

REFINITIV

DELTA REPORT

10-Q

SIX - SIX FLAGS ENTERTAINMENT C

10-Q - OCTOBER 01, 2023 COMPARED TO 10-Q - JULY 02, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1924
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 CHANGES	262
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 DELETIONS	1235
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 ADDITIONS	427
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

FORM 10-Q

x

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

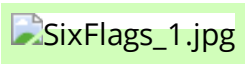
for the quarterly period ended July 2, 2023 October 1, 2023 or

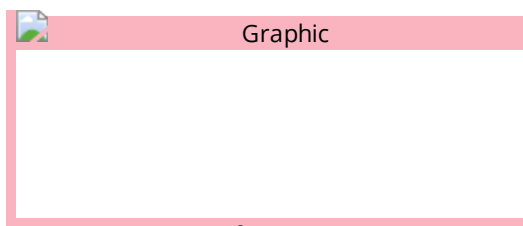
o

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

13-3995059

(State or Other Jurisdiction of Incorporation or Organization)

13-3995059

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

1000 Ballpark Way Suite 400, Arlington, TX76011

(972) 595-5000

(Address of Principal Executive Offices, Including Zip Code)

(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 ☒ x No ☐ o

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 ☐ x No ☐ o



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  

X



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 **August 7, 2023** **November 6, 2023**, Six Flags Entertainment Corporation had **83,519,692** **83,537,017** 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. Forward-looking statements include all statements that are not historical facts and can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "may," "should," "could" and variations of such words or similar expressions. 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) global coronavirus ("COVID-19") pandemic-related business disruptions and economic uncertainty (ii) the adequacy of our cash flows from operations, available cash and available amounts under our credit facilities to meet our liquidity needs, (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, (iv) 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, (x) our expectations regarding the effect of certain accounting pronouncements, (xi) our expectations regarding the cost or outcome of any litigation or other disputes, (xii) 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 attendance, such as local conditions, contagious diseases, including COVID-19 and Monkey Pox, or the perceived threat of contagious diseases, events, disturbances and terrorist activities;
- regulations and guidance of federal, state and local governments and health officials regarding the response to COVID-19 and Monkey Pox, including, with respect to business operations, safety protocols and public gatherings (such as voluntary and, in some cases, mandatory, quarantines, as well as shut downs and other restrictions on travel and commercial, social and other activities);
- economic impact of political instability and conflicts globally, such as the war in Ukraine;
- 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 January 1, 2023 (the "2022 Annual Report"), and in this Quarterly Report.

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- factors impacting our ability to consummate the transactions (collectively the "Merger") contemplated by that certain Agreement and Plan of Merger, dated November 2, 2023, by and among Six Flags Entertainment Corporation, ("Holdings"), Cedar Fair, L.P., ("Cedar Fair"), CopperSteel HoldCo, Inc., and CopperSteel Merger Sub, LLC;
- the risk that the proposed Merger disrupts current plans and operations of the Company and the effect of the announcement or pendency of the Merger on the business relationships, operating results and business generally of the Company;
- 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, including COVID-19 and Monkey Pox, or the perceived threat of contagious diseases, events, disturbances and terrorist activities;
- regulations and guidance of federal, state and local governments and health officials regarding the response to COVID-19 and Monkey Pox, including, with respect to business operations, safety protocols and public gatherings (such as voluntary and, in some cases, mandatory, quarantines, as well as shut downs and other restrictions on travel and commercial, social and other 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

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other factors or uncertainties described in "Item 1A. Risk Factors" set forth in our Annual Report on Form 10-K for the year ended January 1, 2023 (the "2022 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. Additionally, the continued impact of COVID-19, virus variants and the rate of vaccinations could heighten many of the risk factors described herein.

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. 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.

* * * * *

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.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SIX FLAGS ENTERTAINMENT CORPORATION

Condensed Consolidated Balance Sheets

(Unaudited)

	As of		
	July 2, 2023	January 1, 2023	July 3, 2022
<i>(Amounts in thousands, except share data)</i>	<i>(unaudited)</i>		<i>(unaudited)</i>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 51,580	\$ 80,122	\$ 74,802
Accounts receivable, net	93,077	49,405	70,473
Inventories	43,172	44,811	47,531
Prepaid expenses and other current assets	84,808	66,452	69,990
Total current assets	272,637	240,790	262,796
Property and equipment, net:			
Property and equipment, at cost	2,666,636	2,592,485	2,552,144
Accumulated depreciation	(1,410,480)	(1,350,739)	(1,297,710)
Total property and equipment, net	1,256,156	1,241,746	1,254,434
Goodwill	659,618	659,618	659,618
Intangible assets, net of accumulated amortization of \$295, \$284 and \$272 as of July 2, 2023, January 1, 2023 and July 3, 2022, respectively	344,153	344,164	344,176
Right-of-use operating leases, net	154,182	158,838	180,836
Debt issuance costs	6,110	2,764	3,832
Deposits and other assets	20,737	17,905	8,101
Total assets	\$ 2,713,593	\$ 2,665,825	\$ 2,713,793
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current liabilities:			
Accounts payable	\$ 54,174	\$ 38,887	\$ 67,925
Accrued compensation, payroll taxes and benefits	21,571	15,224	24,968
Self-insurance reserves	68,633	34,053	37,017
Accrued interest payable	33,216	38,484	24,713
Other accrued liabilities	79,959	67,346	102,626
Deferred revenue	176,811	128,627	171,238

Short-term borrowings	169,000	100,000	200,000
Short-term lease liabilities	11,730	11,688	11,394
Total current liabilities	615,094	434,309	639,881
Noncurrent liabilities:			
Long-term debt	2,183,325	2,280,531	2,277,910
Long-term lease liabilities	163,950	164,804	175,786
Other long-term liabilities	29,077	30,714	5,476
Deferred income taxes	172,849	184,637	152,041
Total liabilities	3,164,295	3,094,995	3,251,094
 Redeemable noncontrolling interests	 544,764	 521,395	 543,719
 Stockholders' deficit:			
Preferred stock, \$1.00 par value	—	—	—
Common stock, \$0.025 par value, 280,000,000 shares authorized; 83,464,774, 83,178,294 and 83,026,556 shares issued and outstanding at July 2, 2023, January 1, 2023 and July 3, 2022, respectively	2,086	2,079	2,075
Capital in excess of par value	1,109,779	1,104,051	1,103,534
Accumulated deficit	(2,034,736)	(1,985,500)	(2,114,697)
Accumulated other comprehensive loss, net of tax	(72,595)	(71,195)	(71,932)
Total stockholders' deficit	(995,466)	(950,565)	(1,081,020)
Total liabilities and stockholders' deficit	\$ 2,713,593	\$ 2,665,825	\$ 2,713,793

	As of		
	October 1, 2023	January 1, 2023	October 2, 2022
(Amounts in thousands, except share data)	(unaudited)		(unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 66,763	\$ 80,122	\$ 73,314
Accounts receivable, net	90,877	49,405	72,299
Inventories	38,298	44,811	48,493
Prepaid expenses and other current assets	74,234	66,452	77,329
Total current assets	270,172	240,790	271,435
Property and equipment, net:			
Property and equipment, at cost	2,699,159	2,592,485	2,559,635

Accumulated depreciation	(1,431,176)	(1,350,739)	(1,320,141)
Total property and equipment, net	1,267,983	1,241,746	1,239,494
Goodwill	659,618	659,618	659,618
Intangible assets, net of accumulated amortization of \$301, \$284 and \$278 as of October 1, 2023, January 1, 2023 and October 2, 2022, respectively	344,147	344,164	344,170
Right-of-use operating leases, net	150,528	158,838	176,178
Other assets, net	24,685	20,669	13,171
Total assets	\$ 2,717,133	\$ 2,665,825	\$ 2,704,066
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current liabilities:			
Accounts payable	\$ 46,121	\$ 38,887	\$ 47,808
Accrued compensation, payroll taxes and benefits	20,547	15,224	14,838
Self-insurance reserves	65,505	34,053	44,563
Accrued interest payable	44,062	38,484	26,616
Other accrued liabilities	69,323	67,346	102,382
Deferred revenue	147,650	128,627	126,578
Short-term borrowings	89,000	100,000	110,000
Current portion of long-term debt	56,867	—	—
Short-term lease liabilities	11,217	11,688	11,451
Total current liabilities	550,292	434,309	484,236
Noncurrent liabilities:			
Long-term debt	2,127,495	2,280,531	2,279,220
Long-term lease liabilities	152,575	164,804	162,569
Other long-term liabilities	28,893	30,714	5,519
Deferred income taxes	193,175	184,637	194,358
Total liabilities	3,052,430	3,094,995	3,125,902
Redeemable noncontrolling interests	544,764	521,395	543,719
Stockholders' deficit:			
Preferred stock, \$1.00 par value	—	—	—
Common stock, \$0.025 par value, 280,000,000 shares authorized; 83,540,861, 83,178,294 and 83,152,582 shares issued and outstanding at October 1, 2023, January 1, 2023 and October 2, 2022, respectively	2,088	2,079	2,079
Capital in excess of par value	1,128,376	1,119,222	1,116,959
Accumulated deficit	(1,939,207)	(2,000,671)	(2,010,774)
Accumulated other comprehensive loss, net of tax	(71,318)	(71,195)	(73,819)
Total stockholders' deficit	(880,061)	(950,565)	(965,555)

Total liabilities and stockholders' deficit	2,717,133	2,665,825	2,704,066
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See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended	
	July 2, 2023	July 3, 2022
<i>(Amounts in thousands, except per share data)</i>		
Park admissions	\$ 238,963	\$ 241,777
Park food, merchandise and other	190,792	183,081
Sponsorship, international agreements and accommodations	13,952	10,564
Total revenues	443,707	435,422
Operating expenses (excluding depreciation and amortization shown separately below)	173,669	173,357
Selling, general and administrative expenses (including stock-based compensation of \$2,179 and \$3,223 in 2023 and 2022, respectively, and excluding depreciation and amortization shown separately below)	90,448	53,498
Costs of products sold	34,787	35,710
Depreciation and amortization	28,910	27,537
Loss on disposal of assets	2,550	98
Operating income	113,343	145,222
Interest expense, net	43,495	35,978

Loss on debt extinguishment	13,982	17,533
Other income, net	(2,261)	(722)
Income before income taxes	58,127	92,433
Income tax expense	13,807	24,716
Net income	44,320	67,717
Less: Net income attributable to noncontrolling interests	(23,766)	(22,325)
Net income attributable to Six Flags Entertainment Corporation	\$ 20,554	\$ 45,392
Weighted-average common shares outstanding:		
Basic:	83,379	84,992
Diluted:	83,796	85,242
Earnings per average common share outstanding:		
Basic:	\$ 0.25	\$ 0.53
Diluted:	\$ 0.25	\$ 0.53

	Three Months Ended	
	October 1, 2023	October 2, 2022
<i>(Amounts in thousands, except per share data)</i>		
Park admissions	\$ 286,319	\$ 280,502
Park food, merchandise and other	236,703	209,099
Sponsorship, international agreements and accommodations	24,433	15,230
Total revenues	547,455	504,831
Operating expenses (excluding depreciation and amortization shown separately below)	206,461	180,937
Selling, general and administrative expenses (including stock-based compensation of \$3,525 and \$3,998 in 2023 and 2022, respectively, and excluding depreciation and amortization shown separately below)	57,952	40,481
Costs of products sold	42,885	40,164
Depreciation and amortization	27,942	30,186
Loss on disposal of assets	1,760	5,038
Operating income	210,455	208,025
Interest expense, net	38,263	34,197
Other (income) expense, net	1,155	(659)
Income before income taxes	171,037	174,487
Income tax expense	36,570	38,654
Net income	\$ 134,467	\$ 135,833
Less: Net income attributable to noncontrolling interests	(23,767)	(22,326)

Net income attributable to Six Flags Entertainment Corporation	\$ 110,700	\$ 113,507
Weighted-average common shares outstanding:		
Basic:	83,510	83,094
Diluted:	83,780	83,107
Earnings per average common share outstanding:		
Basic:	\$ 1.33	\$ 1.37
Diluted:	\$ 1.32	\$ 1.37

See accompanying notes to the unaudited condensed consolidated financial statements

statements.

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

<i>(Amounts in thousands, except per share data)</i>	Six Months Ended	
	July 2, 2023	July 3, 2022
Park admissions	\$ 315,266	\$ 314,764
Park food, merchandise and other	243,578	237,350
Sponsorship, international agreements and accommodations	27,053	21,415
Total revenues	585,897	573,529

Operating expenses (excluding depreciation and amortization shown separately below)	282,539	283,076
Selling, general and administrative expenses (including stock-based compensation of \$5,493 and \$7,448 in 2023 and 2022, respectively, and excluding depreciation and amortization shown separately below)	134,695	92,755
Costs of products sold	44,552	45,825
Depreciation and amortization	58,024	56,586
Loss (gain) on disposal of assets	4,985	(2,002)
Operating income	61,102	97,289
Interest expense, net	79,797	73,508
Loss on debt extinguishment	13,982	17,533
Other income, net	(3,093)	(1,410)
(Loss) income before income taxes	(29,584)	7,658
Income tax (benefit) expense	(4,045)	5,603
Net (loss) income	\$ (25,539)	\$ 2,055
Less: Net income attributable to noncontrolling interests	(23,766)	(22,325)
Net loss attributable to Six Flags Entertainment Corporation	\$ (49,305)	\$ (20,270)
Weighted-average common shares outstanding:		
Basic:	83,293	85,594
Diluted:	83,293	85,594
Earnings per average common share outstanding:		
Basic:	\$ (0.59)	\$ (0.24)
Diluted:	\$ (0.59)	\$ (0.24)

(Amounts in thousands, except per share data)	Nine Months Ended	
	October 1, 2023	October 2, 2022
Park admissions	\$ 601,585	\$ 595,266
Park food, merchandise and other	480,281	446,449
Sponsorship, international agreements and accommodations	51,486	36,645
Total revenues	1,133,352	1,078,360
Operating expenses (excluding depreciation and amortization shown separately below)	489,000	464,013
Selling, general and administrative expenses (including stock-based compensation of \$9,018 and \$13,404 in 2023 and 2022, respectively, and excluding depreciation and amortization shown separately below)	192,647	135,194

Costs of products sold	87,437	85,989
Depreciation and amortization	85,966	86,772
Loss on disposal of assets	6,745	3,036
Operating income	271,557	303,356
Interest expense, net	118,060	107,705
Loss on debt extinguishment	13,982	17,533
Other income, net	(1,938)	(2,069)
Income before income taxes	141,453	180,187
Income tax expense	32,525	44,257
Net income	\$ 108,928	\$ 135,930
Less: Net income attributable to noncontrolling interests	(47,533)	(44,651)
Net income attributable to Six Flags Entertainment Corporation	\$ 61,395	\$ 91,279
Weighted-average common shares outstanding:		
Basic:	83,365	84,760
Diluted:	83,736	84,919
Earnings per average common share outstanding:		
Basic:	\$ 0.74	\$ 1.08
Diluted:	\$ 0.73	\$ 1.07

See accompanying notes to unaudited condensed consolidated financial statements.

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

(Unaudited)

(Amounts in thousands)	Three Months Ended	
	July 2, 2023	July 3, 2022
Net income	\$ 44,320	\$ 67,717
Other comprehensive income, net of tax:		
Foreign currency translation adjustment ⁽¹⁾	(1,481)	3,920
Defined benefit retirement plan ⁽²⁾	175	172
Change in cash flow hedging ⁽³⁾	(595)	(402)
Other comprehensive income (loss), net of tax	(1,901)	3,690
Comprehensive income	\$ 42,419	\$ 71,407
Less: Comprehensive income attributable to noncontrolling interests	(23,766)	(22,325)
Comprehensive income attributable to Six Flags Entertainment Corporation	\$ 18,653	\$ 49,082

(Amounts in thousands)	Three Months Ended	
	October 1, 2023	October 2, 2022
Net income	\$ 134,467	\$ 135,833
Other comprehensive loss, net of tax		
Foreign currency translation adjustment ⁽¹⁾	1,698	(1,287)
Defined benefit retirement plan ⁽²⁾	178	161
Change in cash flow hedging ⁽³⁾	(599)	(761)
Other comprehensive income (loss), net of tax	1,277	(1,887)
Comprehensive income	\$ 135,744	\$ 133,946
Less: Comprehensive income attributable to noncontrolling interests	(23,767)	(22,326)
Comprehensive income attributable to Six Flags Entertainment Corporation	\$ 111,977	\$ 111,620

- (1) Foreign currency translation adjustment is presented net of tax benefit of \$0.3 million for the three months ended October 1, 2023 and net of tax expense of \$0.2 million for the three months ended July 2, 2023 October 2, 2022.
- (2) Defined benefit retirement plan is presented net of tax benefit of \$0.1 million for the three months ended October 1, 2023 and net of tax expense of \$1.0 million \$0.1 million for the three months ended July 3, 2022 October 2, 2022.
- (3) Change in fair value of cash flow hedging is presented net of tax expense of \$0.4 million for the three months ended October 1, 2023 and net of tax benefit of \$0.3 million for the three months ended October 2, 2022.

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>	Nine Months Ended	
	October 1, 2023	October 2, 2022
Net income	\$ 108,928	\$ 135,930
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustment ⁽¹⁾	1,133	(1,452)
Defined benefit retirement plan ⁽²⁾	529	504
Change in cash flow hedging ⁽³⁾	(1,785)	8,316
Other comprehensive income (loss), net of tax	(123)	7,368
Comprehensive income	\$ 108,805	\$ 143,298
Less: Comprehensive income attributable to noncontrolling interests	(47,533)	(44,651)
Comprehensive income attributable to Six Flags Entertainment Corporation	\$ 61,272	\$ 98,647

(1)

Foreign currency translation adjustment is presented net of tax expense of \$0.5 million for the nine months ended October 1, 2023 and net of tax benefit of \$0.2 million for the nine months ended October 2, 2022.

(2) Defined benefit retirement plan is presented net of tax expense of \$0.1 million \$0.2 million for the three nine months ended July 2, 2023 October 1, 2023 and July 3, 2022 October 2, 2022, respectively.

(3) Change in fair value of cash flow hedging is presented net of tax benefit of \$0.2 million and \$0.1 million \$0.6 million for the three nine months ended July 2, 2023 October 1, 2023 and July 3, 2022, respectively, net of tax expense of \$2.8 million for the nine months ended October 2, 2022.

See accompanying notes to unaudited condensed consolidated financial statements

statements.

