



Guest-First Growth for Six Flags

Re-earning trust. Rebuilding attendance. Restoring returns



Executive summary

In 2024, Six Flags Entertainment merged with Cedar Fair, combining two major regional theme park chains into one company operating 42 parks in North America. This white paper performs an analysis of the merged company's post-merger performance and strategic direction amid disappointing earnings and leadership turmoil. Early results have been uneven; Cedar Fair parks entered the merger with record attendance and stable guest spending, while Six Flags parks were still recovering from a sharp attendance drop due to a transitory "premiumization" strategy rolled out in 2022. The combined company realized a modest combined attendance gain in late 2024; however, 2025 has seen a nearly 9% attendance drop in the key second quarter, resulting in a net loss of \$100 million despite revenue of \$930 million. Management blamed this downturn on poor weather and a conservative consumer, pointing to a 12% attendance drop in the rain-soaked last six weeks of Q2 2025. Strategy might have been intended to correct an unsustainable large pass base; however, it seems to have overcorrected this base. Meanwhile, deep cost-cutting and aggressive discounting measures, including season pass promotions, point to inherent difficulties within the combined portfolio.

A leadership upheaval has contributed to the uncertainty. Richard Zimmerman – Cedar Fair's CEO-turned-CEO of the combined Six Flags – will resign by year-end 2025. His imminent exit, less than two years after the merger closed, has unnerved watchers and stoked fears that Six Flags' legacy corporate culture will reassert itself. Executive Chairman Selim Bassoul (Six Flags' CEO pre-merger) still wields significant influence, and many fear the company will regress to the short-term, cost-cutting agenda that Bassoul advocated at Six Flags. Under Bassoul in 2022, Six Flags radically raised prices and reduced spending, sending per-guest spending spiking 22% to \$63.93 but attendance plunging 26% (to 20.4 million from 27.7 million in 2021). Though that plan increased margins in the near term (e.g. record \$99 million Adjusted EBITDA in Q4 2022 realized through cost reductions), it drove away many core patrons and depleted the passholder base. Cedar Fair, meanwhile, had long favored guest experience and stable growth – a strategy that yielded record attendance (e.g. 8.6 million guests in Q2 2024, up 17% year-over-year) at per-capita revenues of roughly \$60. The challenge post-merger is whether Cedar Fair's guest-focused, long-term approach can hold sway over Six Flags' legacy inclination toward severe pricing and cost cutting.



Executive summary

This paper concludes that the combined company's recent underperformance and boardroom dysfunction are the result of a conflict between these two corporate cultures. An activist investor (Dendur Capital) forced a board shake-up in 2025, adding four new independent directors with reputations for tight cost control. At the same time, all of the senior operating executives at the new Six Flags were recruited from Cedar Fair's ranks – Cedar Fair's CEO, COO, CFO, general counsel, and strategy head all kept those positions after the merger, for instance – ostensibly to export Cedar Fair's operational excellence to all of the parks.

But with Bassoul still leading the board and Zimmerman on the way out, there is worry that the "Cedar Fair way" of investing in rides, park refurbishments, and guest satisfaction will yield to new short-termism.

Industry observers have openly warned that "Six Flags won [the battle of cultures], and former Cedar Fair parks are in for a long slog of neglect and cost-cutting" under Six Flags' ownership. The company's recent actions – including targeting \$90 million in cost savings during the second half of 2025, considering the sale of "non-core" properties, and dropping \$100 off the capital expenditures announced for 2026, have only reinforced these fears.



Executive summary

Looking forward, Six Flags Entertainment stands at a crossroads. The combined entity has a great portfolio of regional parks and a huge base of loyal season-pass holders (around 6.7 million active passes as of mid-2025). With greater scale comes the opportunity to leverage synergies and spread best practices; for instance, applying Cedar Fair's effective "guest-first" strategies to underperforming Six Flags parks. In fact, management has identified underperforming markets like Los Angeles, where Six Flags Magic Mountain draws roughly half the attendance of Cedar Fair's Knott's Berry Farm despite serving a similar market. Six Flags did openly acknowledge that improving guest experience and value is key to enabling growth: in a May 2025 investor day, executives outlined a new "volume-first" strategy focused on driving attendance through higher guest satisfaction scores and investment in rides and park amenities. This philosophy aligns with Cedar Fair's long-term approach—a good sign. However, following through on this pledge will require steady execution and restraint from overly slashing costs in pursuit of near-term profits. Six Flags did however fire all Park Presidents in May, which may not align with a more local focus.

The following sections of this white paper explore in-depth pre-merger performance trends at Cedar Fair and Six Flags, the recent financial performance of the combined company, changes in governance, and the conflict between short-term profit initiatives and long-term park strategy. We also discuss the primacy of season pass programs and guest loyalty, and how economic headwinds since 2018 (the pandemic, inflation, high gas prices) have produced a difficult operating environment that amplifies the impact of strategic flaws. In the end, the success of the Six Flags–Cedar Fair merger will come down to a balance between cost discipline and ongoing investment in the guest experience. If the company can leverage Cedar Fair's successful formula of reinvesting in rides, staff, and park quality to thrill guests, it has the potential to regain momentum and increase attendance. If, on the other hand, it focuses on cuts and price increases, it risks a spiral of shrinking attendance and eroding goodwill that even a merger of this magnitude cannot surmount. The 2026 season ahead – under new management – will be a litmus test for which direction the "new" Six Flags takes.



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Introduction

01

Merger Created Market Leader but Exposed Cultural and Performance Gaps

Six Flags Entertainment and Cedar Fair completed a "merger of equals" on July 1, 2024, creating North America's largest regional theme park operator. The new company operates 27 amusement parks, 15 water parks, and several resorts.

The plan was straightforward: merge Cedar Fair's operational prowess with Six Flags' wide geographic footprint to drive faster growth. Richard Zimmerman, the previous CEO of Cedar Fair, became CEO of the new company. Selim Bassoul, previous CEO of Six Flags, became Executive Chairman. The new entity retained the Six Flags moniker but assumed Cedar Fair's stock ticker, FUN, as a symbolic meshing of the identities.

Management envisioned big upside: a single season pass that worked at every park, reduced procurement expenses via scale, and a dose of Cedar Fair's guest-centric culture injected into Six Flags' operations. They aimed for \$50 million in cost savings on an annual basis through 2024's end. Investors liked the response, and visits increased to roughly 50 million on a pro forma basis by the end of the year.

But merging two such disparate cultures was more difficult than anticipated. Cedar Fair came into the transaction on the back of strong post-pandemic momentum. Six Flags was recovering from self-inflicted wounds. The uneven starting points are central to explaining the company's present woes.

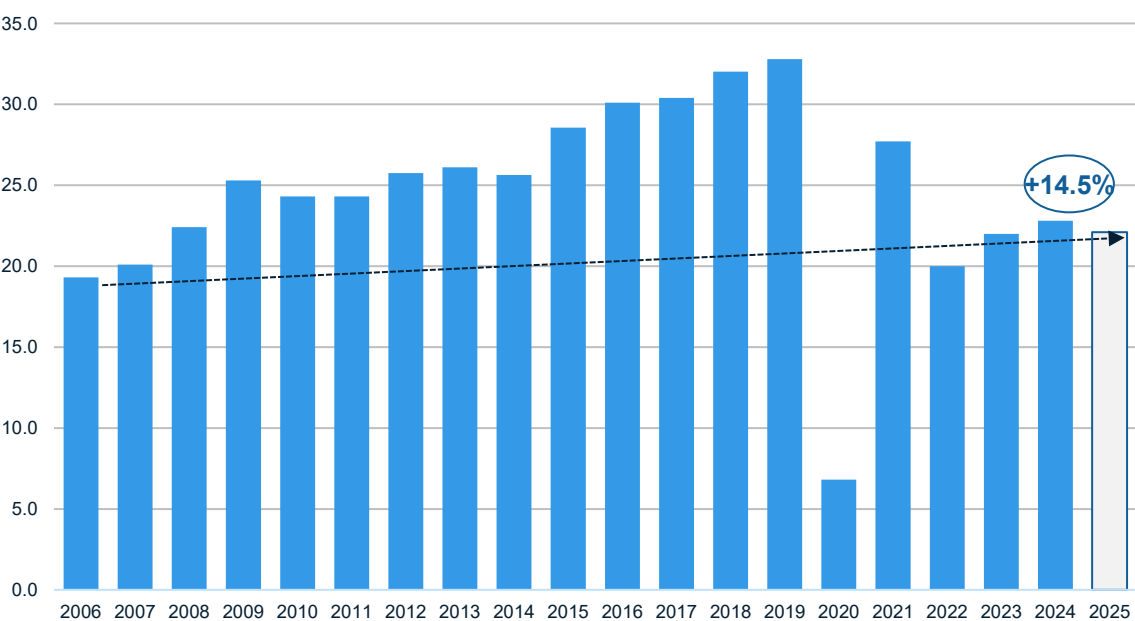
Pre-Merger Performance: Six Flags vs Cedar Fair

