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Selim Bassoul, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Six Flags Entertainment Corporation;
2. Based on my knowledge, this quarterly 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 quarterly 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 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 15(d)-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 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: May 9, 2024

/s/ SELIM BASSOUL

Selim Bassoul

*President and Chief Executive Officer*

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gary Mick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Six Flags Entertainment Corporation;
2. Based on my knowledge, this quarterly 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 quarterly 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 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 15(d)-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 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: May 9, 2024

/s/ GARY MICK

Gary Mick

Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Selim Bassoul, as President and Chief Executive Officer of Six Flags Entertainment Corporation (the "Company") certify, pursuant to 18 U.S.C. § 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the accompanying quarterly report on Form 10-Q for the period ending March 31, 2024 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024

/s/ SELIM BASSOUL

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Selim Bassoul

*President and Chief Executive Officer*



**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gary Mick, as Chief Financial Officer of Six Flags Entertainment Corporation (the "Company") certify, pursuant to 18 U.S.C. § 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the accompanying quarterly report on Form 10-Q for the period ending March 31, 2024 as filed with the U.S. Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024

/s/ GARY MICK

Gary Mick

*Chief Financial Officer*