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

	Common stock		Capital in	Accumulated		Total
	Shares issued	Amount	excess of	Accumulated	other	stockholders'
(Amounts in thousands, except share data)			par value	deficit	comprehensive	deficit
					loss	
Balances at July 3, 2022	83,026,556	\$ 2,075	\$ 1,113,118	\$ (2,124,281)	\$ (71,932)	\$ (1,081,020)
Issuance of common stock	128,590	4	(4)	—	—	—
Stock-based compensation	—	—	3,998	—	—	3,998
Repurchase of common stock	—	—	—	—	—	—
Payment of tax withholdings on equity-based compensation through shares withheld	(2,564)	—	(154)	—	—	(154)
Employee stock purchase plan	—	—	1	—	—	1
Fresh start valuation adjustment for partnership park units purchased	—	—	—	—	—	—
Net income attributable to Six Flags Entertainment Corporation	—	—	—	113,507	—	113,507
Net other comprehensive loss, net of tax	—	—	—	—	(1,887)	(1,887)
Balances at October 2, 2022	83,152,582	\$ 2,079	\$ 1,116,959	\$ (2,010,774)	\$ (73,819)	\$ (965,555)

	Common stock		Capital in		Accumulated	other	Total
	Shares issued	Amount	excess of	Accumulated	comprehensive	loss	stockholders'
			par value	deficit			deficit
(Amounts in thousands, except share data)							
Balances at July 2, 2023	83,464,774	\$ 2,086	\$ 1,124,950	\$ (2,049,907)	\$ (72,595)	\$ (995,466)	
Issuance of common stock	79,492	2	(2)	—	—	—	

Stock-based compensation	—	—	3,525	—	—	3,525
Payment of tax withholdings on equity-based compensation through shares withheld	(3,405)	—	(97)	—	—	(97)
Employee stock purchase plan	—	—	—	—	—	—
Fresh start valuation adjustment for partnership park units purchased	—	—	—	—	—	—
Net income attributable to Six Flags Entertainment Corporation	—	—	—	110,700	—	110,700
Net other comprehensive loss, net of tax	—	—	—	—	1,277	1,277
Balances at October 1, 2023	83,540,861	\$ 2,088	\$ 1,128,376	\$ (1,939,207)	\$ (71,318)	\$ (880,061)

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>						
Balances at January 1, 2022	86,162,879	\$ 2,154	\$ 1,127,710	\$ (2,030,877)	\$ (81,187)	\$ (982,200)
Issuance of common stock	431,999	11	1,028	—	—	1,039
Stock-based compensation	—	—	13,404	—	—	13,404
Repurchase of common stock	(3,464,385)	(87)	(25,394)	(71,293)	—	(96,774)
Payment of tax withholdings on equity-based compensation through shares withheld	(9,904)	—	(414)	—	—	(414)
Employee stock purchase plan	31,993	1	625	—	—	626
Fresh start valuation adjustment for partnership park units purchased	—	—	—	117	—	117
Net income attributable to Six Flags Entertainment Corporation	—	—	—	91,279	—	91,279
Net other comprehensive loss, net of tax	—	—	—	—	7,368	7,368
Balances at October 2, 2022	83,152,582	\$ 2,079	\$ 1,116,959	\$ (2,010,774)	\$ (73,819)	\$ (965,555)

	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>						

			par value		comprehensive	deficit
	Shares issued	Amount			loss	
Balances at January 1, 2023	83,178,294	\$ 2,079	\$ 1,119,222	\$ (2,000,671)	\$ (71,195)	\$ (950,565)
Issuance of common stock	352,961	8	(9)	—	—	(1)
Stock-based compensation		—	9,018	—	—	9,018
Payment of tax withholdings on equity-based compensation through shares withheld	(12,566)	—	(338)	—	—	(338)
Employee stock purchase plan	22,172	1	483	—	—	484
Fresh start valuation adjustment for partnership park units purchased	—	—	—	69	—	69
Net income attributable to Six Flags Entertainment Corporation	—	—	—	61,395	—	61,395
Net other comprehensive loss, net of tax	—	—	—	—	(123)	(123)
Balances at October 1, 2023	83,540,861	\$ 2,088	\$ 1,128,376	\$ (1,939,207)	\$ (71,318)	\$ (880,061)

See accompanying notes to unaudited condensed consolidated financial statements.

SIX FLAGS ENTERTAINMENT CORPORATION
Condensed Consolidated Statements of Comprehensive Income

Cash Flows
(Unaudited)

	Nine Months Ended	
(Amounts in thousands)	October 1, 2023	October 2, 2022
Cash flows from operating activities:		
Net income	\$ 108,928	\$ 135,930
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	85,966	86,772
Stock-based compensation	9,018	13,404
Interest accretion on notes payable	716	833
Loss on debt extinguishment	13,982	17,533
Amortization of debt issuance costs	4,139	5,531
Loss on disposal of assets	6,745	3,036
Deferred income tax expense	13,731	43,434
Other	(3,741)	(276)
Changes in operating assets and liabilities:		

(Increase) decrease in accounts receivable - trade	(40,177)	25,519
Increase in inventories, prepaid expenses and other current assets	(11,139)	(43,543)
(Increase) decrease in deposits and other assets	3,376	(3,697)
Decrease in ROU operating leases	8,708	10,176
(Decrease) increase in accounts payable, deferred revenue and accrued liabilities and other long-term liabilities	53,738	(62,274)
Decrease in operating lease liabilities	(12,310)	(14,628)
(Decrease) increase in accrued interest payable	5,578	(23,938)
Net cash provided by operating activities	247,258	193,812
Cash flows from investing activities:		
Additions to property and equipment	(110,371)	(78,038)
Property insurance recoveries	1,089	4,655
Net cash used in investing activities	(109,282)	(73,383)
Cash flows from financing activities:		
Repayment of borrowings	(1,133,623)	(450,000)
Proceeds from borrowings	1,023,984	200,000
Payment of debt issuance costs	(19,821)	—
Stock repurchases	—	(96,774)
Redemption premium payments on debt extinguishment	—	(12,600)
Payment of cash dividends	—	(199)
Proceeds from issuance of common stock	—	1,665
Payment of tax withholdings on equity-based compensation through shares withheld	(339)	(414)
Reduction in finance lease liability	(750)	(2,025)
Purchase of redeemable noncontrolling interest	(328)	(556)
Distributions to noncontrolling interests	(23,766)	(22,326)
Net cash used in financing activities	(154,643)	(383,229)
Effect of exchange rate on cash	3,308	529
Net decrease in cash and cash equivalents	(13,359)	(262,271)
Cash and cash equivalents at beginning of period	80,122	335,585
Cash and cash equivalents at end of period	\$ 66,763	\$ 73,314
Supplemental cash flow information		
Cash paid for interest	\$ 109,518	\$ 125,919
Cash paid for income taxes	\$ 14,173	\$ 3,582

(Amounts in thousands)	Six Months Ended	
	July 2, 2023	July 3, 2022
Net (loss) income	\$ (25,539)	\$ 2,055
Other comprehensive income, net of tax:		
Foreign currency translation adjustment ⁽¹⁾	(565)	(165)
Defined benefit retirement plan ⁽²⁾	351	343
Change in cash flow hedging ⁽³⁾	(1,186)	9,077
Other comprehensive (loss) income, net of tax	(1,400)	9,255
Comprehensive (loss) income	\$ (26,939)	\$ 11,310
Less: Comprehensive income attributable to noncontrolling interests	(23,766)	(22,325)
Comprehensive loss attributable to Six Flags Entertainment Corporation	\$ (50,705)	\$ (11,015)

(1) Foreign currency translation adjustment is presented net of tax benefit of \$0.1 million and net of tax benefit of a nominal amount for the six months ended July 2, 2023 and July 3, 2022, respectively.

(2) Defined benefit retirement plan is presented net of tax expense of \$0.1 million for the six months ended July 2, 2023 and July 3, 2022, respectively.

(3) Change in fair value of cash flow hedging is presented net of tax benefit of \$0.4 million for the six months ended July 2, 2023 and net of tax expense of \$3.0 million for the six months ended July 3, 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	deficit	other comprehensive loss	stockholders' deficit
			par value			
<i>(Amounts in thousands, except share data)</i>						
Balances at April 3, 2022	86,248,545	\$ 2,156	\$ 1,124,603	\$ (2,088,913)	\$ (75,622)	\$ (1,037,776)
Issuance of common stock	215,707	5	735	—	—	740
Stock-based compensation	—	—	3,223	—	—	3,223
Repurchase of common stock	(3,464,385)	(87)	(25,394)	(71,293)	—	(96,774)
Payment of tax withholdings on equity-based compensation						
through shares withheld	(5,304)	—	(257)	—	—	(257)
Employee stock purchase plan	31,993	1	624	—	—	625
Fresh start valuation adjustment for partnership park units						
purchased	—	—	—	117	—	117
Net loss attributable to Six Flags Entertainment Corporation	—	—	—	45,392	—	45,392
Net other comprehensive income, net of tax	—	—	—	—	3,690	3,690
Balances at July 3, 2022	83,026,556	\$ 2,075	\$ 1,103,534	\$ (2,114,697)	\$ (71,932)	\$ (1,081,020)

	Common stock		Capital in	Accumulated	Accumulated	Total
	Shares issued	Amount	excess of	deficit	other comprehensive loss	stockholders' deficit
			par value			
<i>(Amounts in thousands, except share data)</i>						
Balances at April 2, 2023	83,279,300	\$ 2,082	\$ 1,107,258	\$ (2,055,359)	\$ (70,694)	\$ (1,016,713)
Issuance of common stock	168,809	3	(4)	—	—	(1)
Stock-based compensation	—	—	2,179	—	—	2,179
Payment of tax withholdings on equity-based compensation						
through shares withheld	(5,507)	—	(137)	—	—	(137)
Employee stock purchase plan	22,172	1	483	—	—	484
Fresh start valuation adjustment for partnership park units						
purchased	—	—	—	69	—	69
Net income attributable to Six Flags Entertainment Corporation	—	—	—	20,554	—	20,554
Net other comprehensive loss, net of tax	—	—	—	—	(1,901)	(1,901)

Balances at July 2, 2023	83,464,774	\$ 2,086	\$ 1,109,779	\$ (2,034,736)	\$ (72,595)	\$ (995,466)
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See accompanying notes to unaudited condensed consolidated financial statements.

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

	Common stock		Capital in	Accumulated	Accumulated	Total
	Shares issued	Amount	excess of	deficit	other	stockholders'
<i>(Amounts in thousands, except share data)</i>			par value		comprehensive	deficit
					loss	
Balances at January 2, 2022	86,162,879	\$ 2,154	\$ 1,120,084	\$ (2,023,251)	\$ (81,187)	\$ (982,200)
Issuance of common stock	303,409	7	1,032	—	—	1,039
Stock-based compensation	—	—	7,448	—	—	7,448
Repurchase of common stock	(3,464,385)	(87)	(25,394)	(71,293)	—	(96,774)
Payment of tax withholdings on equity-based compensation through shares withheld	(7,340)	—	(260)	—	—	(260)
Employee stock purchase plan	31,993	1	624	—	—	625
Fresh start valuation adjustment for partnership park units purchased	—	—	—	117	—	117
Net loss attributable to Six Flags Entertainment Corporation	—	—	—	(20,270)	—	(20,270)
Net other comprehensive income, net of tax	—	—	—	—	9,255	9,255
Balances at July 3, 2022	83,026,556	\$ 2,075	\$ 1,103,534	\$ (2,114,697)	\$ (71,932)	\$ (1,081,020)

	Common stock		Capital in	Accumulated	Accumulated	Total
	Shares issued	Amount	excess of	deficit	other comprehensive loss	stockholders' deficit
<i>(Amounts in thousands, except share data)</i>			par value			
Balances at January 1, 2023	83,178,294	\$ 2,079	\$ 1,104,051	\$ (1,985,500)	\$ (71,195)	\$ (950,565)
Issuance of common stock	273,469	6	(7)	—	—	(1)
Stock-based compensation	—	—	5,493	—	—	5,493
Payment of tax withholdings on equity-based compensation through shares withheld	(9,161)	—	(241)	—	—	(241)
Employee stock purchase plan	22,172	1	483	—	—	484
Fresh start valuation adjustment for partnership park units purchased	—	—	—	69	—	69
Net loss attributable to Six Flags Entertainment Corporation	—	—	—	(49,305)	—	(49,305)
Net other comprehensive loss, net of tax	—	—	—	—	(1,400)	(1,400)
Balances at July 2, 2023	83,464,774	\$ 2,086	\$ 1,109,779	\$ (2,034,736)	\$ (72,595)	\$ (995,466)

See accompanying notes to unaudited condensed consolidated financial statements.

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

(Amounts in thousands)	Six Months Ended	
	July 2, 2023	July 3, 2022
Cash flows from operating activities:		
Net (loss) income	\$ (25,539)	\$ 2,055
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	58,024	56,586
Stock-based compensation	5,493	7,448
Interest accretion on notes payable	511	555
Loss on debt extinguishment	13,982	17,533
Amortization of debt issuance costs	2,889	3,965
Loss (gain) on disposal of assets	4,985	(2,002)
Deferred income tax (benefit) expense	(7,467)	726
Other	(5,573)	(3,403)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(42,233)	27,327
Increase in inventories, prepaid expenses and other current assets	(25,480)	(34,698)
(Increase) decrease in deposits and other assets	1,315	(1,928)
Decrease in ROU operating leases	5,614	5,517
Increase in accounts payable, deferred revenue, accrued liabilities and other long-term liabilities	104,717	11,012
Decrease in operating lease liabilities	(1,340)	(1,615)
Decrease in accrued interest payable	(5,269)	(25,841)
Net cash provided by operating activities	84,629	63,237
Cash flows from investing activities:		
Additions to property and equipment	(68,130)	(59,006)
Property insurance recoveries	1,089	3,664
Net cash used in investing activities	(67,041)	(55,342)
Cash flows from financing activities:		
Repayment of borrowings	(1,028,623)	(360,000)
Proceeds from borrowings	998,984	200,000
Payment of debt issuance costs	(19,294)	(12,600)
Stock repurchases	—	(96,774)
Payment of cash dividends	—	(3)

Proceeds from issuance of common stock	—	1,665
Payment of tax withholdings on equity-based compensation through shares withheld	(241)	(260)
Reduction in finance lease liability	(498)	(490)
Purchase of redeemable noncontrolling interest	(328)	(556)
Net cash used in financing activities	(50,000)	(269,018)
Effect of exchange rate on cash	3,870	340
Net change in cash and cash equivalents	(28,542)	(260,783)
Cash and cash equivalents at beginning of period	80,122	335,585
Cash and cash equivalents at end of period	\$ 51,580	\$ 74,802
Supplemental cash flow information		
Cash paid for interest	\$ 83,031	\$ 95,141
Cash paid for income taxes	\$ 6,892	\$ 1,661

See accompanying notes to unaudited condensed consolidated financial statements.

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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 31, 2023. This Quarterly Report covers the period January 2, 2023 – July 2, 2023 October 1, 2023 ("the six nine months ended July 2, 2023 October 1, 2023") and the period April 3, 2023 July 3, 2023 – July 2, 2023 October 1, 2023 ("the three months ended July 2, 2023 October 1, 2023"). The comparison period in the prior year covers the dates January 3, 2022 – July 3, 2022 October 2, 2022 ("the six nine months ended July 3, 2022 October 2, 2022") and the period April 4, 2022 July 4, 2022 – July 3, 2022 October 2, 2022 ("the three months ended July 3, 2022 October 2, 2022").

The 2022 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 and six nine months ended July 2, 2023 October 1, 2023, 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.

Certain previously reported amounts have been reclassified to conform to the current year presentation. During 2023, we reclassified the net pension-related expense (benefit) to other (income) expense, net, in our consolidated statements of operations. We have separated "(Gain) loss on disposal of assets" from "Other" on the condensed consolidated statement of cash flows.

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.

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 noncontrolling interests.

b. Income Taxes

We recorded a valuation allowance of \$98.1 million, \$99.4 million, \$96.0 million and \$108.4 million, \$109.0 million as of July 2, 2023, October 1, 2023, January 1, 2023, and July 3, 2022, October 2, 2022, 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 was based on our estimates of taxable income by jurisdiction in which we operate and the period over which our deferred tax assets were 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 July 2, 2023, October 1, 2023, January 1, 2023, and July 3, 2022, October 2, 2022, we had no recorded amounts for accrued interest or penalties.

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c. Goodwill and Intangibles

As of July 2, 2023 October 1, 2023, 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 July 2, 2023 October 1, 2023, 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 July 2, 2023 October 1, 2023, we did not identify any triggering events that would require a quantitative analysis.

e. Earnings (Loss) Per Common Share

Earnings (loss) per common share for the three and six nine months ended July 2, 2023 October 1, 2023 and July 3, 2022 October 2, 2022, was calculated as follows:

(Amounts in thousands, except per share data)	Three Months Ended		Six Months Ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
Net income (loss) attributable to Six Flags Entertainment Corporation	\$ 20,554	\$ 45,392	\$ (49,305)	\$ (20,270)
Weighted-average common shares outstanding - basic:	83,379	84,992	83,293	85,594
Effect of dilutive stock options and restricted stock units	417	250	—	—
Weighted-average common shares outstanding - diluted:	83,796	85,242	83,293	85,594
Earnings (loss) per share - basic:	\$ 0.25	\$ 0.53	\$ (0.59)	\$ (0.24)
Earnings (loss) per share - diluted:	\$ 0.25	\$ 0.53	\$ (0.59)	\$ (0.24)

	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
<i>(Amounts in thousands, except per share data)</i>				
Net income attributable to Six Flags Entertainment Corporation	\$ 110,700	\$ 113,507	\$ 61,395	\$ 91,279
Weighted-average common shares outstanding - basic:	83,510	83,094	83,365	84,760
Effect of dilutive stock options and restricted stock units	270	13	371	159
Weighted-average common shares outstanding - diluted:	83,780	83,107	83,736	84,919
Earnings per share - basic:	\$ 1.33	\$ 1.37	\$ 0.74	\$ 1.08
Earnings per share - diluted:	\$ 1.32	\$ 1.37	\$ 0.73	\$ 1.07

The computation of diluted earnings per share excluded the effect of 1,578,000 1,406,000 and 2,462,000 2,509,000 antidilutive stock options and restricted stock units for the three months ended July 2, 2023 October 1, 2023, and July 3, 2022 October 2, 2022, respectively, and excluded the effect of 1,550,000 1,474,000 and 2,415,000 2,979,000 antidilutive stock options and restricted stock units for the six nine months ended July 2, 2023 October 1, 2023, and July 3, 2022 October 2, 2022, 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 July 2, 2023 October 1, 2023, 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.