02

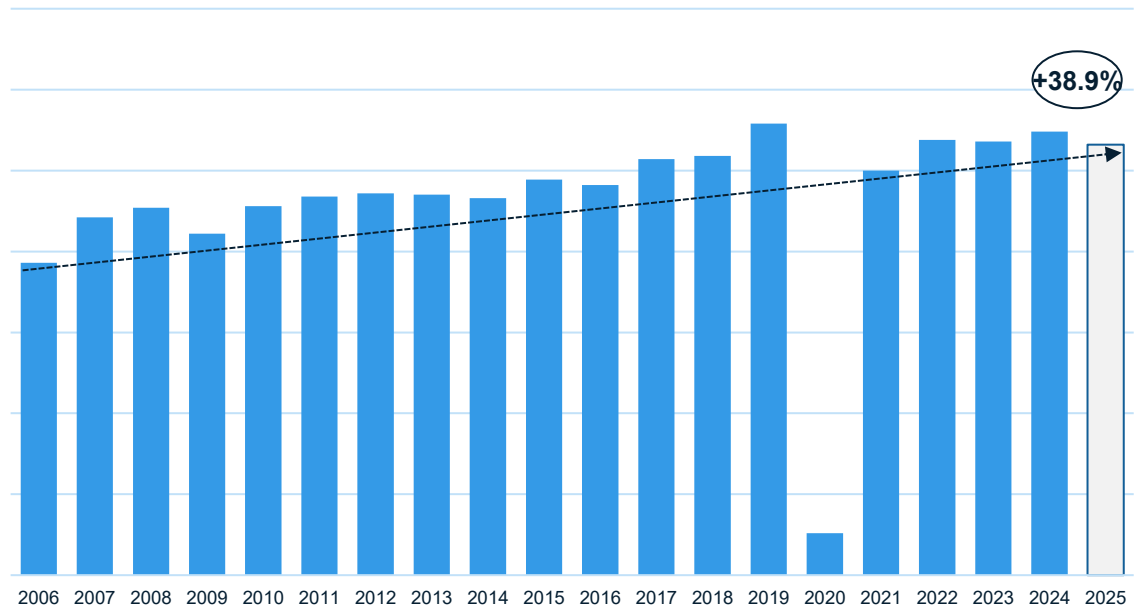
Steady Cedar Fair Growth Outpaced Modest Six Flags Gains Over Two Decades

From 2006 to 2025, Cedar Fair attendance rose by 7.5 million (+38.9%, CAGR 1.66%) versus Six Flags' 2.8 million (+14.5%, CAGR 0.68%).

Six Flags Annual Attendance, Millions



Cedar Fair Annual Attendance, Millions

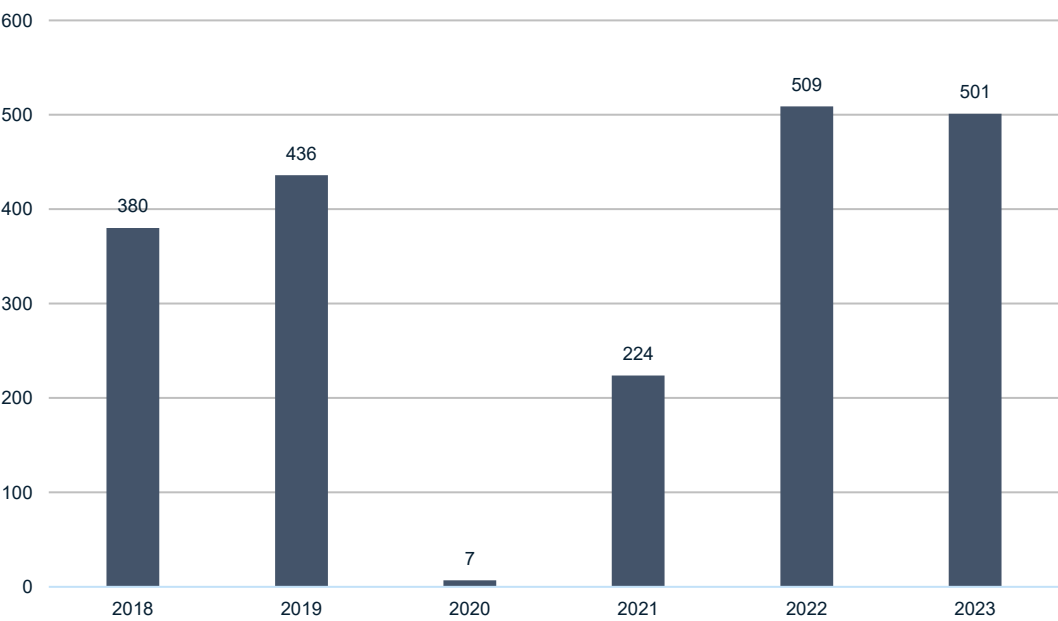


Footnote: 2025 attendance is an AEDP estimate based on Q1–Q2 results and management guidance for flat full-year performance.

Cedar Fair Achieved Record Pre-Merger Revenues through Strong Attendance and Pricing

Cedar Fair’s Q2 Revenues Rose Consistently from 2018 to 2023, Peaking Pre-Merger

Q2 Revenue, Million USD



Between 2018 and 2023, Cedar Fair's Q2 revenues showed resilience as well as post-pandemic growth.

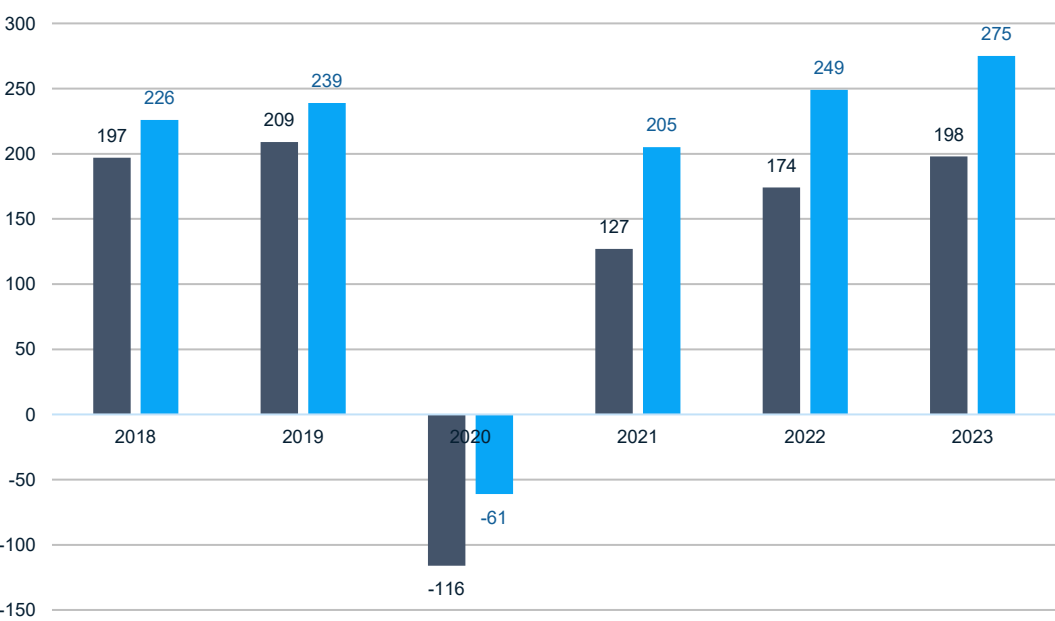
Revenues grew from \$380 million in 2018 to a record \$509 million in 2022, driven by strong seasonal event programs, strategic ride investments, and continued value in season passes. Despite this record year, 2023 revenue was still high at \$501 million, despite economic headwinds and some weather-related attendance issues.