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During the three and six nine months ended July 2, 2023 October 1, 2023 and July 3, 2022 October 2, 2022, stock-based compensation expense consisted of the following:

(Amounts in thousands)	Three Months Ended		Six Months Ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
Long-term incentive plan	\$ 2,123	\$ 3,229	\$ 5,407	\$ 7,379
Employee stock purchase plan	56	(6)	86	69
Total stock-based compensation	<u>\$ 2,179</u>	<u>\$ 3,223</u>	<u>\$ 5,493</u>	<u>\$ 7,448</u>

(Amounts in thousands)	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Long-term incentive plan	\$ 3,495	\$ 4,004	\$ 8,902	\$ 13,341
Employee stock purchase plan	30	(6)	116	63
Total stock-based compensation	<u>\$ 3,525</u>	<u>\$ 3,998</u>	<u>\$ 9,018</u>	<u>\$ 13,404</u>

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, a new twelve-month, subscription style 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 July 2, 2023 October 1, 2023, January 1, 2023, and July 3, 2022 October 2, 2022, we have recorded an allowance for doubtful accounts of \$9.3 million \$10.1 million, \$4.1 million, and \$6.7 million \$7.6 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. Recently Adopted Accounting Pronouncements

In March 2020, FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("Update 2020-04"), which provides optional expedients and exceptions for applying U.S. GAAP principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in Update 2020-04 apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that an entity has elected optional expedients for and that are retained through the end of the hedging relationship. The provisions in Update 2020-04 are effective upon issuance and can be applied prospectively through December 31, 2022. As of July 2, 2023 October 1, 2023, we no longer have any debt instruments that contain LIBOR as a reference rate. Our adoption of Update 2020-04 did not have any effect on our condensed consolidated financial statements.

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.

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The following tables present our revenues disaggregated by contract duration for the three and six nine month periods ended July 2, 2023 October 1, 2023 and July 3, 2022 October 2, 2022, 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 July 2, 2023

			Sponsorship,	
		Park Food,	International	
		Merchandise	Agreements and	
<i>(Amounts in thousands)</i>	Park Admissions	and Other	Accommodations	Total
Long-term contracts	\$ 12,066	\$ 1,423	\$ 6,807	\$ 20,296
Short-term contracts and other (1)	226,897	189,369	7,145	423,411
Total revenues	<u>\$ 238,963</u>	<u>\$ 190,792</u>	<u>\$ 13,952</u>	<u>\$443,707</u>

	Three Months Ended July 3, 2022			
			Sponsorship,	
		Park Food,	International	
		Merchandise	Agreements and	
<i>(Amounts in thousands)</i>	Park Admissions	and Other	Accommodations	Total
Long-term contracts	\$ 16,001	\$ 2,226	\$ 3,500	\$ 21,727
Short-term contracts and other (1)	225,776	180,855	7,064	413,695
Total revenues	<u>\$ 241,777</u>	<u>\$ 183,081</u>	<u>\$ 10,564</u>	<u>\$435,422</u>

	Six Months Ended July 2, 2023			
			Sponsorship,	
		Park Food,	International	
		Merchandise	Agreements and	
<i>(Amounts in thousands)</i>	Park Admissions	and Other	Accommodations	Total
Long-term contracts	\$ 16,927	\$ 1,963	\$ 13,570	\$ 32,460
Short-term contracts and other (1)	298,339	241,615	13,483	553,437
Total revenues	<u>\$ 315,266</u>	<u>\$ 243,578</u>	<u>\$ 27,053</u>	<u>\$585,897</u>

	Six Months Ended July 3, 2022			
			Sponsorship,	
		Park Food,	International	
		Merchandise	Agreements and	
<i>(Amounts in thousands)</i>	Park Admissions	and Other	Accommodations	Total

Long-term contracts	\$ 19,952	\$ 3,008	\$ 10,028	\$ 32,988
Short-term contracts and other ⁽¹⁾	294,812	234,342	11,387	540,541
Total revenues	\$ 314,764	\$ 237,350	\$ 21,415	\$573,529

Three Months Ended October 1, 2023				
(Amounts in thousands)	Park Admissions	Park Food, Merchandise and Other	Sponsorship, International Agreements and Accommodations	Total
Long-term contracts	\$ 21,075	\$ 2,538	\$ 7,163	\$ 30,776
Short-term contracts and other ⁽¹⁾	265,244	234,165	17,270	516,679
Total revenues	\$ 286,319	\$ 236,703	\$ 24,433	\$ 547,455

Three Months Ended October 2, 2022				
(Amounts in thousands)	Park Admissions	Park Food, Merchandise and Other	Sponsorship, International Agreements and Accommodations	Total
Long-term contracts	\$ 20,481	\$ 1,915	\$ 6,301	\$ 28,697
Short-term contracts and other ⁽¹⁾	260,021	207,184	8,929	476,134
Total revenues	\$ 280,502	\$ 209,099	\$ 15,230	\$ 504,831

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

Nine Months Ended October 1, 2023				
(Amounts in thousands)	Park Admissions	Park Food, Merchandise and Other	Sponsorship, International Agreements and Accommodations	Total
Long-term contracts	\$ 38,002	\$ 4,501	\$ 20,733	\$ 63,236
Short-term contracts and other ⁽¹⁾	563,583	475,780	30,753	1,070,116
Total revenues	\$ 601,585	\$ 480,281	\$ 51,486	\$ 1,133,352

	Nine Months Ended October 2, 2022			
	Park	Park Food, Merchandise and Other	Sponsorship, International Agreements and Accommodations	Total
(Amounts in thousands)	Admissions			
Long-term contracts	\$ 40,433	\$ 4,923	\$ 16,329	\$ 61,685
Short-term contracts and other ⁽¹⁾	554,833	441,526	20,316	1,016,675
Total revenues	\$ 595,266	\$ 446,449	\$ 36,645	\$ 1,078,360

(1)

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 January 1, 2023, \$33.5 million of unearned revenue associated with outstanding long-term contracts was reported in "Deferred revenue," of which \$8.6 million \$30.8 million and \$20.8 million \$51.6 million was recognized as revenue for long-term contracts during the three and six nine months ended July 2, 2023 October 1, 2023, respectively. As of July 2, 2023 October 1, 2023, the total unearned amount of revenue for remaining long-term contract performance obligations was \$27.5 million \$71.6 million. As of January 2, 2022 January 1, 2022, \$58.7 million of unearned revenue associated with outstanding long-term contracts was reported in "Deferred revenue," of which \$20.8 million \$24.6 million and \$33.0 million \$49.4 million was recognized as revenue for long-term contracts during the three and six nine months ended July 3, 2022 October 2, 2022, respectively. As of July 3, 2022 October 2, 2022, the total unearned amount of revenue for remaining long-term contract performance obligations was \$37.6 million \$21.4 million.

As of July 2, 2023 October 1, 2023, we expect to recognize estimated revenue for partially or wholly unsatisfied performance obligations on long-term contracts of approximately \$35.0 million \$13.9 million in the remainder of 2023,, \$17.6 million \$73.6 million in 2024,, \$9.2 million in 2025,, \$7.1 million in 2026,, and \$12.8 million in 2027 and thereafter.

3. Long-Term Indebtedness

Credit Facility

As of July 2, 2023 October 1, 2023, 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 credit facility that we entered into in May 2023 (the "Credit Facility").

Concurrently with the closing of the \$800 million \$800.0 million in aggregate principal amount of 7.25% senior unsecured notes due 2031 ("2031 Notes"), the Company amended its existing senior secured credit facility to, among other things, (i) establish a \$500 million \$500.0 million replacement revolving credit facility maturing in May 2028, subject to springing maturity conditions, which was previously scheduled to expire in April 2024 (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.** We incurred a \$0.1 million loss on debt extinguishment related to the write-off of deferred financing costs related to the transaction which was recognized during the three months ended July 2, 2023. transaction.

As of July 2, 2023 October 1, 2023, our available borrowing capacity under our Revolving Credit Facility was \$310.0 million \$390.0 million after reducing the facility by \$169.0 million \$89.0 million borrowings outstanding and \$21.0 million of outstanding letters of credit. As of January 1, 2023 and July 3, 2022 October 2, 2022, \$100.0 million and \$200.0 million \$110.0 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 July 2, 2023 October 1, 2023, the Revolving Credit Facility had an interest rate of 8.45% 8.66%. As of July 2, 2023 October 1, 2023, the Revolving Credit Facility unused commitment fee was 0.500%. The Revolving Credit Facility matures in May 2028.

As of July 2, 2023 October 1, 2023, January 1, 2023 and July 3, 2022 October 2, 2022, \$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 July 2, 2023 October 1, 2023, the applicable interest rate on the Term Loan B was 6.95% 7.17%. The Term Loan B matures on April 17, 2026.

2024 Notes, 2025 Notes, 2027 Notes and 2031 Notes

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.

In April 2017, Holdings issued \$500.0 million of 5.50% senior notes due 2027 (the "2027 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. We incurred a \$17.5 million loss on debt extinguishment containing \$12.6 million for the premium paid above par and \$4.9 million related to the write-off of deferred financing costs related to the transaction which was recognized during the three nine months ended July 3, 2022 October 2, 2022.

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On May 3, 2023, the Company completed the private sale of 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. We incurred a \$13.9 million loss on debt extinguishment containing \$1.0 million for the premium paid above par and \$12.9 million of costs charged to expense on debt modification which were recognized during the three months ended July 2, 2023.

Also, on May 3, 2023, the Company announced that \$892.6 million, or 94.0% of the aggregate principal amount of the 2024 notes Notes were validly tendered pursuant to the Tender Offer. Net cash proceeds from the 2031 Notes, together with other available cash, including borrowings under our revolving credit facility, Revolving Credit Facility, were used to pay the Purchase Price, plus accrued and unpaid interest.

We incurred a \$13.9 million loss on debt extinguishment comprised of \$1.0 million for the premium paid above par and \$12.9 million of costs charged to expense on debt modification which were recognized during the nine months ended October 1, 2023.

As of July 2, 2023 October 1, 2023, \$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 \$30.9 million is due November 15, 2023, and then \$29.0 million is due semi-annually on May 15 and November 15 of each year, thereafter.

Long-Term Indebtedness Summary

As of July 2, 2023 October 1, 2023, January 1, 2023, and July 3, 2022 October 2, 2022, the principal balance of our long-term debt consisted of the following:

(Amounts in thousands)	As of		
	July 2, 2023	January 1, 2023	July 3, 2022
Term Loan B	\$ 479,000	\$ 479,000	\$ 479,000
Revolving Credit Facility	169,000	100,000	200,000
2024 Notes	56,867	949,490	949,490
2025 Notes	365,000	365,000	365,000
2027 Notes	500,000	500,000	500,000
2031 Notes	800,000	—	—
Net discount	(6,580)	(2,138)	(2,694)
Deferred financing costs	(10,961)	(10,821)	(12,886)
Total debt	\$2,352,325	\$ 2,380,531	\$2,477,910
Less short-term borrowings	(169,000)	(100,000)	(200,000)
Total long-term debt	\$2,183,325	\$ 2,280,531	\$2,277,910

As of

	October 1, 2023	January 1, 2023	October 2, 2022
<i>(Amounts in thousands)</i>			
Term Loan B	\$ 479,000	\$ 479,000	\$ 479,000
Revolving Credit Facility	89,000	100,000	110,000
2024 Notes	56,867	949,490	949,490
2025 Notes	365,000	365,000	365,000
2027 Notes	500,000	500,000	500,000
2031 Notes	800,000	—	—
Net discount	(6,375)	(2,138)	(2,416)
Deferred financing costs	(10,130)	(10,821)	(11,854)
Total debt	\$ 2,273,362	\$ 2,380,531	\$ 2,389,220
Less current portion of long-term debt	(56,867)	—	—
Less short-term borrowings	(89,000)	(100,000)	(110,000)
Total long-term debt	\$ 2,127,495	\$ 2,280,531	\$ 2,279,220

Fair-Value of Long-Term Indebtedness

As of July 2, 2023, October 1, 2023, January 1, 2023, and July 3, 2022, October 2, 2022, the fair value of our long-term debt was \$2,298.7 million, \$2,203.3 million, \$2,284.3 million and \$2,368.2 million, \$2,259.2 million, respectively.

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4. Accumulated Other Comprehensive Loss

Changes in the composition of Accumulated Other Comprehensive Loss ("AOCL") during the six nine months ended July 2, 2023, October 1, 2023, were as follows:

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	Cumulative				Accumulated
	Translation	Cash Flow	Defined Benefit	Income	Other
(Amounts in thousands)	Adjustment	Hedges	Plans	Taxes	Comprehensive Loss
Balances at January 1, 2023	\$ (33,145)	\$ 5,337	\$ (39,385)	\$ (4,002)	\$ (71,195)
Net current period change	(663)	—	—	97	(566)
Amounts reclassified from AOCI	—	(1,579)	468	277	(834)
Balances at July 2, 2023	\$ (33,808)	\$ 3,758	\$ (38,917)	\$ (3,628)	\$ (72,595)

	Cumulative				Accumulated
	Translation	Cash Flow	Defined		Other
(Amounts in thousands)	Adjustment	Hedges	Benefit Plans	Income Taxes	Comprehensive Loss
Balances at January 1, 2023	\$ (33,145)	\$ 5,337	\$ (39,385)	\$ (4,002)	\$ (71,195)
Net current period change	1,593	—	—	(460)	1,133
Amounts reclassified from AOCI	—	(2,376)	704	416	(1,256)
Balances at October 1, 2023	\$ (31,552)	\$ 2,961	\$ (38,681)	\$ (4,046)	\$ (71,318)

Reclassifications out of AOCL during the three and six months ended July 2, 2023, October 1, 2023 and July 3, 2022, October 2, 2022:

		Reclassification of (Gain) Loss from AOCL into Earnings			
		Three Months Ended		Six Months Ended	
Component of AOCI	Location of Reclassification into Income (Loss)	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
Amortization of gain on interest rate hedge	Interest expense, net	\$ (792)	\$ (774)	\$ (1,579)	\$ 343
	Income tax expense	197	193	393	(88)
	Net of tax	\$ (595)	\$ (581)	\$ (1,186)	\$ 255

Amortization of deferred actuarial loss and prior service cost	Operating expenses	\$ 234	\$ 229	\$ 468	\$ 458
	Income tax benefit	(58)	(58)	(116)	(115)
	Net of tax	\$ 176	\$ 171	\$ 352	\$ 343
Total reclassifications		\$ (419)	\$ (410)	\$ (834)	\$ 598

		Reclassification of (Gain) Loss from AOCL into Earnings			
		Three Months Ended		Nine Months Ended	
Component of AOCI	Location of Reclassification into Income (Loss)	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Amortization of gain on interest rate hedge	Interest expense, net	\$ (797)	\$ (778)	\$ (2,376)	\$ (435)
	Income tax expense	198	17	591	(109)
	Net of tax	\$ (599)	\$ (761)	\$ (1,785)	\$ (544)
Amortization of deferred actuarial loss and prior service cost	Operating expenses	\$ 236	\$ 216	\$ 704	\$ 674
	Income tax benefit	(58)	(55)	(175)	(170)
	Net of tax	\$ 178	\$ 161	\$ 529	\$ 504
Total reclassifications		\$ (421)	\$ (600)	\$ (1,256)	\$ (40)

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 "Deposits and other assets" 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. \$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 \$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 July 2, 2023 October 1, 2023, January 1, 2023, and July 3, 2022 October 2, 2022:

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(Amounts in thousands)	Derivative Assets		
	October 1, 2023	January 1, 2023	October 2, 2022
Derivatives Not Designated as Hedging Instruments			
Interest rate swap agreements — prepaid expenses and other current assets	\$ 3,743	\$ 6,135	\$ 6,082
Interest rate swap agreements — other assets, net	3,955	4,446	5,442
	<u>\$ 7,698</u>	<u>\$ 10,581</u>	<u>\$ 11,524</u>

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(Amounts in thousands)	Derivative Assets		
	July 2, 2023	January 1, 2023	July 3, 2022
Derivatives Not Designated as Hedging Instruments			
Interest rate swap agreements — other current assets	\$ 3,631	\$ 6,135	\$ 3,688
Interest rate swap agreements — other non-current assets	3,984	4,446	2,829

	\$ 7,615	\$ 10,581	\$ 6,517
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Derivative liabilities recorded at fair value in our unaudited condensed consolidated balance sheets as of July 2, 2023, October 1, 2023, January 1, 2023, and July 3, 2022, October 2, 2022:

(Amounts in thousands)	Derivative Liabilities		
	July 2, 2023	January 1, 2023	July 3, 2022
Derivatives Not Designated as Hedging Instruments			
Interest rate swap agreements — other accrued liabilities	\$ 4,535	\$ 8,476	\$ 7,589
Interest rate swap agreements — other long-term liabilities	5,382	6,224	5,196
	<u>\$ 9,917</u>	<u>\$ 14,700</u>	<u>\$ 12,785</u>

(Amounts in thousands)	Derivative Liabilities		
	October 1, 2023	January 1, 2023	October 2, 2022
Derivatives Not Designated as Hedging Instruments			
Interest rate swap agreements — other accrued liabilities	\$ 4,660	\$ 8,476	\$ 9,235
Interest rate swap agreements — other long-term liabilities	5,181	6,224	7,542
	<u>\$ 9,841</u>	<u>\$ 14,700</u>	<u>\$ 16,777</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 July 2, 2023, October 1, 2023 and July 3, 2022, October 2, 2022 or for the six nine months ended July 2, 2023, October 1, 2023 and July 3, 2022, October 2, 2022.