Relative to its pre-pandemic 2019 level of \$436 million, Cedar Fair achieved a sustained revenue increase of almost 15 percent, highlighting the success of its guest-centric pricing and reinvestment strategy. This consistent financial performance put Cedar Fair in a good position to enter the 2024 merger on a platform of financial strength.

Cedar Fair Entered the Merger on Record Performance and Strong Guest Loyalty

Cedar Fair’s Q2 Profitability Recovered Strongly Post-Pandemic, Surpassing 2018–2019 Levels by 2023

Q2 Operating Income, Q2 Adjusted EBITDA, Million USD



Cedar Fair's profitability bounced back aggressively following the pandemic. Q2 operating income rose from \$135 million in 2018 to \$174 million in 2019 before falling to a \$112 million loss in 2020 as a result of COVID-19-related park closures.

The comeback was swift: operating income hit \$154 million by 2021, and a record \$221 million in 2022 as record revenues, cost discipline, and high per-capita spend propelled margins.

Adjusted EBITDA followed a similar pattern, starting at \$192 million in 2018, rising to \$226 million in 2019, falling to a \$94 million loss in 2020, then recovering to \$259 million in 2022.

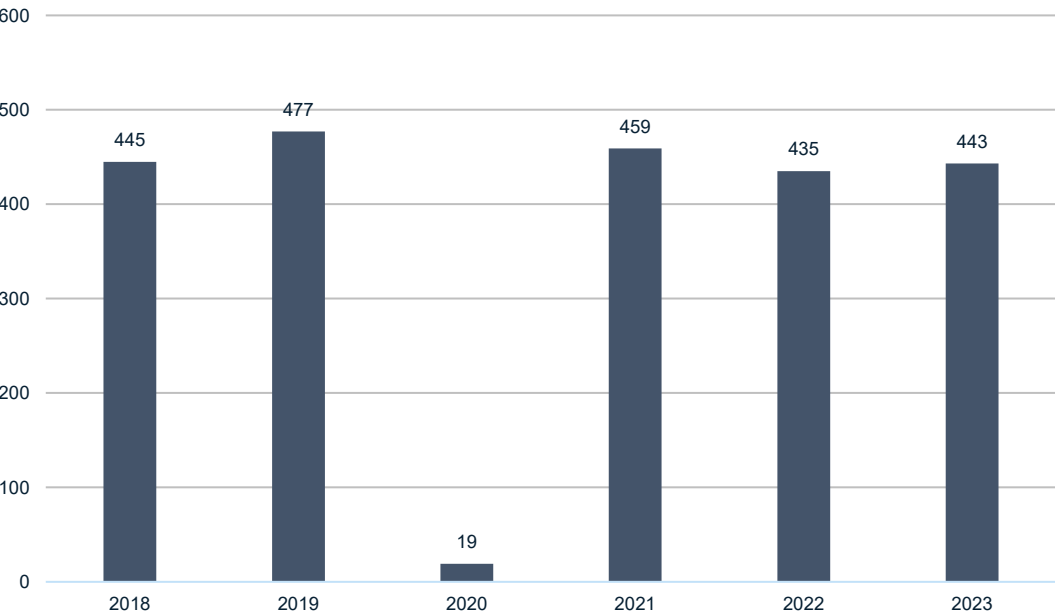
Operating income in 2023 of \$204 million and Adjusted EBITDA of \$238 million continued to trade well above pre-pandemic levels, highlighting Cedar Fair's operational strength and ability to generate robust cash flow prior to the merger.

Footnote: 1.2023 operating income is derived from Adjusted EBITDA less depreciation and other reconciling items.

Six Flags Revenue Stalled After 2019, Failing to Regain Pre-Pandemic Momentum

Q2 Net Revenues 2018–2023 – No Sustained Recovery After COVID-19

Six Flags Q2 Revenue, Million USD



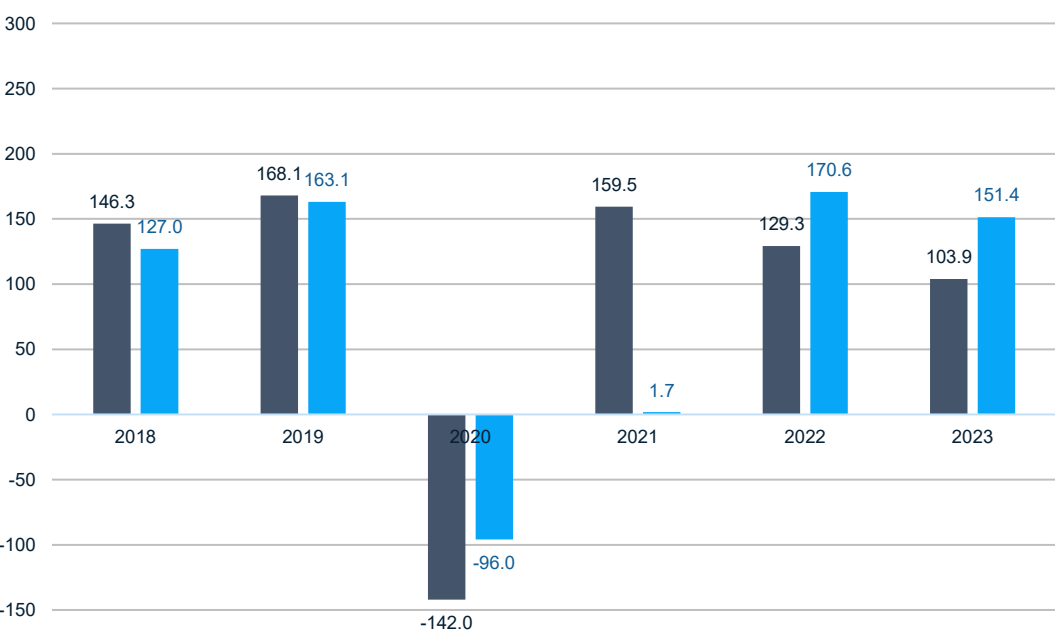
Six Flags' revenue trend in the five years leading up to the merger was highlighted by wild fluctuations. Under the leadership of CEO Selim Bassoul, who took over in late 2021, the company followed a "premiumization" strategy that exchanged greater attendance for greater per-capita spend. Prices on tickets and passes were raised, most discounts were cut, and operating costs were trimmed. Q2 revenues reached a high of \$477 million in 2019, driven by good attendance and firm per-capita guest spending.

The pandemic year 2020 witnessed Q2 revenues plummet to \$19 million. The recovery in 2021 was robust, with revenues bouncing back to \$461 million. In 2022, revenues fell to \$435 million as the premiumization strategy cut attendance by over a quarter, although per-capita spend increased 22 percent year-over-year to a record \$63.93. In 2023, revenues were basically flat at \$444 million, as the company reintroduced promotions to recapture lost attendance but at the expense of a 5 percent drop in average spend.

Six Flags Profitability Eroded as Attendance Losses Offset Pricing Gains

Q2 Operating Income and Adjusted EBITDA 2018–2023 –
Margins Compressed Despite Higher Per-Capita Spend

Six Flags Q2 Operating Income, Adjusted EBITDA, Million USD



Profitability in the pre-merger years showed a similar pattern of volatility. In 2018 and 2019, Six Flags generated Q2 operating income of \$146 million and \$183 million respectively, with Adjusted EBITDA of \$127 million and \$165 million. The pandemic caused a Q2 2020 operating loss of \$142 million and Adjusted EBITDA of negative \$96 million.