Gains and losses before taxes on derivatives designated as hedging instruments that were recognized in “Interest expense” expense, net” in the condensed consolidated statements of operations for the three and six nine months ended July 2, 2023, October 1, 2023, and July 3, 2022, October 2, 2022, were as follows:

Three Months Ended July 2, 2023, October 1, 2023 and July 3, 2022

(Amounts in thousands)	Gain (Loss)		Gain (Loss) Reclassified from	
	Recognized in AOCL		AOCL into Interest Expense, Net	
	2023	2022	2023	2022

Interest rate swap agreements	\$ —	\$ —	\$ 792	\$ 774
Total	\$ —	\$ —	\$ 792	\$ 774

Six **October 2, 2022**

(Amounts in thousands)	Gain (Loss) Recognized in AOCL		Gain (Loss) Reclassified from AOCL into Interest Expense, Net	
	2023	2022	2023	2022
Interest rate swap agreements	\$ —	\$ —	\$ 796	\$ 778
Total	\$ —	\$ —	\$ 796	\$ 778

Nine Months Ended **July 2, 2023** **October 1, 2023** and **July 3, 2022**

(Amounts in thousands)	Gain (Loss) Recognized in AOCL		Gain (Loss) Reclassified from AOCL into Interest Expense, Net	
	2023	2022	2023	2022
Interest rate swap agreements	\$ —	\$ 11,778	\$ 1,579	\$ (343)
Total	\$ —	\$ 11,778	\$ 1,579	\$ (343)

October 2, 2022

(Amounts in thousands)	Gain (Loss) Recognized in AOCL		Gain (Loss) Reclassified from AOCL into Interest Expense, Net	
	2023	2022	2023	2022
Interest rate swap agreements	\$ —	\$ 11,778	\$ 2,376	\$ 435
Total	\$ —	\$ 11,778	\$ 2,376	\$ 435

As of **July 2, 2023** **October 1, 2023**, we expect to reclassify net gains of **\$3.2 million** **\$3.0 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 \$85.6 million in 2023 (subject to cost of living adjustments) to the limited partners in the Partnership Parks (based on our ownership of units as of **July 2, 2023** **October 1, 2023**, our share of the distribution will be approximately \$38.1 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 2023 annual offer to purchase limited partnership units tendered by the unit holders (the "Partnership Park Put") in May 2023, we purchased 0.149 limited partnership units from the Texas partnership for \$0.3 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

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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 **July 2, 2023 **October 1, 2023**, is **\$409.8 million** **\$409.7 million** in the case of SFOG and **\$527.4 million** in the case of SFOT. As of **July 2, 2023** **October 1, 2023**, 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.**

We incurred \$20.6 million of capital expenditures at the Partnership Parks during the 2022 season and expect to incur approximately **\$26.0 million** **\$28.0 million** to **\$30.0 million** **\$32.0 million** of capital expenditures at these parks for the 2023 season, 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 \$73.0 million of cash in 2022, after deduction of capital expenditures and

excluding the impact of short-term intercompany advances from or payments to Holdings. As of July 2, 2023 October 1, 2023, January 1, 2023 and July 3, 2022 October 2, 2022, we had total loans receivable outstanding of \$288.3 million from the partnerships that own the Partnership Parks. The loans were primarily used to fund the acquisition of Six Flags White Water Atlanta and to make capital improvements to the Partnership Parks and distributions to the limited partners in prior years.

Redeemable noncontrolling interests represent the non-affiliated parties' interests in the Partnership Parks: SFOT, SFOG and Six Flags White Water Atlanta, which is owned by the partnership that owns SFOG. As of July 2, 2023 October 1, 2023, redeemable noncontrolling interests of the SFOT SFOG and SFOG SFOT partnerships were \$252.7 million \$292.1 million and \$292.1 million \$252.7 million, respectively.

<i>(Amounts in thousands)</i>	SFOT	SFOG	Total
Balance at January 1, 2023	\$ 241,194	\$ 280,201	\$ 521,395
Purchase of redeemable units	(328)	—	(328)
Fresh start accounting fair market value adjustment for purchased units	(69)	—	(69)
Net income attributable to noncontrolling interests	11,860	11,906	23,766
Balance at July 2, 2023	\$ 252,657	\$ 292,107	\$ 544,764

<i>(Amounts in thousands)</i>	SFOT	SFOG	Total
Balance at January 1, 2023	\$ 241,194	\$ 280,201	\$ 521,395
Purchase of redeemable units	(328)	—	(328)
Fresh start accounting fair market value adjustment for purchased units	(69)	—	(69)
Net income attributable to noncontrolling interests	23,721	23,812	47,533
Distributions to noncontrolling interests	(11,860)	(11,907)	(23,767)
Balance at October 1, 2023	\$ 252,658	\$ 292,106	\$ 544,764

The redemption value of the noncontrolling partnership units in SFOT SFOG and SFOG SFOT as of July 2, 2023 October 1, 2023, was approximately \$240.8 million \$280.2 million and \$280.2 million \$240.8 million, respectively.

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, 2023. 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.

Our self-insurance reserves are periodically reviewed for changes in facts and circumstances and adjustments are made as necessary. During the second quarter of 2023, an actuarial analysis of our general liability and worker's compensation self-insurance reserves resulted in a change in estimate that increased our ultimate loss indications on both identified claims and IBNR claims. The determination to undertake such an actuarial analysis resulted from greater than previously estimated reserve adjustments on

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identified claims during the quarter as well as an observed pattern of increasing litigation and settlement costs. As a result of this actuarial analysis, we revised certain key actuarial assumptions utilized in determining estimated ultimate losses, including loss development factors. The change in estimate resulted in an increase to "selling, general and administrative expense" on our condensed consolidated statements of operation of \$37.6 million \$37.6 million during the three and six nine months ended July 2, 2023 October 1, 2023.

Total accrued self-insurance reserves were \$68.6 million, \$65.5 million, \$34.1 million and \$37.0 million, \$44.6 million as of July 2, 2023, October 1, 2023, January 1, 2023 and July 3, 2022, October 2, 2022, respectively.

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.

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. On July 25, 2023, 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 September 29, 2023, plaintiffs filed the Appellant’s brief. On October 4, 2023, the Fifth Circuit informed the parties that defendants’ brief is due on November 13, 2023.

We believe this lawsuit is without merit; however, there can be no assurance regarding the ultimate outcome. Regardless of the merit of plaintiff’s 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.

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

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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 has not yet 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 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 *Dela 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 June 10, 2023, the court ordered the following schedule: plaintiff's amended complaint is due on or before August 12, 2023; defendants' answer or other response **is was** due on or before September 12, 2023; plaintiff's opposition to defendants' motion to dismiss **is was** due on or before October 17, 2023; and defendants' reply to plaintiff's opposition **is due on or before was filed prior to** November 1, 2023. On July 20, 2023, the court scheduled completion of discovery to occur by April 4, 2025, and a four-day trial to begin on September 1, 2025. **On August 22, 2023, plaintiff filed an amended complaint. On September 12, 2023, Six Flags and the individual defendants filed motions to dismiss the amended complaint. On October 17, 2023, plaintiff filed oppositions to the defendants' motions to dismiss. Six Flags' and the individual defendants' replies in support of their motions to dismiss were filed by November 1, 2023.**

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. This settlement On September 22, 2023, the Park settled with 55 additional plaintiffs, including the bellwether plaintiffs set for trial on January 15, 2024, for an immaterial amount. These settlements resolved all claims brought by these plaintiffs only. The parties are working to document this settlement only and will seek to have the Court appoint a special master to determine the amounts each settling plaintiff will receive. This settlement does do not resolve all claims arising from the alleged chemical vapor release. There are 122 19 remaining plaintiffs; 71 plaintiffs represented by 5 different firms and 51 firms. All pro se plaintiffs. The Court set a status conference for August 10, 2023, and ordered all remaining plaintiffs to appear. Any who fail to appear at the status conference will immediately be have been dismissed. The court also set parties are working to document these settlements and have asked the next bellweather trial for January 15, 2024. We have defended this litigation vigorously and Court to appoint special masters to determine the amounts each settling plaintiff will continue to do so. receive. Regardless of the merit of particular claims, litigation may be expensive, time-consuming, disruptive to the Company's operations and distracting to management. In recognition of these considerations, the Company may enter into further 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 that litigation will not occur. These agreements may also significantly increase the Company's operating expenses. The outcome of this litigation is inherently

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uncertain, and we cannot reasonably estimate any loss or range of loss that may arise from the remaining matters in excess of the amount that we have recorded for this litigation, which amount is not material to our consolidated financial statements.

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 strategy 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 July 2, 2023, October 1, 2023, January 1, 2023, and July 3, 2022, October 2, 2022:

(Amounts in thousands)	As of		
	July 2, 2023	January 1, 2023	July 3, 2022
Domestic	\$ 2,292,265	\$ 2,290,318	\$ 2,322,514
Foreign	121,844	114,048	116,550
Total	\$ 2,414,109	\$ 2,404,366	\$ 2,439,064

(Amounts in thousands)	As of		
	October 1, 2023	January 1, 2023	October 2, 2022
Domestic	\$ 2,303,345	\$ 2,290,318	\$ 2,308,557
Foreign	118,931	114,048	110,903
Total	\$ 2,422,276	\$ 2,404,366	\$ 2,419,460

The following information reflects our revenues and income before income taxes by domestic and foreign jurisdictions for the six nine months ended July 2, 2023, October 1, 2023, and July 3, 2022, October 2, 2022:

	Domestic	Foreign	Total
2023	(Amounts in thousands)		
Revenues	\$ 529,735	\$ 56,162	\$ 585,897
(Loss) income before income taxes	(55,878)	26,294	(29,584)
2022			
Revenues	\$ 531,041	\$ 42,488	\$ 573,529
(Loss) income before income taxes	(1,063)	8,721	7,658

23

	Domestic	Foreign	Total
2023	(Amounts in thousands)		

Revenues	\$ 1,022,513	\$ 110,839	\$ 1,133,352
Income before income taxes	96,609	44,844	141,453
2022			
Revenues	\$ 994,463	\$ 83,897	\$ 1,078,360
Income before income taxes	154,209	25,978	180,187

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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 and **six** **nine** months ended **July 2, 2023** **October 1, 2023**, and **July 3, 2022** **October 2, 2022**, respectively:

(Amounts in thousands)	Three Months Ended		Six Months Ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	1,954	1,384	3,908	2,768
Expected return on plan assets	(2,402)	(3,060)	(4,804)	(6,119)
Amortization of net actuarial loss	234	229	468	458
Administrative fees	650	300	1,300	600
Total net periodic expense (benefit)	\$ 436	\$ (1,147)	\$ 872	\$ (2,293)

(Amounts in thousands)	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Service cost	\$ —	\$ —	\$ —	\$ —
Interest cost	1,955	1,375	5,863	4,143
Expected return on plan assets	(2,401)	(3,060)	(7,205)	(9,179)
Amortization of net actuarial loss	236	217	704	675
Administrative fees	650	300	1,950	900
Total net periodic expense (benefit)	\$ 440	\$ (1,168)	\$ 1,312	\$ (3,461)

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

Weighted-Average Assumptions Used To Determine Net Cost

	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<i>July 2, 2023</i>	<i>July 3, 2022</i>	<i>July 2, 2023</i>	<i>July 3, 2022</i>
Discount rate	4.95 %	2.60 %	4.95 %	2.60 %
Rate of compensation increase	N/A	N/A	N/A	N/A
Expected return on plan assets	5.75 %	5.75 %	5.75 %	5.75 %

	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Discount rate	4.95 %	2.60 %	4.95 %	2.60 %
Rate of compensation increase	N/A	N/A	N/A	N/A
Expected return on plan assets	5.75 %	5.75 %	5.75 %	5.75 %

Employer Contributions

We did not make any pension contributions during the three month or six nine month periods ended July 2, 2023 October 1, 2023 and July 3, 2022 October 2, 2022.

9. Stock Repurchase Plans and Shareholder Rights Plan

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 July 2, 2023 October 1, 2023, 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 not made any repurchases during the six nine months ended July 2, 2023 October 1, 2023.

10. Revision to Previously Reported Financial Information

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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 October 2, 2022.

(Amounts in thousands)	As of October 2, 2022		
	As Reported	Adjustments	As Revised
Capital in excess of par value	\$ 1,105,053	\$ 11,906	\$ 1,116,959
Accumulated deficit	(1,998,868)	(11,906)	(2,010,774)
Total stockholders' deficit	(965,555)	—	(965,555)
Total liabilities and stockholders' deficit	\$ 2,704,066	\$ —	\$ 2,704,066

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 consolidated statement of operations for the three-month period ended October 2, 2022.

Three Months Ended October 2, 2022

<i>(Amounts in thousands)</i>	As Reported	Adjustments	As Revised
Selling, general and administrative expenses	\$ 38,159	\$ 2,322	\$ 40,481
Income before income taxes	176,809	(2,322)	174,487
Net income	138,155	(2,322)	135,833
Net income attributable to Six Flags Entertainment Corporation	115,829	(2,322)	113,507
Earnings per average common share outstanding:			
Basic	\$ 1.39	\$ (0.02)	\$ 1.37
Diluted	\$ 1.39	\$ (0.02)	\$ 1.37

(1) Including stock-based compensation of \$1,676 and \$3,998 in the "As Reported" and "As Revised" figures, respectively. "As Reported" figure adjusted to reflect the reclassification of pension-related expense to other (income) expense, net in our condensed consolidated statements of operations as discussed in [Note 1 - General - Basis of Presentation](#).

The following table presents the impact of correcting the error previously discussed on the affected line items of our consolidated statement of operations for the nine month period ended October 2, 2022.

<i>(Amounts in thousands)</i>	Nine Months Ended October 2, 2022		
	As Reported	Adjustments	As Revised
Selling, general and administrative expenses	\$ 130,914	\$ 4,280	\$ 135,194
Income before income taxes	184,467	(4,280)	180,187
Net income	140,210	(4,280)	135,930
Net income attributable to Six Flags Entertainment Corporation	95,559	(4,280)	91,279
Earnings per average common share outstanding:			
Basic	\$ 1.13	\$ (0.05)	\$ 1.08
Diluted	\$ 1.13	\$ (0.06)	\$ 1.07

(2) Including stock-based compensation of \$9,124 and \$13,404 in the "As Reported" and "As Revised" figures, respectively. "As Reported" figure adjusted to reflect the reclassification of pension-related expense to other (income) expense, net in our condensed consolidated statements of operations as discussed in [Note 1 - General - Basis of Presentation](#)

The consolidated statements of stockholders' deficit and the consolidated statements of comprehensive income for the three months and nine months ended October 2, 2022, have also been revised to reflect the impacts to net income. The consolidated statement of cash flows for the nine months ended October 2, 2022 has been adjusted to reflect the impact to net income and stock-based compensation. The adjustments did not affect any subtotals within the statement of cash flows for any previous period.

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

11. Subsequent Event

On November 2, 2023, we announced that we entered into a definitive Merger agreement to combine with Cedar Fair L.P. ("Cedar Fair") (NYSE: FUN). Subject to the terms and conditions set forth in the Merger agreement, each issued and outstanding common share of Six Flags will be converted into the right to receive 0.58 shares of common stock of the new combined entity (subject to certain exceptions and as the same may be adjusted). Following the close of the transaction, holders of Six Flags common stock will own approximately 48.8% of the outstanding shares of the combined company, and the holders of units of Cedar Fair limited partnership interest will own approximately 51.2% of the outstanding shares of the combined company. One business day prior to the close of the transaction, Six Flags will declare a special cash dividend composed of: (i) a fixed amount of \$1.00 per outstanding Six Flags share,

totaling approximately \$85 million in the aggregate, plus, (ii) an amount per outstanding Six Flags share equal to (a) the aggregate per unit distributions declared or paid by Cedar Fair to unitholders with a record date following today's date and prior to the close of the transaction, multiplied by (b) the Six Flags Exchange Ratio, which special dividend will be payable to Six Flags shareholders of record as of one business day prior to the close of the transaction, contingent on the closing of the transaction.

The Merger is expected to close in the first half of 2024, following receipt of Six Flags' stockholder approval, regulatory approvals, and satisfaction of other customary closing conditions.

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 [Cautionary Note Regarding Forward-Looking Statements](#)" included elsewhere in this Quarterly Report and "Item 1A. Risk Factors" in the 2022 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 2022 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.

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- 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.

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

General

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 six nine months ended July 2, 2023 October 1, 2023 and July 3, 2022 October 2, 2022, 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

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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.

We anticipate that the tight labor market and recent increases to the minimum wage rates will increase our salary, wage and benefit expenses in 2023 and future years. Further

legislative changes and competitive wage rate pressure could cause these expenses to continue to increase in the future.

Merger Agreement with Cedar Fair

On November 2, 2023, we announced that we entered into a definitive merger agreement to combine with Cedar Fair L.P. ("Cedar Fair") (NYSE: FUN). Subject to the terms and conditions set forth in the merger agreement, each issued and outstanding common share of Six Flags will be converted into the right to receive 0.58 shares of common stock of the new combined entity (subject to certain exceptions and as the same may be adjusted). Following the close of the transaction, holders of Six Flags common stock will own approximately 48.8% of the outstanding shares of the combined company, and the holders of units of Cedar Fair limited partnership interest will own approximately 51.2% of the outstanding shares of the combined company. One business day prior to the close of the transaction, Six Flags will declare a special cash dividend composed of: (i) a fixed amount of \$1.00 per outstanding Six Flags share, totaling approximately \$85 million in the aggregate, plus, (ii) an amount per outstanding Six Flags share equal to (a) the aggregate per unit distributions declared or paid by Cedar Fair to unitholders with a record date following today's date and prior to the close of the transaction, multiplied by (b) the Six Flags Exchange Ratio, which special dividend will be payable to Six Flags shareholders of record as of one business day prior to the close of the transaction, contingent on the closing of the transaction.

The merger is expected to close in the first half of 2024, following receipt of Six Flags' stockholder approval, regulatory approvals, and satisfaction of other customary closing conditions.

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 2022 Annual Report.

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Results of Operations

Three Months Ended July 2, 2023 October 1, 2023 Compared to Three Months Ended July 3, 2022

October 2, 2022

The following table sets forth summary financial information for the three months ended July 2, 2023 October 1, 2023 and July 3, 2022 October 2, 2022:

	Three Months Ended		Percentage Change (%)
	July 2, 2023	July 3, 2022	2023 to 2022
<i>(Amounts in thousands, except percentage and per capita data)</i>			
Total revenue	\$ 443,707	\$ 435,422	2 %
Operating expenses	173,669	173,357	N/M
Selling, general and administrative expenses	90,448	53,498	69 %
Cost of products sold	34,787	35,710	(3) %
Depreciation and amortization	28,910	27,537	5 %
Loss on disposal of assets	2,550	98	N/M
Operating income	113,343	145,222	(22) %
Interest expense, net	43,495	35,978	21 %
Loss on extinguishment of debt	13,982	17,533	(20) %
Other income, net	(2,261)	(722)	N/M
Income before income taxes	58,127	92,433	(37) %
Income tax expense	13,807	24,716	(44) %
Net income	44,320	67,717	(35) %

Less: Net income attributable to noncontrolling interests	(23,766)	(22,325)	6 %
Net income attributable to Six Flags Entertainment Corporation	<u>\$ 20,554</u>	<u>\$ 45,392</u>	<u>(55) %</u>
Other Data:			
Attendance	7,073	6,652	6 %
Admissions revenue per capita	\$ 33.79	\$ 36.35	(7) %
In-park spending per capita	\$ 26.97	\$ 27.52	(2) %
Total guest spending per capita	\$ 60.76	\$ 63.87	(5) %

	Three Months Ended		Change	
	October 1, 2023	October 2, 2022	\$	%
<i>(Amounts in thousands, except percentage and per capita data)</i>				
Total revenue	547,455	504,831	42,624	8 %
Operating expenses	206,461	180,937	25,524	14 %
Selling, general and administrative expenses	57,952	40,481	17,471	43 %
Cost of products sold	42,885	40,164	2,721	7 %
Depreciation and amortization	27,942	30,186	(2,244)	(7) %
Loss on disposal of assets	1,760	5,038	(3,278)	N/M
Operating income	210,455	208,025	2,430	1 %
Interest expense, net	38,263	34,197	4,066	12 %
Other (income) expense, net	1,155	(659)	1,814	N/M
Income before income taxes	171,037	174,487	(3,450)	(2) %
Income tax expense	36,570	38,654	(2,084)	(5) %
Net income	134,467	135,833	(1,366)	(1) %
Less: Net income attributable to noncontrolling interests	(23,767)	(22,326)	(1,441)	6 %
Net income attributable to Six Flags Entertainment Corporation	<u>\$ 110,700</u>	<u>\$ 113,507</u>	<u>\$ (2,807)</u>	<u>(2) %</u>
Other Data:				
Attendance	9,279	8,032	1,247	16 %
Admissions revenue per capita	\$ 30.86	\$ 34.93	\$ (4.07)	(12) %
In-park spending per capita	\$ 25.51	\$ 26.03	\$ (0.52)	(2) %
Total guest spending per capita	\$ 56.37	\$ 60.96	\$ (4.59)	(8) %

Revenue

Revenue for the three months ended July 2, 2023 October 1, 2023, totaled \$443.7 million \$547.5 million, an increase of \$8.3 million \$42.6 million, or 2% 8%, compared to \$435.4 million \$504.8 million for the three months ended July 3, 2022 October 2, 2022. The increase was attributable to an attendance increase of 6% 16% and an increase in sponsorship, international agreements and accommodations revenue of \$3.4 million \$9.2 million. The increase was partially offset by a decrease in per capita spending.

Total guest spending per capita, which excludes sponsorship, international agreements and accommodations revenue, for the three months ended July 2, 2023 October 1, 2023, decreased by \$3.11, \$4.59, to \$60.76, \$56.37, compared to the three months ended July 3, 2022 October 2, 2022, driven by a \$2.56, \$4.07, or 7% 12%, decrease in admissions revenue per capita and a \$0.55, \$0.52, or 2%, decrease in in-park spending per capita. The lower decrease in admissions spending per capita reflects our increased focus on selling was driven primarily by the planned effort to optimize season pass and other multi-use products single-day ticket pricing, which generate resulted in lower per capita revenue compared to our single-day tickets. average admissions pricing in third quarter 2023 versus third quarter 2022. The decrease in in-park spending per capita reflects was driven primarily by lower spend on parking, retail, and flash passes, resulting from a higher mix of attendance from season passes in third quarter 2023 versus the Company's prior year. Due to certain benefits available to season pass holders, guests visiting on a season pass spend less per visit on certain in-park pricing initiatives.

products than guests visiting on a single-day ticket. The season pass mix-driven decline in in-park spending per capita was partially offset by higher food and beverage sales in third quarter 2023 versus the prior year.

Operating expenses

Operating expenses for the three months ended July 2, 2023 October 1, 2023, increased \$0.3 million \$25.5 million, or 14%, compared to the three months ended July 3, 2022 October 2, 2022, which was primarily attributable to wage increases for our seasonal labor, partially offset by a decline higher costs associated with an earlier start to our fall events and investments in full-time headcount.

new entertainment shows and events and an increase in repairs and maintenance expense.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended July 2, 2023 October 1, 2023, increased \$37.0 million \$17.5 million, or 69% 43%, compared to the three months ended July 3, 2022 October 2, 2022. The increase was primarily attributable to an increase in self-insurance reserves of \$37.6 million. See Note 6, *Commitments and*

Contingencies, for additional information on the change in accounting estimate that resulted in this adjustment. The remaining decrease was attributable to a decrease in full-time head count, partially offset by an \$12.9 million increase in advertising expenses.

expense.

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Cost of products sold

Cost of products sold in the three months ended July 2, 2023 October 1, 2023, decreased \$0.9 million increased \$2.7 million, or 3% 7%, compared to the three months ended July 3, 2022 October 2, 2022, primarily as a result of procurement initiatives to reduce costs, partially offset by higher unit sales volume of our other in-park offerings due to resulting from higher attendance.

Depreciation and amortization

Depreciation and amortization expense for the three months ended July 2, 2023 October 1, 2023, increased \$1.4 million decreased \$2.2 million, or 5% 7%, compared to the period ended July 2, 2022 October 2, 2022. The increase was decrease in depreciation and amortization expense is primarily attributable to the result of a higher proportion of our capital expenditures over the past several years that have been allocated to assets with shorter useful lives.

Loss on disposal of assets

We recognized a loss on disposal of assets of \$2.5 million \$1.8 million during the three months ended July 2, 2023 October 1, 2023, and a loss on disposal of assets of \$0.1 million \$5.0 million during the three months ended July 3, 2022 October 2, 2022. These losses were related to the disposition of older rides and other assets in the normal course of operations.

Interest expense, net

Interest expense, net for the three months ended October 1, 2023, increased \$7.5 million \$4.1 million, or 21% 12%, compared to the three months ended July 3, 2022 October 2, 2022. The increase is attributable to higher interest rates on the 2031 Notes as compared to the 2024 Notes which were outstanding in the prior year and increases in interest rates on our floating-rate debt related to our Term Loan B and Revolving Credit Facility.

Income tax expense

Income tax expense for the three months ended October 1, 2023 was \$36.6 million reflecting an effective tax rate of 21.4%. 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 expense for the three months ended October 2, 2022 was \$38.7 million reflecting an effective tax rate of 22.2%. The difference between the federal statutory rate and our effective tax rate was due to a \$4.0 million discrete tax item associated with our operations in Mexico, as well as state and foreign income taxes and nondeductible expenses, including certain nondeductible executive compensation.

Results of Operations

Nine Months Ended October 1, 2023 Compared to Nine Months Ended October 2, 2022

The following table sets forth summary financial information for the nine months ended October 1, 2023 and October 2, 2022:

	Nine Months Ended		Change	
	October 1, 2023	October 2, 2022	\$	%
<i>(Amounts in thousands, except per capita data)</i>				
Total revenue	\$ 1,133,352	\$ 1,078,360	\$ 54,992	5 %
Operating expenses	489,000	464,013	24,987	5 %
Selling, general and administrative expenses	192,647	135,194	57,453	42 %
Costs of products sold	87,437	85,989	1,448	2 %
Depreciation and amortization	85,966	86,772	(806)	(1) %
Loss on disposal of assets	6,745	3,036	3,709	N/M
Operating income	271,557	303,356	(31,799)	(10) %
Interest expense, net	118,060	107,705	10,355	10 %

Loss on debt extinguishment	13,982	17,533	(3,551)	(20) %
Other income, net	(1,938)	(2,069)	131	(6) %
Income before income taxes	141,453	180,187	(38,734)	(21) %
Income tax expense	32,525	44,257	(11,732)	(27) %
Net income	108,928	135,930	(27,002)	(20) %
Less: Net income attributable to noncontrolling interests	(47,533)	(44,651)	(2,882)	6 %
Net income attributable to Six Flags Entertainment Corporation	\$ 61,395	\$ 91,279	\$ (29,884)	(33) %
Other Data:				
Attendance	17,948	16,371	1,577	10 %
Admissions revenue per capita	\$ 33.52	\$ 36.36	\$ (2.84)	(8) %
In-park spending per capita	\$ 26.76	\$ 27.27	\$ (0.51)	(2) %
Total guest spending per capita	\$ 60.28	\$ 63.63	\$ (3.35)	(5) %

Revenue

Revenue for the nine months ended October 1, 2023, totaled \$1,133.4 million, an increase of \$55.0 million, or 5%, compared to the \$1,078.4 million for the nine months ended October 2, 2022. The increase was primarily attributable to an increase in attendance of 10% and a \$14.8 million increase in sponsorship, international agreement and accommodations revenue. The increase was partially offset by reduced spending on a per capita basis.

Total guest spending per capita, which excludes sponsorship, international agreements and accommodations revenue, for the nine months ended October 1, 2023, decreased \$3.35, to \$60.28, compared to the nine months ended October 2, 2022, driven by a decrease in admissions revenue per capita of \$2.84, or 8%, and a decrease in in-park spending per capita of \$0.51, or 2%. The decrease in admissions spending per capita was driven primarily by the planned effort to optimize season pass and single-day ticket pricing, which resulted in lower average admissions pricing for the nine months ended October 1, 2023 compared to the nine months ended October 2, 2022. The decrease in in-park spending per capita was driven primarily by lower spend on parking, retail, and flash passes, resulting from a higher mix of attendance from season passes in first nine months 2023 versus the prior year. Due to certain benefits available to season pass holders, guests visiting on a season pass spend less per visit on certain in-park products than guests visiting on a single-day ticket. The season pass mix-driven decline in in-park spending per capita was partially offset by higher food and beverage sales in first nine months 2023 versus the prior year.

Operating expenses

Operating expenses for the nine months ended October 1, 2023, increased \$25.0 million, or 5%, compared to the nine months ended October 2, 2022, primarily as a result of an increase in labor costs and the addition or extension of multiple events during the year including Viva la Fiesta, Flavors of the World and Scream Break.

Selling, general and administrative expenses

Selling, general and administrative expenses for the nine months ended October 1, 2023, increased \$57.5 million, or 42%, compared to the nine months ended October 2, 2022. The increase was primarily attributable to an increase in our self-insurance reserves of \$37.6 million. See [Note 6 - Commitments and Contingencies](#), for additional information on the change in accounting estimate that resulted in this adjustment. The remaining increase was primarily driven by an increase in our advertising spending compared to the prior period.

Cost of products sold

Cost of products sold for the nine months ended October 1, 2023 increased \$1.4 million, or 2%, compared to the nine month period ended October 2, 2022, primarily due to higher unit sales resulting from higher attendance.

Depreciation and amortization

Depreciation and amortization expense for the nine months ended October 1, 2023, decreased \$0.8 million, or 1%, compared to the nine months ended October 2, 2022. The decrease in depreciation and amortization expense is primarily the result of a higher proportion of our capital expenditures over the past several years that have been allocated to assets with shorter useful lives.

Loss on disposal of assets

We recognized a \$6.7 million loss on disposal of assets for the nine months ended October 1, 2023, compared to a loss on disposal of assets of \$3.0 million for the nine months ended October 2, 2022. The loss on disposal of assets during the nine months ended October 1, 2023, was driven by the disposition of older rides and other assets in the normal course of operations. The loss on disposal of assets during the nine months ended October 2, 2022 was partially offset by insurance proceeds of \$2.0 million received under our property insurance policy for losses incurred.

Interest expense, net

Interest expense, net for the nine months ended October 1, 2023, increased \$10.4 million, or 10%, compared to the nine months ended October 2, 2022. The increase is primarily

attributable to an increase in the cost of our floating rate debt and increased borrowings on our Revolving Credit Facility. The higher borrowings under our Revolving Credit Facility are primarily attributable to additional borrowings used to fund the portion of the tender of our 2024 Notes not covered by the net proceeds of the 2031 Notes.

Loss on debt extinguishment

Loss on debt extinguishment was \$14.0 million for the three nine months ended July 2, 2023 October 1, 2023 as compared to a loss of debt extinguishment of \$17.5 for three nine months ended July 3, 2022 October 2, 2022. During the three nine months ended July 2, 2023 October 1, 2023, we recognized a loss on debt extinguishment of \$14.0 million due to the write-off of unamortized deferred financing costs on the 2024 Notes, the premium paid above par on the early redemption of the 2024 Notes and the transaction costs charged to expense. During the three nine months ended July 3, 2022 October 2, 2022, we incurred a \$17.5 million loss on debt extinguishment upon the early redemption of \$360.0 million of the 2025 Notes comprised of \$12.6 million for the premium paid above par and \$5.0 million for the write-off of the pro rata amount of unamortized deferred financing costs associated with the 2025 Notes that were redeemed early.

Income tax expense

Income tax expense for the three nine months ended July 2, 2023 October 1, 2023 was \$13.8 million reflecting \$32.5 million, an effective tax rate of 23.7% 23.0%. 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 expense for the three nine months ended July 3, 2022 was \$24.7 million reflecting an effective tax rate of 27%. 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 and a \$4.0 million discrete tax assessment in Mexico.

Results of Operations

Six Months Ended July 2, 2023 Compared to Six Months Ended July 3, 2022

The following table sets forth summary financial information for the six months ended July 2, 2023 and July 3, 2022:

	Six Months Ended		Percentage Change (%)
	July 2, 2023	July 3, 2022	2023 to 2022
<i>(Amounts in thousands, except per capita data)</i>			
Total revenue	\$ 585,897	\$ 573,529	2 %
Operating expenses	282,539	283,076	N/M
Selling, general and administrative expenses	134,695	92,755	45 %
Costs of products sold	44,552	45,825	(3)%
Depreciation and amortization	58,024	56,586	3 %
Loss (gain) on disposal of assets	4,985	(2,002)	N/M
Operating income	61,102	97,289	(37)%
Interest expense, net	79,797	73,508	9 %
Loss on debt extinguishment	13,982	17,533	(20)%
Other income, net	(3,093)	(1,410)	N/M
(Loss) income before income taxes	(29,584)	7,658	N/M
Income tax (benefit) expense	(4,045)	5,603	N/M
Net (loss) income attributable to Six Flags Entertainment Corporation	(25,539)	2,055	N/M
Less: Net income attributable to noncontrolling interests	(23,766)	(22,325)	6 %
Net loss attributable to Six Flags Entertainment Corporation	\$ (49,305)	\$ (20,270)	N/M
Other Data:			
Attendance	8,669	8,339	4 %
Admissions revenue per capita	\$ 36.37	\$ 37.75	(4) %
In-park spending per capita	\$ 28.09	\$ 28.46	(1) %
Total guest spending per capita	\$ 64.46	\$ 66.21	(3) %

Revenue

Revenue for the six months ended July 2, 2023, totaled \$585.9 million, an increase of \$12.4 million, or 2%, compared to the \$573.5 million for the six months ended July 3, 2022. The increase was primarily attributable to an increase in attendance of 4% and a \$5.6 million increase in sponsorship, international agreement and accommodations revenue. The increase was partially offset by reduced spending on a per capita basis.

Total guest spending per capita, which excludes sponsorship, international agreements and accommodations revenue, for the six months ended July 2, 2023, decreased \$1.75, to \$64.46, compared to the six months ended July 3, 2022, driven by a decrease in admissions revenue per capita of \$1.38, or 4%, and a decrease in in-park spending per capita of \$0.37, or 1%. The lower admissions per capita reflects our increased focus on selling season pass and other multi-use products, which generate lower per capita revenue compared to single day tickets.

Operating expenses

Operating expenses for the six months ended July 2, 2023, decreased \$0.5 million, compared to the six months ended July 3, 2022, primarily as a result of a decline in full-time headcount. This decrease was partially offset by an increase in wages per hour paid to our seasonal workers and the addition of multiple events during the first half of the year including Viva la Fiesta, Flavors of the World and Scream Break.

Selling, general and administrative expenses

Selling, general and administrative expenses for the six months ended July 2, 2023, increased \$41.9 million, or 45%, compared to the six months ended July 3, 2022. The increase was primarily attributable to an increase in our self-insurance reserves of \$37.6 million. See Note 6, *Commitments and Contingencies*, for additional information on the change in accounting estimate that resulted in this adjustment. The remaining increase is attributable to an increase in advertising expenses during the first half of the year. The increase was partially offset by a decline in full-time headcount.

Cost of products sold

Cost of products sold for the six months ended July 2, 2023 decreased \$1.3 million, or 3%, compared to the six month period ended July 3, 2022 primarily as a result of procurement initiatives to reduce costs, partially offset by higher sales volume of our other in-park offerings due to higher attendance.

Depreciation and amortization

Depreciation and amortization expense for the six months ended July 2, 2023, increased \$1.4 million, or 3%, compared to the six months ended July 3, 2022. The increase in depreciation and amortization expense is primarily the result of a higher proportion of our capital expenditures over the past several years that have been allocated to assets with shorter useful lives.

Loss on disposal of assets

We recognized a \$5.0 million loss on disposal of assets for the six months ended July 2, 2023, compared to a gain on disposal of assets of \$2.0 million for the six months ended July 3, 2022. The loss on disposal of assets during the six months ended July 2, 2023 **October 2, 2022**, was driven by the disposition of older rides and other assets in the normal course of operations. The gain of \$2.0 million during the six months ended July 3, 2022 was primarily attributable to insurance proceeds received under our property insurance policy for losses incurred.

Interest expense, net

Interest expense, net increased \$6.3 million, or 9%, compared to the six months ended July 3, 2022. The increase is primarily attributable to an increase in the cost of our floating rate debt and increased borrowings on our Revolving Credit Facility. The higher borrowings under our Revolving Credit Facility are primarily attributable to additional borrowings used to fund the portion of the tender of our 2024 Notes not covered by the net proceeds of the 2031 Notes.

Loss on debt extinguishment

Loss on debt extinguishment was \$14.0 million for the six months ended July 2, 2023 as compared to a loss of debt extinguishment of \$17.5 for six months ended July 3, 2022. During the six months ended July 2, 2023, we recognized a loss on debt extinguishment of \$14.0 million due to the write-off of unamortized deferred financing costs on the 2024 Notes, the premium paid above par on the early redemption of the 2024 Notes and the transaction costs charged to expense. During the six months ended July 3, 2022, we incurred a \$17.5 million loss on debt extinguishment upon the early redemption of \$360.0 million of the 2025 Notes comprised of \$12.6 million for the premium paid above par and \$5.0 million for the write-off of the pro rata amount of unamortized deferred financing costs associated with the 2025 Notes that were redeemed early.

Income tax (benefit) expense

Income tax benefit for the six months ended July 2, 2023 was \$4.0 million \$44.3 million, an effective tax rate of 13.7%. 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 expense for the six months ended July 3, 2022, was \$5.6 million 24.6%. The difference between the federal statutory rate and our effective tax rate was driven by due to a \$4.0 million discrete tax adjustment item associated with our operations in Mexico. Our income tax expense was also driven by Mexico, as well as state and foreign income taxes and nondeductible expenses, including certain nondeductible executive compensation.

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Calculation of EBITDA for the three and six nine months ended July 2, 2023 October 1, 2023 and July 3, 2022

October 2, 2022

We manage our business primarily with three different metrics; Modified EBITDA, Adjusted EBITDA and Adjusted EBITDA minus capex.

CAPEX.