By 2021, operating income had rebounded to \$150 million, supported by strong per-capita spending, while Adjusted EBITDA reached \$211 million. The premiumization strategy in 2022 reduced Q2 operating income to \$129 million but lifted Adjusted EBITDA to \$179 million through aggressive cost controls. In 2023, as discounts and promotions were reintroduced to recover attendance, operating income declined further to \$104 million and Adjusted EBITDA to \$151 million — signaling that profitability gains from cost cutting were difficult to sustain once guest volumes were rebuilt.

Post Merger Performance

03

Integration quarter: crowds slightly down, spend up, EBITDA down

Q3 2024 vs Q3 2023 (pro forma): Attendance, Revenue, Profitability & Per-Cap

Metric	Q3 2023 (Combined)	Q3 2024 (Reported)	Year-On-Year Change
Attendance (Million Guests)	21.7	21.0	-0.7
Revenue (bn USD)	1.39	1.35	-0.04
Net Income (M USD)	326	111	-215
Adjusted EBITDA (M USD)	751	558	-193
Per Cap Spend USD)	59.01	61.27	+2.26

What happened:

The initial full quarter as a merged business came in approximately flat on crowds and revenue compared to the pro-forma previous year, but significantly lighter on profit. Attendance was 21.0M vs an estimated 21.7M in Q3'23 (combined), while revenue was \$1.35B vs \$1.39B. Per-cap held up at \$61.27, implying price integrity, but Adj. EBITDA dropped to \$558M versus an estimated ~\$751M last year, implying increased opex and integration drag outstripped early synergies. Net income compressed to \$111M from a combined ~\$326M last year.

So What?

The integration did not interfere with demand, but rather, it was the cost structure and implementation that led to the negative impacts. The focus now needs to be on capturing run-rate synergies in procurement and labor, without using promotions, and on restoring Cedar-style operating discipline at the legacy Six Flags parks.

Footnote: Footnote: Per-cap is a simple average of the two chains' reported headline per-cap metrics (not attendance-weighted). Non-GAAP definitions may differ..

Winter softness: lower traffic, weaker EBITDA, per cap slips

Q1 2025 vs Q1 2024 (pro forma): Attendance & Financials

Metric	Q1 2024 (Combined)	Q1 2025 (Reported)	Year-On-Year Change
Attendance (Million Guests)	3.1	2.8	-0.3
Revenue (bn USD)	235	202	-33
Net Income (M USD)	-215	-220	-5
Adjusted EBITDA (M USD)	-123	-171	-48
Per Cap Spend USD)	67.44	65.40	-2.04

What happened:

Seasonally small, and it showed. Attendance slipped to 2.8M (vs 3.1M pro-forma Q1'24) and revenue to \$202M (vs \$235M). Per-cap softened to \$65.40 (vs \$67.44). Adj. EBITDA deteriorated to −\$171M (vs −\$123M), and the net loss widened slightly.

Why:

Fewer operating days, lower active pass base coming out of winter, and integration costs all pressured flow-through. Softer per-cap indicates some promo dependence to maintain gates turning.

So what:

use Q1 as a leading indicator—tighten early-season pass pricing and renewal dynamics, and speed up synergy capture so the cost base doesn't destroy Q2/Q3 upside.

Footnote: Footnote: Per-cap is a simple average of the two chains' reported headline per-cap metrics (not attendance-weighted). Non-GAAP definitions may differ..

Spring stumble: -9% attendance, bad weather, promos bite, per cap higher

Early 2025 Revenue Momentum Stalls as Cedar Fair Weakness Offsets Six Flags Gains

Metric	Q2 2024 (Combined)	Q2 2025 (Reported)	Year-On-Year Change
Attendance (Million Guests)	15.6	14.2	-1.4
Revenue (bn USD)	1,010	0.93	-0.08
Net Income (M USD)	90	100	10
Adjusted EBITDA (M USD)	343	243	-100
Per Cap Spend (USD)	60.38	62.46	2.08

What happened:

Core quarter under-performed. Attendance declined –9% to 14.2M (vs 15.6M pro-forma Q2'24) and revenue was \$0.93B (vs ~\$1.01B). Per-cap rose to \$62.46 (vs \$60.38), but Adj. EBITDA fell to \$243M (vs \$343M). Management blamed weather (379 impacted operating days; 49 full-day closures) and a smaller pass base, with more pronounced discounts later in the quarter to limit the shortfall.

So what:

Weather impacted, but elasticity as well, late-quarter promotions maintained visits at the expense of margin. Priority initiatives: de-risk the calendar (fewer lightly attended days), replenish the pass base with yield-protective promotions, and drive labor/productivity synergies to protect flow-through during peak weeks.

Footnote: Per-cap is a simple average of the two chains' reported headline per-cap metrics (not attendance-weighted). Non-GAAP definitions may differ..

Park Closures shrink the Footprint Without Fixing Demand

Impact of Planned Park Closures

Park (Status)	Estimated Attendance Loss	Estimated Annual In-Park Revenue Loss (USD, M)	Estimated Land Value (USD, M)
Six Flags America - To close November 2, 2025	~1.3 Million	80	250–300
California’s Great America - To Close Q4 2027	~ 2.0 Million	125	310

In June 2022, Cedar Fair sold the 112-acre California's Great America property in Santa Clara to logistics developer Prologis for \$310 million in cash. The deal involved a lease-back agreement, enabling the park to continue operating for a number of years, with closure now planned in Q4 2027.

Six Flags Entertainment Corp. revealed on February 27, 2025, that Six Flags America in Maryland would close permanently after the 2025 operating season (November 2, 2025). The park sits on a 523-acre property in Prince George's County. Although no information regarding the sale has been released, the average cost of nearby commercial land transactions is around \$505,661 per acre, positioning the valuation at around \$250–300 million.

Using 2019 attendance levels and 2024 in-park per capita spending of \$61.60, these closures equate to an estimated total in-park revenue loss of over \$200 million per year (not including out-of-park revenues).

Six Flags America attracted about 1.3 million visits in 2019, and California's Great America around 2.0 million. Though both parks fall below the chain's flagship properties in terms of attendance and revenue production, their closure will decrease geographic reach and dampen future market capture potential.

Strategic Implications: closures signal capital preservation over growth

The closure announcements for Six Flags America (2025) and California's Great America (2027) are part of an overall change in Six Flags Entertainment Corp. capital strategy. The \$560+ million of land monetization estimates near-term liquidity and debt reduction capability but eliminates underperforming regional assets from the portfolio, decreasing geographic coverage and market access long term.

The move also comes amid a significant slowdown in capital investment in new rides, as announced in August 2025, as Six Flags aims to reduce 2026 ride investment after attendance declined. This marks a shift towards cash preservation and operating expense discipline instead of reinvesting in growth-generating attractions.