"Modified EBITDA," a non-GAAP measure, is defined as our consolidated income (loss) from continuing operations excluding the following: the cumulative effect of changes in accounting principle, discontinued operations, income tax expense or (benefit), restructure costs or recoveries, reorganization items (net), other (income) expense, (gain) loss on debt extinguishment, equity in (income) loss of investees, interest expense (net), (gain) loss on disposal of assets, (gain) loss on the sale of investees, amortization, depreciation, stock-based compensation, fresh start accounting valuation adjustments and other significant non-recurring items. Modified EBITDA, as defined herein, may differ from similarly titled measures presented by other companies. Management uses non-GAAP measures for budgeting purposes, measuring actual results and allocating resources. 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 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 the interests of third parties in the Modified EBITDA of properties that are less than wholly owned (consisting of Six Flags Over Georgia, Six Flags White Water Atlanta and Six Flags Over Texas). Adjusted EBITDA is approximately equal to "Parent Consolidated Adjusted EBITDA" as defined in our secured credit agreement, 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. Adjusted EBITDA as defined herein may differ from similarly titled measures presented by other companies. Our board of directors and management use Adjusted EBITDA to measure our performance and our current management incentive compensation plans are based largely on achieving specified Adjusted EBITDA targets. We believe that Adjusted EBITDA is frequently used by sell-side analysts and most 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. During 2023,

we reclassified the net pension-related expense (benefit) to other (income) expense, net, in our condensed consolidated statements of operations. This reclassification has been reflected in all periods presented. As a result of this reclassification, Adjusted EBITDA for the three-month and six-month nine month periods ended July 3, 2022 October 2, 2022, declined by \$1.6 million and \$2.8 million \$4.0 million, respectively, as compared to the amounts previously reported.

“Adjusted EBITDA minus capex,” a non-GAAP measure, is defined as Adjusted EBITDA minus capital expenditures net of property insurance recoveries. 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 minus capex. Adjusted EBITDA minus capex as defined herein may differ from similarly titled measures presented by other companies.

Modified EBITDA, Adjusted EBITDA and Adjusted EBITDA minus capex are not recognized terms under US GAAP and should not be considered in isolation or as a substitute for a measure of our financial performance prepared in accordance with US GAAP. These metrics are not indicative of income or loss as determined under US GAAP. Modified EBITDA, Adjusted EBITDA and Adjusted EBITDA minus capex as presented may not be comparable to similarly titled measures of other companies due to varying methods of calculation.

The following tables set forth a reconciliation of net income (loss) to Modified EBITDA, Adjusted EBITDA and Adjusted EBITDA minus capex for the three and six nine month periods ended July 2, 2023 October 1, 2023 and July 3, 2022 October 2, 2022:

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	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
<i>(Amounts in thousands, except per share data)</i>				
Net income	\$ 134,467	\$ 135,833	\$ 108,928	\$ 135,930
Income tax expense	36,570	38,654	32,525	44,257
Other (income) expense, net	1,155	(659)	(1,938)	(2,069)
Loss on debt extinguishment	—	—	13,982	17,533
Interest expense, net	38,263	34,197	118,060	107,705

Loss on disposal of assets	1,760	5,038	6,745	3,036
Depreciation and amortization	27,942	30,186	85,966	86,772
Stock-based compensation	3,525	3,998	9,018	13,404
Self-insurance reserve adjustment ⁽¹⁾	—	—	37,558	—
Modified EBITDA	\$ 243,682	\$ 247,247	\$ 410,844	\$ 406,568
Third party interest in EBITDA of certain operations	(23,767)	(22,326)	(47,533)	(44,651)
Adjusted EBITDA	\$ 219,915	\$ 224,921	\$ 363,311	\$ 361,917
Capital expenditures, net of property insurance recovery	(42,241)	(18,041)	(109,282)	(73,383)
Adjusted EBITDA minus CAPEX	\$ 177,674	\$ 206,880	\$ 254,029	\$ 288,534

⁽¹⁾Amount relates to an adjustment to our self-insurance reserves resulting from a change in accounting estimate that increased our ultimate loss indications on both identified claims and incurred but not reported claims. See [Note 6 – Commitment and Contingencies](#) [Table of Contents](#) for additional information regarding this change in accounting estimate. We have excluded this adjustment from our reported Adjusted EBITDA because we believe (i) the change in actuarial assumptions and related change in accounting estimate that rise to adjustment is unusual and not expected to be recurring; (ii) excluding it provides more meaningful comparisons to our historical results; and (iii) excluding it provides more meaningful comparisons to other companies in our industry.

(Amounts in thousands, except per share data)	Three Months Ended		Six Months Ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
Net income (loss)	\$ 44,320	\$ 67,717	\$ (25,539)	\$ 2,055
Income tax expense (benefit)	13,807	24,716	(4,045)	5,603
Other income, net	(2,261)	(722)	(3,093)	(1,410)
Loss on debt extinguishment	13,982	17,533	13,982	17,533
Interest expense, net	43,495	35,978	79,797	73,508
Loss (gain) on disposal of assets	2,550	98	4,985	(2,002)

Depreciation and amortization	28,910	27,537	58,024	56,586
Stock-based compensation	2,179	3,223	5,493	7,448
Self-insurance reserve adjustment (1)	37,558	—	37,558	—
Modified EBITDA	\$ 184,540	\$ 176,080	\$ 167,162	\$ 159,321
Third party interest in EBITDA of certain operations	(23,766)	(22,325)	(23,766)	(22,325)
Adjusted EBITDA	\$ 160,774	\$ 153,755	\$ 143,396	\$ 136,996
Capital expenditures, net of property insurance recovery	(42,034)	(26,352)	(67,041)	(55,342)
Adjusted EBITDA minus CAPEX	\$ 118,740	\$ 127,403	\$ 76,355	\$ 81,654

(1) Amount relates to an adjustment to our self-insurance reserves resulting from a change in accounting estimate that increased our ultimate loss indications on both identified claims and incurred but not reported claims. See Note 6 – Commitment and Contingencies for additional information regarding this change in accounting estimate. We have excluded this adjustment from our reported Adjusted EBITDA because we believe (i) the change in actuarial assumptions and related change in accounting estimate that rise to adjustment is unusual and not expected to be recurring; (ii) excluding it provides more meaningful comparisons to our historical results; and (iii) excluding it provides more meaningful comparisons to other companies in our industry.

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 six nine months ended July 2, 2023 October 1, 2023, and we paid a nominal amount in the six nine months ended July 3, 2022 October 2, 2022 to employees with dividend equivalent rights for previously declared dividends due upon the vesting of the related shares.

As of July 2, 2023 October 1, 2023, 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.

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 entertainment 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 Ebola, Zika, swine flu, COVID-19, Monkeypox or other diseases; accidents or the occurrence of an unfavorable event at one or more of our parks, including terrorist acts or threats inside or outside of our parks; negative publicity; or significant local competitive events, which could materially reduce paid attendance and revenue related to that attendance at any of our parks. While we work with local police authorities on security-related precautions to prevent certain types of disturbances, we can make no assurance that these precautions will be able to prevent these types of occurrences. However, we believe our ownership of many parks in different geographic locations reduces the effects of adverse weather and other adverse events on our consolidated results. If such an 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 Revolving Credit Facility and/or we may need to seek additional financing. In addition, we expect that we will 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 [Cautionary Note Regarding Forward-Looking Statements](#)" [Statements](#)" and "Item 1A. Risk Factors" in the 2022 Annual Report and in this Quarterly Report.

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As of [July 2, 2023](#) [October 1, 2023](#), the principal amount of our total indebtedness, was [\\$2,369.9 million](#) [\\$2,289.9 million](#). As of [August 7, 2023](#) [October 1, 2023](#), 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 2023 and 2024, respectively.

As of **July 2, 2023** **October 1, 2023**, we had **approximately \$51.6 million** **\$66.8 million** of unrestricted cash and **\$310.0 million** **\$390.0 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 **July 2, 2023** **October 1, 2023**, 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.

2031 Notes Issuance and Tender Offer

On April 26, 2023, the Company launched a private offering of up to \$800 million aggregate principal amount of senior notes. Concurrently, the Company commenced a cash tender offer (the "Tender Offer") for any and all outstanding 2024 Notes. 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.

On May 3, 2023, the Company completed the private sale of 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. We incurred a \$13.9 million loss on debt extinguishment **containing** **comprised of** \$1.0 million for the premium paid above par and \$12.9 million of costs charged to expense on debt modification which were recognized during the three months ended July 2, 2023.

Also, on May 3, 2023, the Company announced that \$892.6 million, or 94.0% of the aggregate principal amount of the 2024 notes were validly tendered pursuant to the Tender Offer. 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.

Merger-Related Commitment Letter

In connection with the Merger Agreement, on November 2, 2023, Cedar Fair entered into the

Commitment Letter with Holdings, CopperSteel HoldCo, Inc., Goldman pursuant to which Goldman committed to provide to Cedar Fair, Holdings, and CopperSteel HoldCo, Inc., subject to the terms and conditions set forth therein, an aggregate principal amount of \$800 million of revolving credit commitments and an aggregate principal amount of \$2.3 billion of 364-day term loan commitments, which 364-day term loan commitments may be reduced on the terms and conditions set forth in the Commitment Letter. In connection with the Merger Agreement, on November 2, 2023, Cedar Fair entered into the Commitment Letter with Holdings, CopperSteel HoldCo, Inc., Goldman pursuant to which Goldman committed to provide to Cedar Fair, Holdings, and CopperSteel HoldCo, Inc., subject to the terms and conditions set forth therein, an aggregate principal amount of \$800 million of revolving credit commitments and an aggregate principal amount of \$2.3 billion of 364-day term loan commitments, which 364-day term loan commitments may be reduced on the terms and conditions set forth in the Commitment Letter.

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)	Six Months Ended	
	July 2, 2023	July 3, 2022
Net cash provided by operating activities	\$ 84,629	\$ 63,237
Net cash used in investing activities	(67,041)	(55,342)
Net cash used in financing activities	(50,000)	(269,018)

Effect of exchange rate on cash	3,870	340
Net change in cash and cash equivalents	\$ (28,542)	\$ (260,783)

	Nine Months Ended	
	October 1, 2023	October 2, 2022
(Amounts in thousands)		
Net cash provided by operating activities	\$ 247,258	\$ 193,812
Net cash used in investing activities	(109,282)	(73,383)
Net cash used in financing activities	(154,643)	(383,229)
Effect of exchange rate on cash	3,308	529
Net decrease in cash and cash equivalents	\$ (13,359)	\$ (262,271)

During the six nine months ended July 2, 2023 October 1, 2023, net cash provided by operating activities was \$84.6 million \$247.3 million, compared to net cash provided by operating activities of \$63.2 million \$193.8 million during the six nine months ended July 3, 2022 October 2, 2022. The increase was primarily driven by an increase in deferred revenue from the sale of season pass multi-use admissions products which require up-front payment for visitation, as compared to the prior year period. Net cash used in investing activities was \$67.0 million \$109.3 million for the six nine months ended July 2, 2023 October 1, 2023, compared to net cash used in investing activities of \$55.3 million \$73.4 million in the six nine months ended July 3, 2022 October 2, 2022. The increase was primarily attributable to a planned increase in capital spending. Net cash

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used in financing activities was \$50.0 million \$154.6 million for the six nine months ended July 3, 2022 October 1, 2023, compared to \$269.0 million \$383.2 million for the six nine months ended July 3, 2022 October 2, 2022. During 2023, the amount is driven by the repayment of \$892.0 million of the 2024 Notes offset by the \$784.0 million in proceeds received from the issuance of the 2031 Notes, and additional borrowings under the Revolving Credit Facility. The

\$269.0 million \$383.2 million in 2022 was driven by the repayment of \$360.0 million of the 2025 Notes and share repurchases of \$96.8 million, partially offset by increased borrowings under our Revolving Credit Facility.

Contractual Obligations

Since January 1, 2023, there have been no material changes to the contractual obligations of the Company outside the ordinary course of our business except for the early redemption of \$892.6 million of the 2024 Notes, the issuance of the 2031 Notes and the amendments made to our Revolving Credit Facility. See [Note 3 - Long-Term Indebtedness](#) for additional information. The table below sets forth the material changes during 2023 to the corresponding table as presented in our 2022 Annual Report.

(Amounts in thousands)	Payment Due by Period				
	2023	2024 - 2025	2026 - 2027	2028 and beyond	Total
Long-term debt including current portion (2024 Notes, 2031 Notes and Revolving Credit Facility)	\$ —	\$ 56,867	\$ —	\$ 969,000	\$1,025,867
Interest on 2024 Notes	1,386	1,386	—	—	2,772
Interest on 2031 Notes	31,145	116,000	116,000	203,000	466,145

(Amounts in thousands)	Payment Due by Period				
	2023	2024 - 2025	2026 - 2027	2028 and beyond	Total
Long-term debt including current portion (2024 Notes, 2031 Notes and Revolving Credit Facility)	\$ —	\$ 56,867	\$ —	\$ 969,000	\$ 1,025,867

Interest on 2024 Notes	1,386	1,386	—	—	2,772
Interest on 2031 Notes	31,145	116,000	116,000	203,000	466,145

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of July 2, 2023 October 1, 2023, there were no material changes in our market risk exposure from that disclosed in the 2022 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 July 2, 2023 October 1, 2023, 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.

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For information regarding legal proceedings, see Note 15, Commitments and Contingencies, to the consolidated financial statements in the 2022 Annual Report, and [Note 6, Commitments and Contingencies](#), to the unaudited condensed consolidated financial statements in this Quarterly Report.

ITEM 1A. RISK FACTORS

There

In addition to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended January 1, 2023, the following risk factors have been **no material** identified as a result of Six Flags Entertainment Corporation entering into a merger agreement with Cedar Fair, L.P. ("Cedar Fair").

Risks Related to the Proposed Merger

If the conditions to the Merger Agreement are not met, the Merger may not occur.

Even if the Merger Agreement is approved by the stockholders of Holdings, specified conditions must be satisfied or waived before the parties to the Merger Agreement are obligated to complete the Merger. The Company does not control the satisfaction of all of such conditions. The Company and Cedar Fair may not satisfy all of the closing conditions in the Merger Agreement. If the closing conditions are not satisfied or waived, the Merger will not occur, or will be delayed pending later satisfaction or waiver, and such delay may cause the Company and Cedar Fair to each lose some or all of the intended benefits of the Merger.

The Merger agreement may be terminated in accordance with its terms, and the Merger may not be completed, which could negatively impact our business, financial results, and/or stock price.

The Merger agreement is subject to a number of conditions which must be fulfilled in order to complete the merger, including approval of Six Flags' stockholders. If the Merger is not completed for any reason, there may be adverse consequences and we may experience negative reactions from the financial markets, our customers, our vendors and/or our employees.

The proposed Merger and integration of the Company and Cedar Fair may be more difficult, costly, or time-consuming than expected, and we may fail to realize the anticipated benefits of the merger.

The success of the proposed Merger will depend in part on our ability to realize anticipated revenue and cost synergies and on our ability to successfully integrate the businesses. If we are not able to successfully achieve these objectives, the anticipated benefits of the Merger may not be realized fully, or at all, or may take longer to realize than expected. In addition, our ability to achieve the goals for the proposed Merger may be affected by future prospects, execution of business strategies, and our ability to manage the various factors discussed within this report, including within the forward-looking statements. The actual benefits of the proposed Merger also could be less than anticipated if, for example, completion of the Merger and/or integration of the businesses are more difficult, costly or time-consuming than we expect.

We have incurred and expect to incur substantial costs, fees, expenses, and charges related to the Merger and integration, and may incur additional costs we do not currently anticipate.

We have incurred and expect to incur additional costs, fees, expenses, and charges related to the Merger and integration. We may incur additional costs that we do not currently anticipate. These costs include and may include legal, financial advisory, accounting, consulting, and other advisory fees, retention, severance and employee benefit-related costs, public company filing fees and other regulatory fees, as well as closing, integration and other related costs. Some of the costs are payable regardless of whether or not the Merger is completed.

We may be unable to retain personnel successfully while the Merger is pending or after the Merger is completed.

The success of the Merger will depend in part on our ability to retain key employees while the Merger is pending or after the Merger is consummated. If we are unable to retain key employees, including management, who are critical to the successful completion, integration and future operation of the combined company, we could face disruption in our operations, loss of key information, expertise or know-how, or unanticipated recruiting costs, which may impact our ability to achieve our goals related to the transaction.

The announcement or completion of the proposed Merger may disrupt and/or harm our current plans and operations or those of Cedar Fair, may divert management's time and attention and may affect existing business relationships, any of which may impact

financial performance, operating results and/or our ability to achieve the benefits of the Merger.

The announcement or completion of the proposed Merger may disrupt and/or harm our current plans and operations and/or those of Cedar Fair. Management's time and attention also may be diverted on transaction-related issues. There also may be adverse reactions to or changes in business relationships as a result of the announcement or completion of the Merger. Any of these factors could affect our and/or Cedar Fair's financial performance or operating results, and/or could impact our ability to achieve the benefits of the Merger.

Regulatory approvals may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that affect the anticipated benefits of the Merger.

Before the Merger may be completed, various approvals, consents and non-objections must be obtained from regulatory authorities in the United States and Mexico. These approvals could be delayed or not obtained at all, which could disrupt operations, or could delay or adversely affect completion of the Merger. The approvals that are granted may impose terms and conditions, including requiring the parties to seek divestitures of substantial assets, limitations, obligations or costs, or place restrictions on the conduct of the combined company's business or require changes to the principal risks terms of the transactions contemplated by the Merger agreement, which could affect the anticipated benefits of the Merger.

Litigation relating to the proposed Merger may be filed against Cedar Fair, us and/or each company's board of directors that we believe are material could prevent or delay the closing and/or result in the payment of damages.

In connection with the proposed Merger, it is possible that the unitholders of Cedar Fair and/or our stockholders may file lawsuits against Cedar Fair, us and/or each company's board of directors. Among other remedies, these stockholders and/or unitholders could seek damages and/or to enjoin the Merger. Any such potential lawsuits could prevent or delay the closing and/or result in substantial costs to us. The outcome of any such actions would be uncertain and may create uncertainty relating to the Merger and may be costly and distracting to management. Further, the defense or settlement of any lawsuit or claim that remains unresolved at the time of the Merger may adversely affect our business, financial condition, results of operations and financial condition, from cash flows or those of the risk factors disclosed in the 2022 Annual Report. For a discussion of these risk factors, please see "Item 1A. Risk Factors" contained in the 2022 Annual Report.

combined entity.

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 August 7, 2023 October 1, 2023, 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 5. OTHER ITEMS

On June 7, 2023, Aimee Williams-Ramey, Chief Legal Officer and Corporate Secretary of the Company, entered into a 10b5-1 trading arrangement intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) promulgated under the Securities Exchange Act of 1934, as amended. The trading arrangements will expire on June 28, 2024, and may be terminated earlier in the limited circumstances defined in the trading arrangement. An aggregate of 2,307 shares may be sold pursuant to the trading arrangement.

Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

The Company announced on August 11, 2023 ("Effective Date") that Aimee Williams-Ramey, the Company's Chief Legal Officer and Corporate Secretary, has departed from the Company. Concurrently with her departure, Ms. Williams-Ramey entered into a consulting agreement, dated as of August 11, 2023 (the "Consulting Agreement"), pursuant to which she will provide consulting services to the Company for up to 10 months following the Effective Date in exchange for a monthly consulting fee of \$38,333. Ms. Williams-Ramey's employment was terminated without cause under the employment agreement between Ms. Williams-Ramey and the Company, dated as of June 13, 2022 (the "Employment Agreement"), with such termination effective as of the Effective Date. In connection with such termination, Ms. Williams-Ramey entered into a Separation Agreement and General Release with the Company on August 11, 2023 (the "Separation Agreement"), which provides, in addition to the terms below, that Ms. Williams-Ramey will receive the payments and benefits provided upon a termination without cause pursuant to the Employment Agreement. These payments and benefits consist of (i) an amount equal to the sum of Ms. Williams-Ramey's base salary and target annual bonus, to be paid in a lump sum within 60 days following the Effective Date, (ii) payment of the annual bonus, if any, that would otherwise have been paid to Ms. Williams-Ramey if she had remained employed by the Company through December 31, 2023,

calculated based on actual performance and paid at the time annual bonuses are normally paid to the Company's executives (but no later than March 15, 2024), (iii) subject to Ms. Williams-Ramey's timely election, continued health care coverage for a period of 12 months commencing on the Effective Date or until Ms. Williams-Ramey receives comparable coverage from a subsequent employer, (iv) immediate vesting of 10,030 unvested restricted stock units held by Ms. Williams-Ramey that are scheduled to vest in the 12-month period following the Effective Date, and (v) a cash payment equal to \$10,000 for executive outplacement services.

Ms. Williams-Ramey has agreed to extend the duration of the non-competition and noninterference covenants under her Employment Agreement from 12 months to 18 months following the Effective Date. In consideration of this extension and her entry into the Consulting Agreement, the Separation Agreement provides for a lump sum cash payment equal to \$355,000, to be paid within 60 days following the Effective Date.

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The foregoing descriptions of the Separation Agreement and the Consulting Agreement are not complete and are qualified by reference to the full text and terms of the Separation Agreement and Consulting Agreement, which are filed as Exhibit 10.3 and Exhibit 10.4, respectively, to this report and incorporated herein by reference.

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ITEM 6. EXHIBITS

[Exhibit 2.1](#)

[Exhibit 3.1](#) [Certificate Agreement and Plan of Amendment to the Amended Merger, dated as of November 2, 2023, by and Restated Certificate of Incorporation of among Cedar Fair, L.P., and Six Flags Entertainment Corporation.](#)

[Exhibit 4.1](#) [Indenture, dated as of May 3, 2023, among Six Flags Entertainment Corporation, each of the guarantors party thereto CopperSteel HoldCo, Inc. and U.S. Bank Trust Company, National Association, as trustee – incorporated CopperSteel Merger Sub, LLC. \(Incorporated by reference to Exhibit 4.1 2.1 to Registrant's the Company's Current Report on Form 8-K \(Commission File No. 001-13703\) filed May 4, 2023 with the SEC on November 2, 2023\).](#)

[Exhibit 4.2 2.2](#)

[Form Voting Support Agreement, dated as of 7.250% Senior Note Due 2031 \(included as Exhibit A to Exhibit 4.1\) – incorporated November 2, 2023, by and between Cedar Fair, L.P., Six Flags Entertainment Corporation, and H Partners, L.P. and certain of its affiliates \(Incorporated by reference to Exhibit 4.2 2.2 to Registrant's the Company's](#)

Registrants the Company's
Current Report on Form 8-
K (Commission File No.
001-13703) filed May 4,
2023 with the SEC on
November 2, 2023)

Exhibit 10.1

Replacement
Revolving
Facility and
Incremental
Amendment
to Second
Amended and
Restated
Credit
Agreement,
dated as of
May 3, 2023,
among Six
Flags
Entertainment
Corporation,
Six Flags
Operations,
Inc., Six Flags
Theme Parks
Inc., each of
the subsidiary
guarantors
party thereto,
Wells Fargo
Bank, National
Association, as
administrative
agent, and the
replacement
revolving

[lenders and
incremental
revolving
lenders
incorporated
by reference
to Exhibit 10.1
to Registrant's
Current
Report on
Form 8-K, filed
May 4, 2023](#)

[Exhibit 10.2](#) [Fourth Amendment to Second Amended and
Restated Credit Agreement, dated as of May 3, 2023,
among Six Flags Entertainment Corporation, Six Flags
Operations Inc., Six Flags Theme Parks Inc., each of
the subsidiary guarantors party thereto, Wells Fargo
Bank, National Association, as administrative agent,
and the lenders party thereto incorporated by
reference to Exhibit 10.2 to Registrant's Current
Report on Form 8-K, filed May 4, 2023](#)

[Exhibit
10.3*](#) [Separation Agreement and General Release, dated
August 11, 2023, by and between Six Flags
Entertainment Corporation and Aimee Williams-
Ramey](#)

[Exhibit
10.4*](#) [Consulting Agreement, dated August 11, 2023, by and
between Six Flags Entertainment Corporation and
Aimee Williams-Ramey](#)

[Exhibit
31.1*](#) [Certification of Chief Executive Officer, pursuant to Section 302 of
the Sarbanes-Oxley Act of 2002](#)

[Exhibit 31.2*](#)

[Certification of Chief
Financial Officer, pursuant](#)

[to Section 302 of the Sarbanes-Oxley Act of 2002](#)

[Exhibit 32.1*](#)

[Certification of Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

[Exhibit 32.2*](#)

[Certification of Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

Exhibit 101*

The following financial statements and footnotes from the Company's Quarterly Report on Form 10-Q for the quarter ended **July 2, 2023** **October 1, 2023** 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, **(Loss)**, (iv) the Unaudited Condensed Consolidated Statements of Stockholders' Deficit, (v) the Unaudited Condensed Statements of Cash **Flow**, **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 July 2,
2023 October 1, 2023,
formatted in Inline XBRL

* Filed herewith

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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:

November 13, 2023

August 11, 2023

/s/ SELIM

BASSOUL

Selim Bassoul
*President and Chief
Executive Officer*

Date:

November 13, 2023

August 11, 2023

/s/ GARY MICK

Gary Mick
*Chief Financial
Officer*

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Exhibit 3.1

**CERTIFICATE OF AMENDMENT
TO THE
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
SIX FLAGS ENTERTAINMENT CORPORATION**

(Pursuant to Section 242 of the Delaware General Corporation Law)

SIX FLAGS ENTERTAINMENT CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

FIRST: The name of the Corporation is Six Flags Entertainment Corporation.

SECOND: The Amended and Restated Certificate of Incorporation of the Corporation is hereby amended by deleting Article V and replacing it with the following:

**"ARTICLE V
BYLAWS**

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board is expressly authorized to make, alter, and repeal the Amended and Restated Bylaws (as amended, the "*Bylaws*") of the Company. Any adoption, alteration, or repeal of a Bylaw must be approved either by (a) the affirmative vote of a majority of the Whole Board (as defined below) or the unanimous written consent of all members of the Board, or (b) the affirmative vote of the holders of at least a majority of the voting power of the outstanding shares entitled to vote generally in the election of directors, voting as a single class. For the purposes of this Article V, "*Whole Board*" means the total number of directors the Company would have if there were no vacancies."

THIRD: This Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Corporation was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by the holders of a majority of

the outstanding shares of Common Stock of the Corporation entitled to vote thereon at a meeting of the stockholders of the Corporation called and held upon notice in accordance with Section 222 of the Delaware General Corporation Law.

FOURTH: This Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Corporation shall be effective as of 11:59 p.m., Eastern Time, on May 10, 2023.

IN WITNESS WHEREOF, Six Flags Entertainment Corporation has caused this Certificate of Amendment to be signed by its duly authorized officer this 10th day of May, 2023.

SIX FLAGS ENTERTAINMENT
CORPORATION

Exhibit 3.1

By: /s/ Aimee Williams-
Ramey
Name: Aimee Williams-
Ramey
Title: Chief Legal Officer
and Corporate Secretary

Separation Agreement and General Release

Aimee Williams-Ramey ("**Executive**" and referred to herein as "you") and Six Flags Entertainment Corporation, a Delaware corporation (the "**Company**"), hereby knowingly and voluntarily agree to enter into this Separation Agreement and General Release ("**Agreement**") which sets forth the terms agreed to in connection with the termination of your employment with the Company. You and the Company are referred to herein as the "**Parties**" or individually as a "**Party**".

1. Termination Benefits.

(a) Your employment with the Company as Chief Legal Officer and Corporate Secretary will terminate effective as of August 11, 2023 (the "**Termination Date**"), and as of the Termination Date, you will be deemed to have immediately resigned without the requirement of any additional action, from all other positions you held with the Company and its Affiliates. As of the Termination Date, you will be deemed to have incurred a "separation from service" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**"). You will be paid the Accrued Amounts as soon as practicable following the Termination Date.

(b) In exchange for your waiver of claims against the Released Persons (as defined below), compliance with the other terms and conditions of this Agreement (including extension of the Restricted Period pursuant to Section 9), and entry into the consulting agreement between you and the Company, dated as of August 11, 2023 (the "**Consulting Agreement**"), upon the Effective Date (as defined below), the Company

agrees to provide you with the payments and benefits provided as set forth on Exhibit A attached hereto.

(c) You acknowledge that the arrangements, payments, and benefits described in this Agreement are in lieu of and in full satisfaction of any amounts that might otherwise be payable to you under any agreement, contract, understanding, plan, policy or practice, past or present, of the Company and/or any of its Affiliates, including without limitation any offer letters, employment agreements, or other agreements you may have received or entered into with respect to your employment with the Company (including, without limitation, your employment agreement with the Company, effective June 13, 2022 (the “**Employment Agreement**”). You acknowledge and agree that you have received payment for all salary, wages, bonuses, and other compensation and you are not due anything further except as specified in this Agreement. Except as expressly set forth herein, you shall not be eligible to participate or continue to participate in any employee benefit plans or compensation arrangements of the Company or any of its Affiliates following the Termination Date, including, but not limited to, any bonus or incentive compensation, notice pay, or severance pay, except as specifically allowed by such benefit plans or pursuant to COBRA.

2. General Release and Waiver of Claims.

(a) In consideration for the payments and benefits to be provided to you pursuant to Section 1(b), above, you, for yourself and for your heirs, executors, administrators, trustees, legal representatives and assigns (hereinafter referred to collectively as “**Releasors**”), forever release and discharge the Company and its Subsidiaries, divisions, Affiliates and related business entities, successors and assigns, and

any of its or their respective directors, officers, fiduciaries, agents, trustees, administrators, employees and assigns (in each case, in their capacity as such) (collectively the “**Released Persons**”) from any and all claims, suits, demands, causes of action, covenants, obligations, debts, costs, expenses, fees and liabilities of any kind

Exhibit 10.3

whatsoever in law or equity, by statute or otherwise, whether known or unknown, vested or contingent, suspected or unsuspected and whether or not concealed or hidden (collectively, the “**Claims**”), which you have had, now have, or may have against any of the Released Persons by reason of any act, omission, transaction, practice, plan, policy, procedure, conduct, occurrence, or other matter arising up to and including the Termination Date, except as provided in subsection (c) below.

(b) Without limiting the generality of the foregoing, this Agreement is intended to and shall release the Released Persons from any and all such claims, whether known or unknown, which you have had, now have, or may have against the Released Persons arising out of your employment or termination thereof, including, but not limited to:

(i) any claim under the Age Discrimination in Employment Act (as amended by the Older Workers’ Benefit Protection Act), Title VII of the Civil Rights Act of 1964, the Americans

with Disabilities Act, the Genetic Information Nondiscrimination Act, the Employee Retirement Income Security Act of 1974 (excluding claims for accrued, vested benefits under any employee benefit or pension plan of the Released Persons subject to the terms and conditions of such plan and applicable law), the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act of 1988, the Fair Labor Standards Act of 1938, the Fair Credit Reporting Act, the Uniform Services Employment and Reemployment Rights Act, the National Labor Relations Act, the Immigration Reform and Control Act, the Texas Labor Code, the Texas Payday Law, the Texas Anti-Retaliation Act, the Texas Commission on Human Rights Act and the Texas Whistleblower Act, in each case as amended;

(ii) any and all claims for compensation of any type whatsoever, including but not limited to claims for salary, wages, bonuses, commissions, incentive compensation, vacation, sick pay, severance, and other compensation that may be legally waived and released;

(iii) any and all claims arising under tort, contract, and quasi-contract law, including but not limited to claims of breach of contract, tortious interference, breach of duty, personal injury or any other harm, wrongful or retaliatory discharge, fraud, defamation, and negligent or intentional infliction of emotional distress; and

(iv) any and all claims for monetary or equitable relief, including but not limited to attorneys' fees, back pay, front pay, reinstatement, experts' fees, medical expenses,

costs and disbursements, punitive and liquidated damages, and penalties.

(c) Notwithstanding the foregoing, nothing in this Agreement shall be a waiver of claims: (i) that arise after the Termination Date, including, without limitation, such claims related to any equity award held by you; (ii) to enforce this Agreement and/or for the payments or benefits required to be provided under Section 4(b) of the Employment Agreement and Exhibit A to this Agreement; (iii) regarding rights of indemnification and receipt of legal fees and expenses to which you are entitled under the Employment Agreement, the Company's or a Subsidiary of the Company's Certificate of Incorporation or By-laws (or similar instrument), pursuant to any separate writing between you and the Company or any Subsidiary of the Company or pursuant to applicable law; or (iv) relating to any claims for accrued, vested benefits under any employee benefit plan or retirement plan of the Released Persons subject to the terms and conditions of such plan and applicable law (excluding any severance or termination pay plan, program or arrangement, claims to which are specifically waived hereunder).

Exhibit 10.3

(d) In signing this Agreement, you acknowledge that you intend that this Agreement shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. You expressly consent that this Agreement shall be given full force and effect according to each and all of its express terms and provisions,

including those relating to unknown, unsuspected or unanticipated Claims, if any, as well as those relating to any other Claims hereinabove mentioned or implied.

3. Specific Release of ADEA Claims.

(a) You acknowledge that you are waiving and releasing claims under the Age Discrimination in Employment Act, as amended by the Older Workers' Benefit Protection Act. You further acknowledge that you: (i) have carefully read this Agreement in its entirety; (ii) have had an opportunity to consider the terms of this Agreement for at least twenty-one (21) days; (iii) are hereby advised by the Company in writing to consult with an attorney of your choice in connection with this Agreement; (iv) fully understand the significance of all of the terms and conditions of this Agreement and have discussed them with your independent legal counsel, or have had a reasonable opportunity to do so; (v) have had answered to your satisfaction by your independent legal counsel any questions you have asked with regard to the meaning and significance of any of the provisions of this Agreement; and (vi) are signing this Agreement voluntarily and of your own free will and agree to abide by all the terms and conditions contained herein.

(b) You understand that you will have at least twenty-one (21) days from the date of receipt of this Agreement to consider the terms and conditions of this Agreement. You may accept this Agreement by signing it and returning it to the Company's Chief Financial Officer at the address specified pursuant to Section 15 of the Employment Agreement. After executing this Agreement, you shall have seven (7) days (the "**Revocation Period**") to revoke this Agreement (other than Section 1(a) above) by indicating your desire to do so in writing delivered to the Chief Financial Officer at

the address above by no later than 5:00 p.m. Central Standard Time on the seventh (7th) day after the date you sign this Agreement. This Agreement shall not become effective until the eighth (8th) day after you sign this Agreement (the “**Effective Date**”), provided you do not revoke your consent during the Revocation Period. If the last day of the Revocation Period falls on a Saturday, Sunday or holiday, the last day of the Revocation Period will be deemed to be the next business day. In the event you do not accept this Agreement as set forth above, or in the event you revoke this Agreement during the Revocation Period, this Agreement (other than Section 1(a) above), including but not limited to the obligation of the Company to provide the payments and benefits provided in Section 1(b) above, shall be deemed automatically null and void. You hereby acknowledge and agree that Section 1(a) shall take immediate and irrevocable effect as of the Termination Date, regardless of whether you invoke your right to revoke this Agreement in accordance with this Section 3.

4. Administrative Charges and Complaints.

You understand that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“**Government Agencies**”). You further understand this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Further, you understand that claims challenging the validity of this Agreement under the Age

Discrimination Employment Act as amended by the Older Workers' Benefit Protection Act are not released.

While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, to the maximum extent permitted by law, you

Exhibit 10.3

are otherwise waiving any and all rights you may have to individual relief based on any claims that you have released and any rights you have waived by signing this Agreement.

5. Company Property; Intellectual Property.

(a) Return of Company Property. Unless otherwise provided for herein, you acknowledge and agree that all Company-owned or leased property, documents, records, and files (electronic, paper or otherwise), software, equipment, and other physical property, including but not limited to mobile phones, laptops, tablets, access cards, ID cards, keys, computers, hardware, databases, and all items containing proprietary and/or Confidential Information of the Company (defined below), that you have received, acquired, or which have come into your possession or been produced by or to you in connection with your employment (collectively, "**Company Property**"), have been and remain the sole property of the Company. You agree to conduct a thorough and diligent search and return to the Company all such tangible Company

Property within five (5) business days of your receipt of this Agreement. You further agree to conduct a thorough search for, and permanently and irrevocably delete, any intangible Company Property which exists or is stored in any e-mail account, in any cloud account, or on any computer, laptop, tablet, mobile device, or other electronic device which is accessible, possessed, controlled or owned by you.

(b) Assignment of Rights to Intellectual Property. You agree to promptly disclose in writing to the Company all inventions, discoveries, developments, improvements and innovations that you have conceived or made during your employment (collectively referred to as “**Company Inventions**”); provided, however, that in this context, Company Inventions are limited to those which (i) relate in any manner to the existing or contemplated business or research activities of the Company, or any of its Affiliates or Subsidiaries; (ii) are suggested by or result from your work at the Company; or (iii) result from the use of the time, materials or facilities of any member or Affiliate of the Company. You assign and agree to assign to the Company your full right, title, and interest in and to all Company Inventions, and further agree to execute any and all applications for domestic and foreign patents, copyrights, or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) that may be requested to assign Company Inventions to the Company or its designee and/or to permit the Company or its designee to enforce any patent, copyrights, or other proprietary rights to the Company Inventions. You acknowledge and agree you will not charge the Company for any time, expense, or resources spent in complying with these obligations, and that any copyrightable Company Inventions that

you created during your employment shall be considered “works made for hire” and shall, upon creation, be owned by the Company.

6.Reserved.