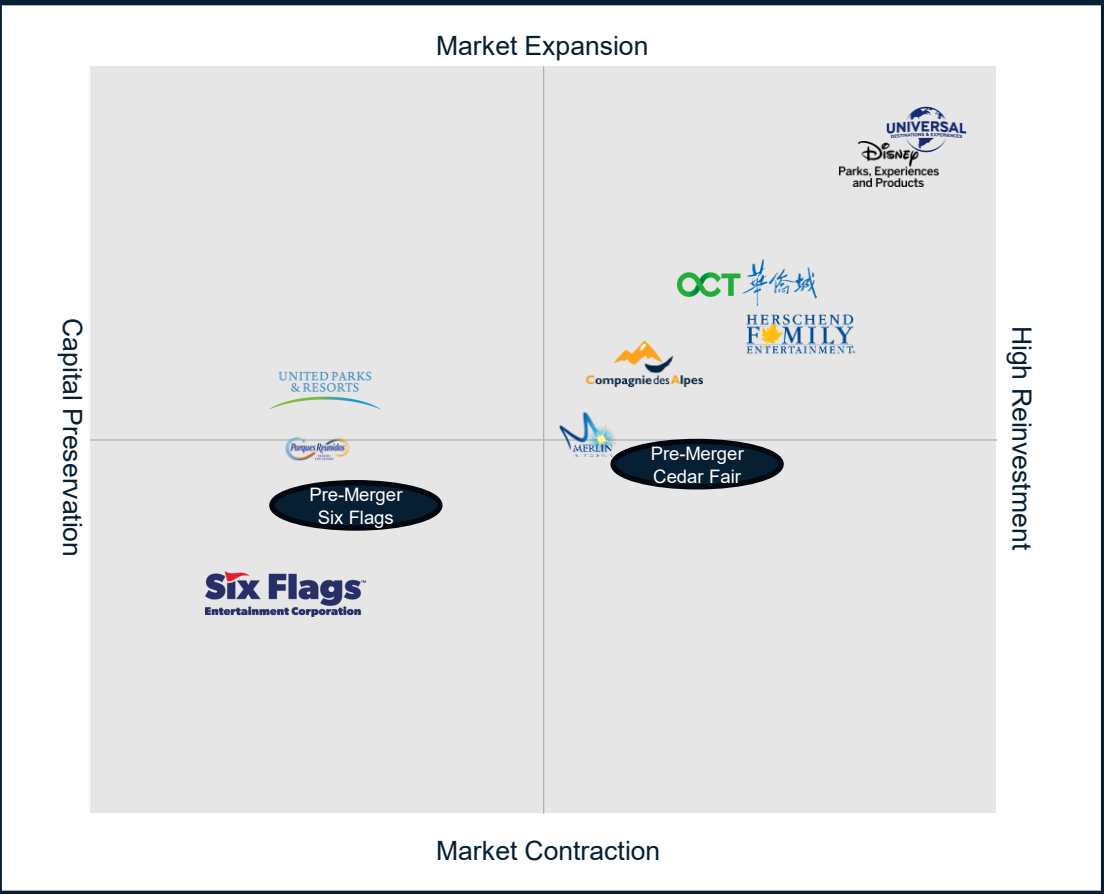
Though opex savings and debt reduction can enhance short-term financial resilience, the strategy threatens to undermine brand competitiveness in important markets, particularly where rivals sustain or increase their investment in capital. The ultimate impact could be lesser pricing power and diminished guest loyalty in the long run.

So what:

Balancing near-term balance sheet benefits with long-term brand health will be important; reinvestment in the existing flagship assets will have to be expedited to counter footprint reduction.

Leaders pair market coverage with high reinvestment; guest experience remains the ultimate differentiator

Capital strategy and market coverage positioning of major global operators



Disney and Universal are in the top-right quadrant of the landscape, combining high reinvestment with unmatched market saturation. Their capital projects are measured in the billions, and their operating standards set the bar for world-class guest experience and efficiency.

In the United States Herschend Family Entertainment is an example of operational excellence on a more regional level. Though its presence is less wide, its strategic reinvestment in destination centers like Dollywood and Silver Dollar City has continually consolidated brand loyalty and market capture.

In France Compagnie des Alpes is a significant mover. Formerly in the margins, the group has reshaped its parks portfolio by making focused investments in Parc Astérix, Futuroscope, and the Walibi chain, demonstrating that strict capital allocation and good execution can elevate both performance and reputation.

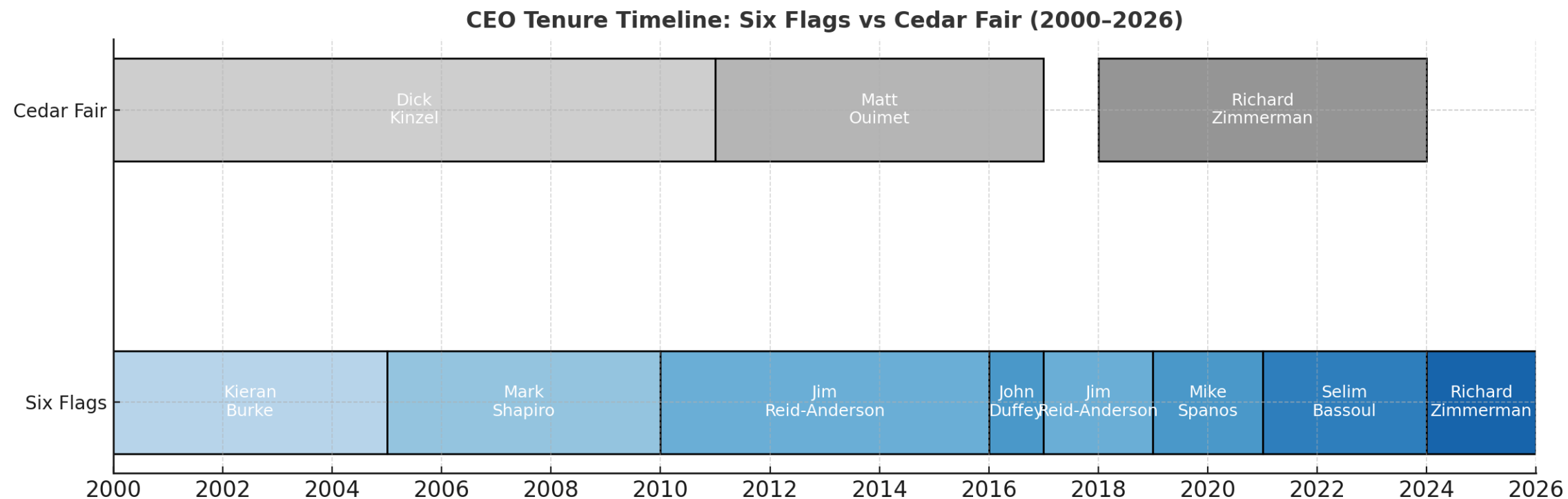
Throughout the range, this positioning reaffirms that the guest experience is the priority; operators who match strategic investment with consistently outstanding operations win the most defensible and profitable market positions.

Leadership and Governance Shake Up

04

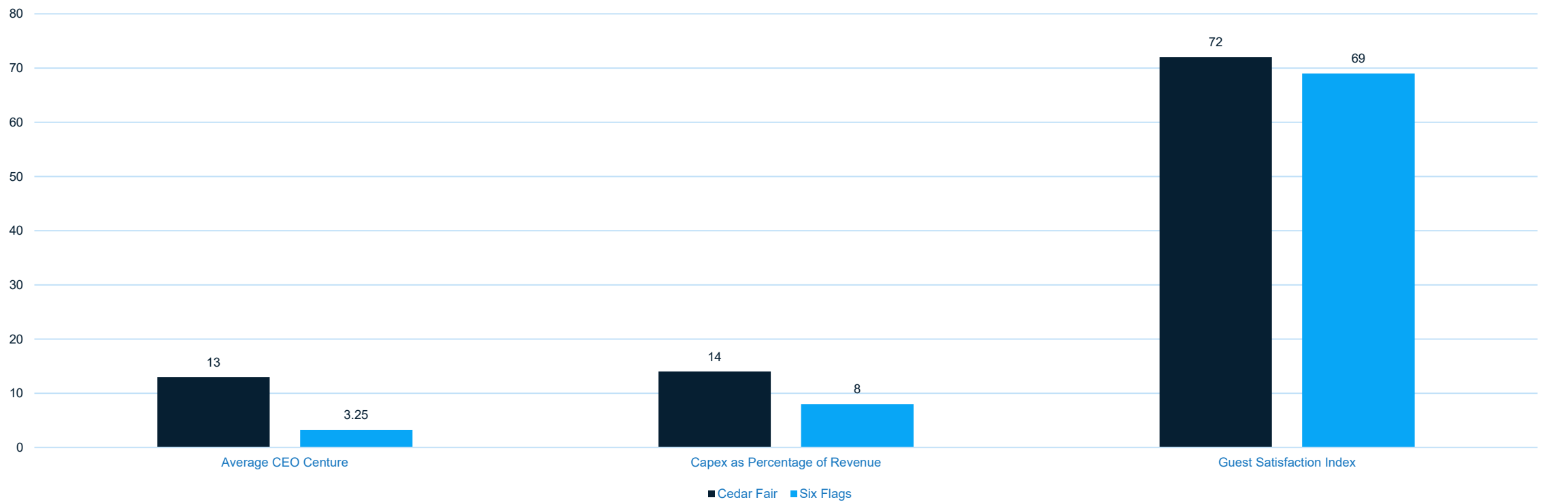
Six Flags’ revolving door undermines continuity; Cedar Fair’s stable leadership reinforces strategy

In the last 25 years, Six Flags has had eight CEOs, with an average tenure of less than 3.5 years. This turnover has continuously reset strategy, thwarted integration efforts, and delayed long-term capital planning. In contrast, Cedar Fair has had three CEOs during the same timeframe, each with multi-year tenures and a steady focus on reinvestment and guest experience. Stability in leadership has enabled Cedar Fair to pursue long-term capital initiatives without sudden shifts in direction, fostering consistent performance gains.