No Admission of Liability. This Agreement is not intended, and shall not be construed, as an admission that any of the Released Persons has violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever against you.

8. Validity and Enforcement.

(a) Capitalized terms in this Agreement (including any exhibits attached hereto) that are not defined in this Agreement shall have the meaning ascribed to such terms in the Employment Agreement.

(b) Should any provision of this Agreement require interpretation or construction, it is agreed by the parties that the entity interpreting or constructing this Agreement shall not apply a presumption against

Exhibit 10.3

one party by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document.

(c) You represent and warrant that you have not assigned or transferred to any person or entity any of your rights which are or could be covered by this

Agreement, including but not limited to the waivers and releases contained in this Agreement.

(d) This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

9. Continuing Obligations. You and the Company acknowledge that the terms and obligations set forth in Sections 5 through 11 of the Employment Agreement survive the termination of your employment and you and the Company agree to continue to comply with those terms and obligations. The Company agrees to instruct its directors and officers not to make any statements that would violate Section 8 of the Employment Agreement if they were made by the Company, and the Company shall use its commercially reasonable efforts to enforce such direction. Those Restrictive Covenants and/or obligations that come into effect upon the last day of your employment with the Company shall begin on the Termination Date. Notwithstanding any provision in the Employment Agreement to the contrary, in exchange for the consideration set forth on Exhibit A, you acknowledge and agree that the Restricted Period shall be extended to eighteen (18) months following the Termination Date. Nothing in this Agreement or the Employment Agreement shall be interpreted or applied in a manner to prevent or restrict you from providing legal services to any individual or entity, whether as in-house counsel or outside counsel. For the avoidance of doubt, and without limiting the foregoing, nothing in this Agreement or the Employment Agreement shall prohibit you from engaging in the private practice of law as a sole practitioner or member of a law firm, irrespective of whether members of a law firm with whom you are

affiliated or you, in such capacity, represent businesses that are engaged in a Competing Business.

10. Section 409A. This Agreement is intended to comply with Section 409A, including the exceptions thereto, and shall be construed and administered in accordance with such intent and may be modified to satisfy Section 409A. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the parties of the applicable provision without violating the provisions of Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. Any payments to be made under this Agreement upon termination of employment shall only be made upon "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that you may incur on account of non-compliance with Section 409A.

11. Tax Treatment. The Company makes no commitment or guarantee to you that any federal, state, local, or other tax treatment will (or will not) apply or be available to you and assumes no liability whatsoever for any potential tax consequences (including any penalties

or interest related thereto) to you. Notwithstanding any other provisions of this Agreement, the Company may withhold from amounts payable

Exhibit 10.3

under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations.

12. Governing Law. Any dispute regarding this Agreement shall be subject to Texas law without reference to its choice of law provisions. In any action brought to enforce any obligation arising out of this Agreement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs.

13. Entire Agreement and Modifications. This Agreement, the provisions of the Employment Agreement incorporated herein, and the Consulting Agreement, collectively, (i) constitute the entire agreement between the Parties regarding the termination of your employment; (ii) survive the termination of your employment; and (iii) supersede and cancel all prior and contemporaneous written and oral agreements, if any. You affirm that by entering into this Agreement you are not relying upon any other oral or written promise or statement made by anyone at any time on behalf of the Company. This Agreement may not be amended, altered or modified other than in a writing signed by you and an authorized representative of the Company.

14. Acknowledgment. You warrant that you are fully competent to enter into this Agreement. You acknowledge that you have been afforded a reasonable period of time and opportunity to review this Agreement with an attorney of your choice. You represent that you have read this Agreement, including the Release, that you fully understand the terms, and that you choose to enter into this Agreement freely, voluntarily, and without coercion.

[Remainder of Page Intentionally Left Blank]

Exhibit 10.3

IN WITNESS WHEREOF, Executive and the Company have caused this Agreement to be executed as of the date(s) set forth below.

EXECUTIVE

/s/ Aimee
Williams-
Ramey

Aimee
Williams-
Ramey

Date: August
11, 2023

**SIX FLAGS
ENTERTAINMENT
CORPORATION**

By: /s/ Gary
Mick

Its: Chief
Financial
Officer

Date: August
11, 2023

Exhibit 10.3

Exhibit A

Severance Entitlements

Subject to (a) Executive's continued compliance with Sections 5 through 11 (inclusive) of the Employment Agreement (as modified pursuant to Section 9 of the Agreement), (b) Executive's execution and delivery of the Agreement, and (c) Executive's non-revocation of the Agreement prior to the expiration of the Revocation Period, Executive will be entitled to the following payments and benefits, in accordance with the terms set forth in this Exhibit A, the Agreement, and the Employment Agreement:

1. Payment of the full amount of the annual bonus, if any, that would otherwise have been paid to Executive if Executive had remained employed by the Company through December 31, 2023 (the "**Annual Bonus**"), which Annual Bonus, for the avoidance of doubt, (w) shall be calculated based on the Company's performance for the full 2023 calendar year, (x) shall be calculated in the same manner that annual bonuses are calculated for other executives of the Company by the Compensation Committee of the Company's board of directors (the "**Committee**"), (y) shall not be subject to negative adjustment by the Committee that is not applied to annual bonuses paid to other executives of the Company, and (z) paid in a lump sum at the time annual bonuses are normally paid to the Company's executives but in no event later than March 15, 2024, it being understood that the Annual Bonus shall be paid to you at such time notwithstanding the earlier termination of your employment on the Termination Date.
2. Payment of an amount equal to \$874,000, which represents the sum of (i) Base Salary and (ii) Target Bonus, to be paid in a lump sum within sixty (60) days following the Termination Date.

3. Subject to Executive making a timely election pursuant to COBRA, continued health care coverage for a period of twelve (12) months commencing on the Termination Date or until Executive receives comparable coverage from a subsequent employer for Executive (and Executive's eligible dependents, if any) under the Company's health plans on the same basis as such coverage is made available to executives employed by the Company (including, without limitation, co-pays, deductibles and other required payments and limitations) with the Company paying the applicable COBRA premium in excess of the amount paid by active employees for such coverage or otherwise providing such coverage to Executive for the amount paid by active employees for such coverage and Executive's qualifying event for purposes of COBRA shall be treated as occurring on the Termination Date.

Exhibit 10.3

4. Immediate vesting of then-outstanding unvested equity awards that are scheduled to vest in the twelve (12)-month period following the Termination Date (which, for the avoidance of doubt, shall not include any outstanding performance-vesting restricted stock units) as set forth in the table below:

--	--

Award Type	Grant Date	Total Number of Shares Originally Granted	Shares Underlying Portion of the Award Vested as of the Termination Date	Shares Underlying Accelerated Portion of Award	Shares Underlying Forfeited Portion of Award
RSU	June 13, 2022	8,542	2,847	2,847	2,848
RSU	June 13, 2022	10,000	2,500	2,500	5,000
RSU	March 8, 2023	14,049	0	4,683	9,366

Any equity awards held by Executive that remain unvested following the Termination Date after giving effect to the accelerated vesting set forth above shall be forfeited for no consideration.

5. Payment of a lump sum cash payment equal to \$355,000, to be paid within sixty (60) days following the Termination Date.
6. Payment of a lump sum cash payment equal to \$10,000, which Executive may, in Executive's sole discretion, use for executive outplacement services, to be paid within sixty (60) days following the Termination Date.

Exhibit 10.4

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (this "Agreement") is made and entered into by and between Six Flags Entertainment Corporation (the "Company") and Aimee Williams-Ramey ("Consultant") as of August 11, 2023 (the "Effective Date"). The Company and Consultant are sometimes referred to in this Agreement collectively as the "Parties," and each individually as a "Party."

WHEREAS, the Company wishes to engage Consultant to provide certain consulting services to the Company, and Consultant wishes to provide such services, and the Company and Consultant wish to memorialize the terms and conditions of such consulting relationship.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term. The term of Consultant's engagement under this Agreement shall be for the period beginning on the Effective Date and ending on June 11, 2024 (the "Term").

2. Consulting Services. During the Term, Consultant shall provide such consulting services (the "Consulting Services") as may be reasonably requested of Consultant from time to time by the Company's Chief Executive Officer. As an independent contractor, Consultant is free to provide services to other entities during the Term as

long as Consultant does not violate any of the terms of this Agreement. Consultant agrees to attend such meetings as the Company may reasonably request for proper communication of Consultant's advice and consultation. Consultant shall coordinate the furnishing of Consultant's services pursuant to this Agreement with the Company in such a way as to generally conform to the business schedules of the Company, but the method of performance, time of performance, place of performance, hours utilized in such performance, and other details of the manner of performance of Consultant's services hereunder shall be within the sole control of Consultant. The level of Consulting Services to be performed pursuant to this Agreement shall not exceed a level equal to 20% of the average level of services that were performed by Consultant in her capacity as an employee of the Company, except for any deviations that may be permitted in accordance with the regulations and other guidance promulgated under Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance thereunder (collectively, "Section 409A") and, accordingly, Consultant's transition from an employee of the Company to a consultant of the Company shall give rise to a "separation from service" within the meaning of Section 409A.

3. Consulting Fee. As consideration for the Consulting Services, during the Term, the Company shall pay Consultant a fee at the rate of \$38,333 per month (the "Consulting Fee"), to be paid in accordance with the Company's normal accounts payable procedures, payable in arrears not to exceed thirty (30) days and prorated for any partial month of service. Consultant acknowledges and agrees that (a) the Company is not required to withhold federal or state income, gross receipts, or similar taxes from the Consulting Fee paid to Consultant hereunder or to otherwise comply with any state or federal law concerning the collection of income, gross receipts, or similar taxes at the source of payment of wages, (b) the Company is not required under the Federal Unemployment Tax Act or the Federal Insurance Contribution Act to pay or withhold taxes for unemployment compensation or for social security on behalf of Consultant with respect to the Consulting Fee, and (c) the Company is not

required under the laws of any state to obtain workers' compensation insurance or to make state unemployment compensation contributions on behalf of Consultant.

4. Expense Reimbursement. The Company shall reimburse Consultant for all reasonable and documented out-of-pocket expenses actually incurred by Consultant in the performance of the Consulting Services hereunder. Consultant shall itemize, and provide proper supporting documentation for, the expenses for which Consultant seeks reimbursement in accordance with Company policy as in effect from time to time. The Company shall provide the reimbursement for such properly incurred and invoiced expenses in accordance with Company policy as in effect from time to time.

Exhibit 10.4

5. Termination. If the Term is terminated for any reason other than as set forth in the next sentence, Consultant shall receive a lump sum cash payment equal to the aggregate Consulting Fee in respect of the portion of the Term that has not yet lapsed as of such termination date, to be paid within 30 days following such termination date. In the event of a material breach by Consultant of (a) Consultant's obligations under this Agreement that, if capable of remedy, is not remedied within ten (10) days of written notice from the Company specifying the nature of such breach, or (b) Section 9 of the Separation Agreement between Consultant and the Company, dated August 11, 2023 (the "Separation Agreement"), the Company may terminate the Term without prior notice, and the Company's only obligation to Consultant will be payment of any Consulting Fee accrued but unpaid through such termination date.

6. Independent Contractor. At all times during the Term, Consultant shall be an independent contractor of the Company. In no event shall Consultant be deemed to be an employee of the Company or any of its affiliates, and Consultant shall not at any time be entitled to any employment rights or benefits from the Company or any of its affiliates be deemed to be an agent of the Company or any of its affiliates or have any power to bind or commit the Company or any of its affiliates or otherwise act on their behalf. Consultant acknowledges and agrees that, as a non-employee, Consultant is not eligible for any benefits sponsored by the Company or any of its affiliates. Consultant shall not at any time communicate or represent to any third party, or cause or knowingly permit any third-party to assume, that in performing the Consulting Services hereunder, Consultant is an employee, agent or other representative of the Company or any of its affiliates or has any authority to bind the Company or its affiliates or act on behalf of the Company or its affiliates. Consultant acknowledges that she will receive an IRS Form 1099-NEC from the Company, and Consultant shall be solely responsible for making all applicable tax filings and remittances with respect to amounts paid to Consultant pursuant to this Agreement and shall indemnify and hold harmless the Company and its affiliates, and the foregoing entities' respective representatives for all claims, damages, costs and liabilities arising from Consultant's failure to do so. It is not the purpose or intention of this Agreement or the Parties to create, and the same shall not be construed as creating, any partnership, partnership relation, joint venture, agency, or employment relationship.

7. Indemnification. During the Term, Consultant shall be entitled to indemnification by the Company to the same extent provided in Section 11(a) and (b) of the Employment Agreement, dated as of June 13, 2022 between Consultant and the Company (the "Employment Agreement").

8. Governing Law; Amendment; Arbitration.

(a) The Company maintains its headquarters in Arlington, Texas. This Agreement shall be governed by and construed in accordance with the laws of Texas, without reference to principles of conflict of laws. This Agreement may not be amended or modified except by a written agreement executed by Consultant and the Company or their respective successors and legal representatives

(b) In the event that any dispute arises between the Company and Consultant regarding or relating to this Agreement and/or any aspect of Consultant's service relationship with the Company, the parties consent to resolve such dispute through mandatory arbitration under the rules of the American Arbitration Association ("AAA"), before a single arbitrator in Dallas, Texas. The parties hereby consent to the entry of judgment upon award rendered by the arbitrator in any court of competent jurisdiction. Notwithstanding the foregoing, however, should adequate grounds exist for seeking immediate injunctive or immediate equitable relief, any party may seek and obtain such relief. The parties hereby consent to the mandatory and exclusive jurisdiction of the state and federal courts of or in the State of Texas for purposes of seeking such injunctive or equitable relief as set forth above. Out-of-pocket costs and expense reasonably incurred by Consultant in connection with such arbitration (including attorneys' fees) shall be paid by the Company with respect to each claim on which the arbitrator determines the Consultant prevails.

9. Entire Agreement. This Agreement constitutes the entire and final agreement between the Parties with respect to the subject matters hereof; provided, however, that nothing herein supersedes or replaces any agreement between Consultant and the Company or any of its affiliates with respect to non-disclosure, confidentiality,

Exhibit 10.4

non-competition or non-solicitation, including, without limitation, Section 9 of the Separation Agreement, or Section 11(a) and (b) of the Employment Agreement, as all such agreements will remain in full force and effect.

10. Waiver. Any waiver of a provision of this Agreement shall be effective only if it is in a writing signed by the Party entitled to enforce such term and against which such waiver is to be asserted. No delay or omission on the part of either Party in exercising any right or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement.

11. Assignments; Successors. This Agreement is personal to Consultant and, as such, may not be assigned by Consultant. The Company may assign this Agreement without Consultant's consent, including to any affiliate of the Company and to any successor to or acquirer of (whether by merger, consolidation, purchase or otherwise) all or substantially all of the equity, assets or businesses of the Company. Subject to the preceding sentences, this Agreement shall apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties.

12. Notices. All notices, requests, demands, claims and other communications permitted or required to be given hereunder must be in writing and shall be deemed duly given and received (a) if personally delivered, when so delivered,

(b) if mailed, three business days following the date deposited in the U.S. mail, certified or registered mail, return receipt requested, (c) if sent by e-mail or other form of electronic communication, once transmitted and the confirmation is received, or (d) if sent through an overnight delivery service in circumstances to which such service guarantees next day delivery, the day following being so sent:

If to Consultant, at Consultant's last residence shown on the records of the Company.

If to the Company, addressed to:

Six Flags Entertainment Corporation

1000 Ballpark Way, Suite 400

Arlington, Texas 76011

Attn: Chief Financial Officer

13. Certain Construction Rules. The Section headings contained in this Agreement are for convenience of reference only and shall in no way define, limit, extend or describe the scope or intent of any provisions of this Agreement. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. In addition, as used in this Agreement, unless otherwise provided to the contrary, (a) all references to days, months or years shall be deemed references to calendar days, months or years and (b) any reference to a "Section" shall be deemed to refer to a section of this Agreement. The words "hereof", "herein", and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specifically provided for herein, the term "or" shall not be deemed to be exclusive, and the

term “including” shall not be deemed to limit the language preceding such term.

14. Execution of Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original copy and all of which, when taken together, shall be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or e-mail transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in

Exhibit 10.4

lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or e-mail shall be deemed to be their original signatures for all purposes.

15. Code Section 409A. Notwithstanding anything to the contrary contained herein, this Agreement and the payments hereunder are intended to satisfy or be exempt from the requirements of Section 409A. Accordingly, all provisions herein, or incorporated by reference herein, shall be construed and interpreted to satisfy or be exempt from the requirements of Section 409A. Further, for purposes of Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. Any reimbursement or in-kind benefit provided under this Agreement that constitutes a “deferral of compensation” within the meaning of Section 409A shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (a) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year shall not affect the expenses

eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (c) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the calendar year in which the expense is incurred, and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

[REMAINDER OF PAGE LEFT BLANK
SIGNATURE PAGE FOLLOWS]

Exhibit 10.4

IN WITNESS WHEREOF, the Parties have duly executed this Consulting Agreement on this 11th day of August, 2023, effective for all purposes as provided above.

CONSULTANT

/s/ Aimee Williams-
Ramey

Aimee Williams-
Ramey

SIX FLAGS
ENTERTAINMENT
CORPORATION

By: /s/ Gary Mick

Name: Gary Mick

Title: Chief Financial
Officer

Exhibit 31.1

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.

1.

I have reviewed this quarterly report on Form 10-Q of Six Flags Entertainment Corporation;

Date: November 13, 2023

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: August 11, 2023

/s/ SELIM BASSOUL

Selim
Bassoul
*President
and
Chief
Executive
Officer*

Exhibit 31.2

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.

1.

I have
reviewed this
quarterly
report on
Form 10-Q of
Six Flags
Entertainment
Corporation;

Date: November 13, 2023

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;

2.

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: August 11, 2023

/s/ GARY MICK

Gary
Mick
*Chief
Financial
Officer*

Exhibit 32.1

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 October 1, 2023 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.

(1)

the
accompanying
quarterly
report on
Form 10-Q for
the period
ending July 2,
2023 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

Date: November 13,
2023

the
information
contained
in the
Report
fairly
presents,
in all
material
respects,
the
financial
condition
and
results
of
operations
of the
Company.

(2)

Date: August 11, 2023

/s/ SELIM BASSOUL

Selim
Bassoul
*President
and
Chief
Executive
Officer*

Exhibit 32.2

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 October 1, 2023 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.

- (1) the accompanying quarterly report on Form 10-Q for the period ending July 2, 2023 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

Date: November 13, 2023

the
information
contained
in the
Report
fairly
presents,
in all
material
respects,
the
financial
condition
and
results
of
operations
of the
Company.

(2)

Date: August 11, 2023

/s/ GARY MICK

Gary
Mick
*Chief
Financial
Officer*

DISCLAIMER

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