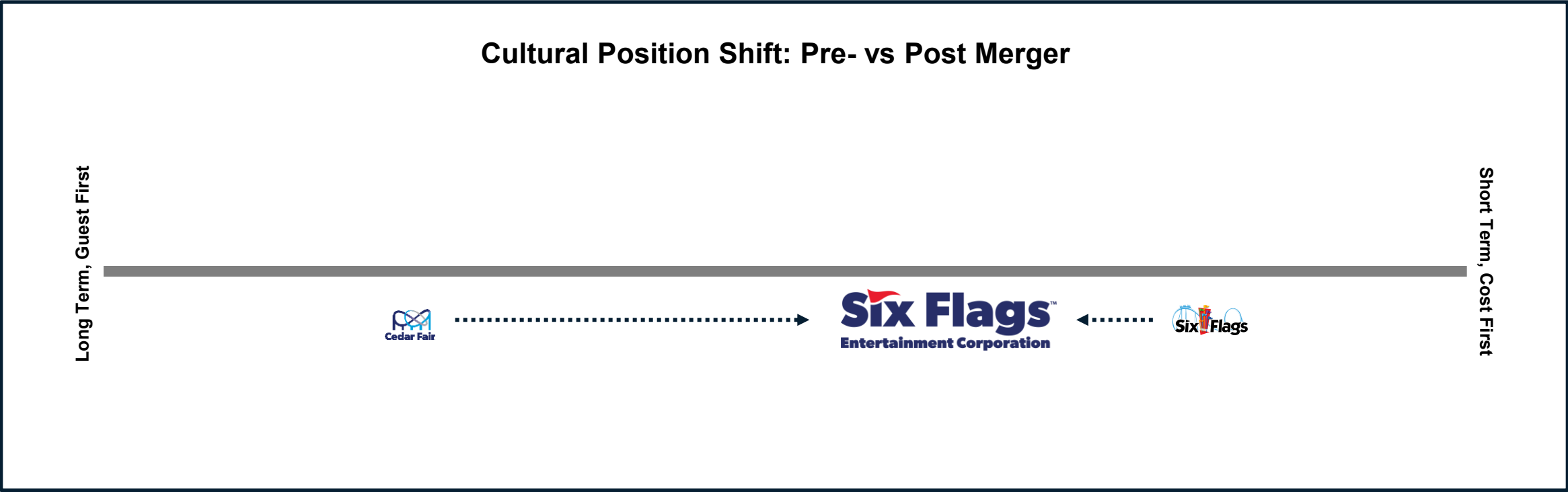
Stability compounds returns; instability risks strategic whiplash

The leadership stability at Cedar Fair has enabled consistent multi-year capital programs, stable reinvestment rates, and continuous guest satisfaction scores above industry averages. Conversely, Six Flags' volatility, often provoked by activist pressure or financial stress, has produced repeated changes in strategy, from aggressive expansion in the early 2000s to deep cost-cutting in the mid-2010s. The absence of a stable operating philosophy has impeded brand cohesion, strained market relations, and reduced capital efficiency.



With Cedar Fair leadership departing, Six Flags’ short-term bias may dominate

Post-merger, Richard Zimmerman will continue to be CEO of the merged company through at least the end of 2026, but other Cedar Fair legacy executives are leaving. This tilts the influence toward the Six Flags leadership team, headed in recent years by Selim Bassoul, that prioritized aggressive near-term operational restructuring and margin optimization⁴. In the absence of intentional governance guardrails, the merged company may prioritize short-term EBITDA at the cost of reinvestment, which could compromise guest experience and long-term brand equity.



Stop chasing short-term investor approval; build lasting guest loyalty to drive sustainable returns

The new company will not achieve long-term success by chasing short-term margins through divestiture and aggressive cost-cutting initiatives. This strategy risks alienating customers, compromising brand equity, and creating a negative cycle of reducing attendance, lower pricing power, and lower per capita spending.

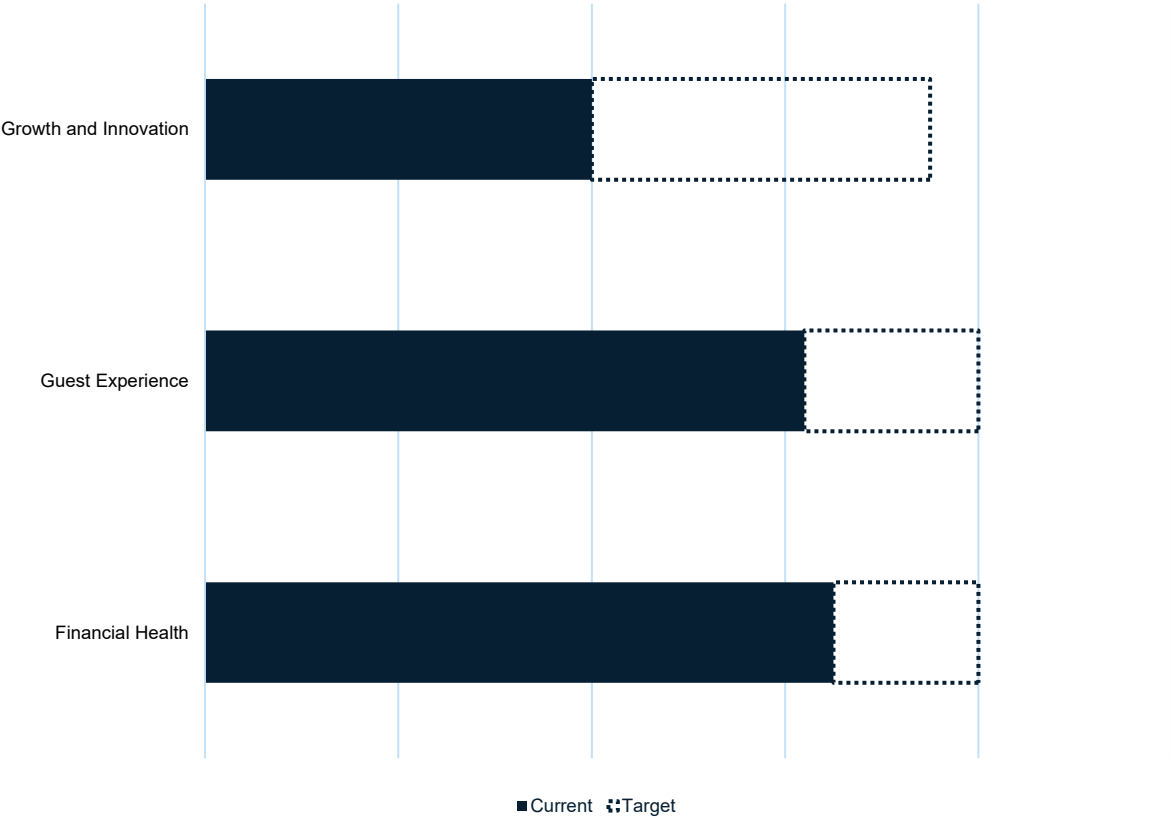
Instead, leadership needs to embrace the successful formula employed by high-performing operators:

- Provide outstanding guest experiences that lead to repeat visits.
- Invest in novelty and quality so that the guests experience excitement and pride in going to the parks.
- Develop brand ambassadors by surpassing expectations — visitors who refer the parks, bring back friends, and are eager to spend more time and money on property.

AEDP opines that it is solely when guests feel this loyalty that investors can consistently see increased returns. Sustainable EBITDA growth, as well as multiple valuation increases, will follow from a healthy, growing, and engaged customer base, not precede it.

This involves inserting guest satisfaction and market share Key Performance Indicators (KPI)s into executive scorecards together with cost and margin KPIs, and safeguarding reinvestment budgets against short-term reductions. The board after the merger has to be the steward of this model of long-term value creation.

Current vs Target Performance on Key Strategic Criteria



Short Term Profits vs Long Term Strategy

05

Thrills alone will not fix Magic Mountain — sustained operational excellence is the real growth driver

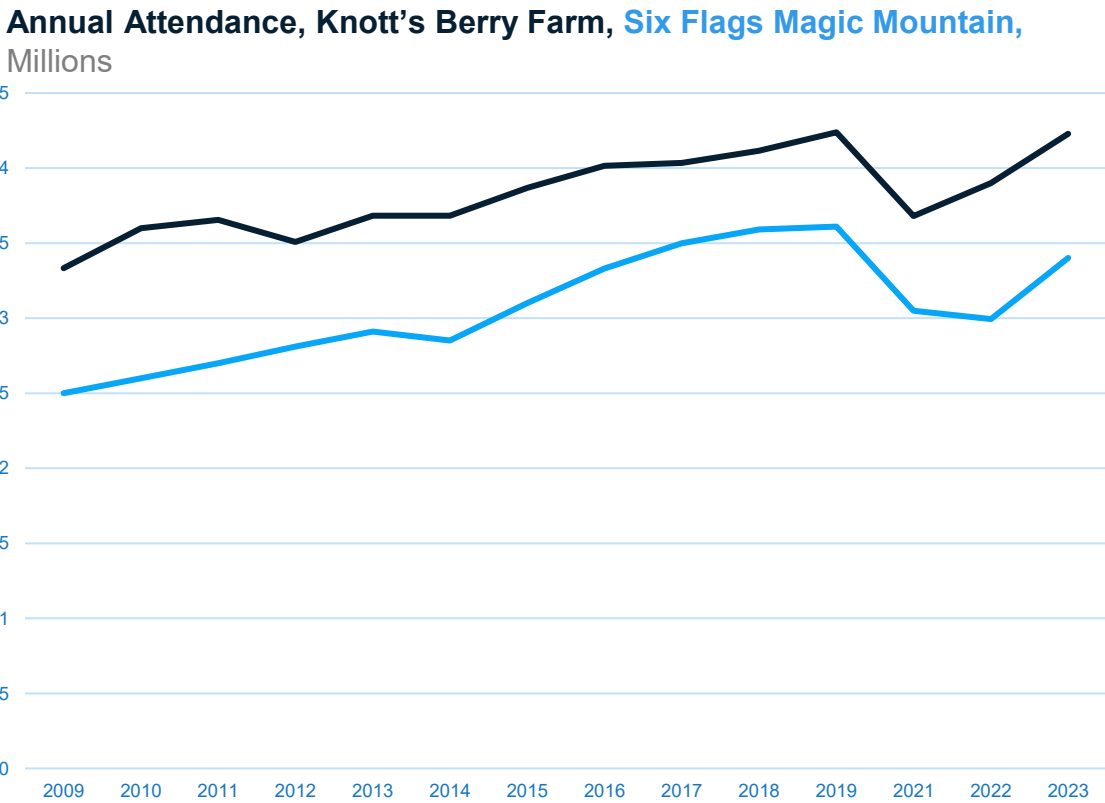
An example of short-term vs long-term strategies is most easily demonstrated by a comparison of Six Flags Magic Mountain and Knott's Berry Farm. These two parks are in the same general market (Southern California/Los Angeles region) and serve the same general demographics of thrill riders and families.

In recent years, their fortunes have taken a drastically different turn. Cedar Fair-owned Knott's Berry Farm has thrived with record attendance and a growing year-round slate of events. Six Flags Magic Mountain, once one of the flagship properties for Six Flags, has either stagnated or seen a drop in attendance.

This disparity is jarring considering Magic Mountain's size and market: It is home to a world-class rollercoaster roster after all and it is getting yet another new attraction for 2026. Yet, Six Flags' own management noted this mismatch during their 2025 Investor Day: Magic Mountain is underperforming its market, realizing just half the penetration levels of Knott's despite L.A. being a place that should be able to support at least as much visitation.

As CEO Richard Zimmerman put it, "the most stark example is in California, where Six Flags Magic Mountain gets half the attendance of Knott's Berry Farm while serving a similar market". He pointed out that if Magic Mountain were able to "double the penetration" in its market to Knott's level, that would translate into approximately 3 million more visits — a tremendous opportunity.

Knott's Berry Farm Consistently Outperforms Magic Mountain in Attendance Despite Comparable Market



Thrills alone will not fix Magic Mountain — sustained operational excellence is the real growth driver

What explains the difference? The split between Six Flags Magic Mountain and Knott's Berry Farm can be traced to factors that existed before the merger. Knott's has stuck to a steady strategy of reinvestment: revamping its Ghost Town, adding family-friendly dark rides, expanding the Boysenberry Festival, and building a year-round calendar of events that keeps local customers coming back. Ticket and pass prices are kept at a reasonable level, and the park builds a reputation for cleanliness, friendly employees, and a welcoming atmosphere.

Magic Mountain, on the other hand, has struggled with both strategic direction and operational follow-through for a long time. Even before the attempt at "premiumization" in 2022, the park was beset by ongoing problems—unpredictable ride availability, poorly maintained facilities, inconsistent food quality, and widely criticized customer service issues. The premiumization effort—which featured raising prices while also cutting operating days, entertainment, and food and beverage capacity—only seemed to intensify these long-standing weaknesses. Visitors complained about waiting excessively long periods for rides because of a lack of staffing, finding multiple rides closed, and noticing a lack of basic cleanliness, especially in bathrooms. As one disgruntled guest put it, the park seemed to think that "one ride every two hours is okay."

In addition to that, Magic Mountain's atmosphere can be uncomfortable or even threatening to certain visitors when crowds are not well managed. Several reviews mention feeling unsafe in the park outside of formal events such as Fright Fest — not due to scare actors, but due to rowdiness in lines and a lack of staff presence. Low-quality food, slow lines, and a transactional guest service culture further detract from the sense of being appreciated as a customer.

Overall, Magic Mountain has for years sought short-term solutions — from reductions in labor and maintenance expenditures to pricing aggressively — at the cost of fundamentals that create long-term attendance: ride reliability, cleanliness, quality of food, and a friendly, secure environment. That exposed the park to direct competition from Knott's, which has methodically enhanced its appeal to the same Southern California market.

Review Ratings

		
	4.0	3.5
	4.5	4.2
	3.5	3.0

Thrills alone will not fix Magic Mountain — sustained operational excellence is the real growth driver

At present, within the context of the merged company, Six Flags management has publicly recognized the necessity of revitalizing Magic Mountain by implementing principles akin to those of Cedar Fair. They have explicitly associated guest satisfaction scores with market penetration, asserting that parks which achieve higher ratings on guest satisfaction, as measured by the Net Promotor Score (NPS), tend to attract a larger share of their local market, and conversely. In underperforming parks such as Magic Mountain, enhancing guest satisfaction—through improvements in ride reliability, cleanliness, food quality, and the overall experience—is perceived as essential for increasing attendance. Indeed, the company has established a target of attaining 95% ride uptime and facilitating 8-10 rides per guest across its parks, acknowledging that ridership fosters satisfaction, which subsequently encourages repeat visits. Furthermore, they intend to allocate resources towards new attractions, as exemplified by Magic Mountain's forthcoming major coaster after a prolonged period without significant additions, as well as upgrading infrastructure, including restrooms and dining facilities, in accordance with Cedar Fair's approach, which emphasizes that even aspects such as clean bathrooms can significantly affect a family's decision to return.

As one industry observer phrased it, the task at Magic Mountain is to break the habit of trying to wring profits out of every guest and instead give guests a reason to return. That requires investing money now (on rides, staffing, park refurbishments) to restore Magic Mountain's reputation. It's basically the Cedar Fair philosophy being applied to a Six Flags park. The next few years will tell whether Six Flags corporate sticks with this turnaround. If they get antsy and instead just increase ticket prices or reduce operating days to pump up short-term revenue, they risk further alienating Magic Mountain's fanbase.

As some cynics have joked, when Six Flags executives say they want to make Magic Mountain "a better park," the concern is they mean "more profitable in the short term" rather than actually better for visitors. The company's own announcements at least suggest they grasp the true equation: happy guests = increased attendance = greater revenue. Now it's a question of follow-through.



Pre merger guest advocacy was stronger in both chains, with Cedar Fair ahead of Six Flags. Post merger brand sentiment has fallen.

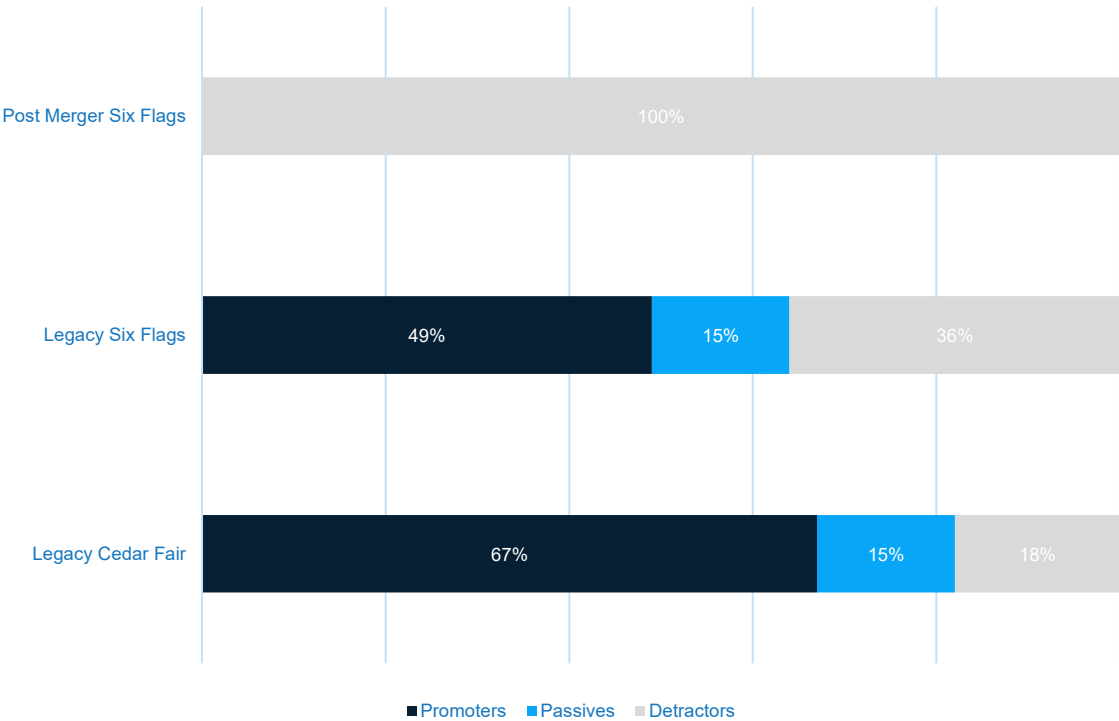
Post-merger, Six Flags Entertainment aims for \$150 million in cost savings from 2024–2025 via back-office consolidation, procurement efficiencies, and labor scheduling optimization. These actions eliminate redundancies and take advantage of scale to enhance margins.

However, there’s a fine line between “trimming fat” and “cutting muscle.” In 2022, aggressive reductions alienated guests, shrinking the season pass base by 500,000. Reduced operating calendars, closed rides, and minimal seasonal programming undermined satisfaction, lowering Net Promoter Scores (NPS) and attendance.

Pre-merger, Cedar Fair's NPS approached 50 (two-thirds promoters, one-third detractors) and Six Flags stood in the low teens (half promoters, one-third detractors). The "new Six Flags" NPS today is negative — perhaps affected by transition survey data — but nonetheless indicates a reputational hurdle. Cedar Fair fought guest-facing reductions, keeping schedules and events intact since revenue potential was more valuable than cost savings. Six Flags has demonstrated that over-cutting can ignite a "death spiral": experience suffers, attendance drops, reductions ensue, loyalty fades.

To prevent that spiral, savings should be reinvested by management in visible improvements — facility renovations, capital projects, entertainment, and staffing — with the aim of moving NPS back into legacy Cedar Fair territory within two years. In a loyalty-driven business, profits follow satisfaction.

NPS Comparison: Promoters, Passives and Detractors



Season Pass Trends and Guest Loyalty

06

Value-Driven Pass Strategy Key to Attendance Recovery

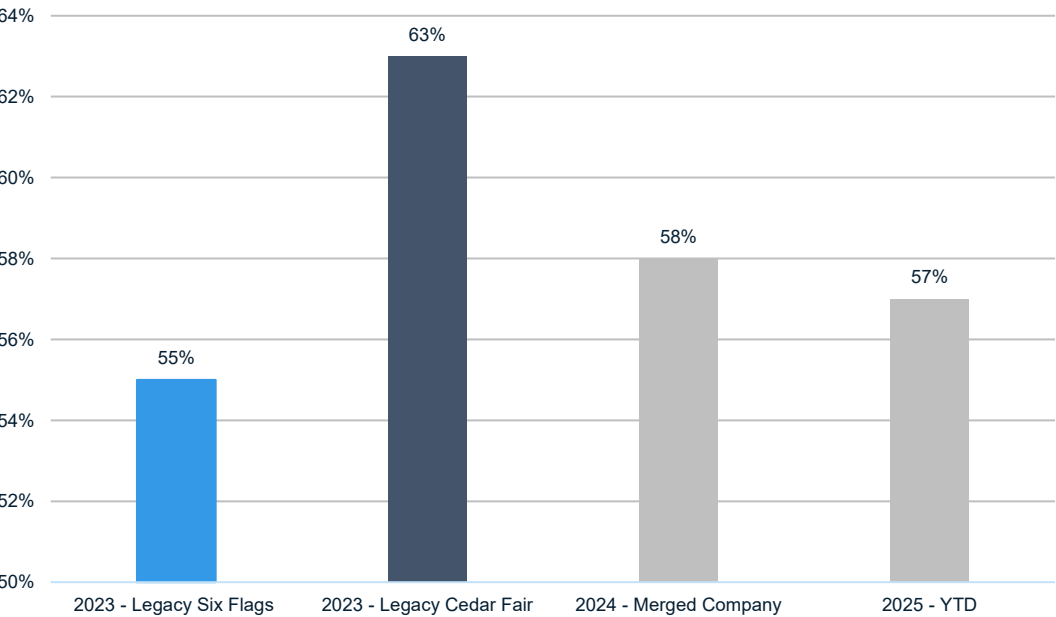
Season passes and memberships are a mainstay of regional theme park economics, generating upfront cash and fostering frequent repeat visits that underpin in-park spending. Both Six Flags and Cedar Fair have depended on the programs for years, but their strategies diverged in the years leading up to the merger.

Prior to the merger, Six Flags had a membership program that was notable for being very low-priced, which promoted extremely high frequency visits, often drawing guests who spent relatively low per-capita amounts. In 2022, then-CEO Selim Bassoul worked to rebalance the model by raising prices, reducing the number of tiers, and eliminating some of the lower-value passes. Outside analysts have estimated that the active pass/member base fell by several million during the transition — Theme Park Insider quoted an analyst estimate of around 3.6 million fewer passes than the levels seen in 2021 — which tracked a sharp drop in attendance. The company did not disclose exact passholder numbers in its financial reports.

Conversely, Cedar Fair maintained moderate pass prices while focusing on adding value to support renewal rates. Yearly price hikes were typically offset by additional perks, like all-season dining plans or special early ride time. This approach sustained high visitation from passholders without relying on the excessive frequency that was typical of Six Flags' former membership model. Cedar Fair disclosed steady season pass penetration rates in investor presentations, usually within the 50–60 percent range of total attendance for flagship parks.

Season Pass Penetration Remains Below Legacy Cedar Fair Levels, Hindering Full Attendance Recovery

Season Pass Attendance Penetration, Percentage



Value-Driven Pass Strategy Key to Attendance Recovery

After the merger, Six Flags Entertainment merged its pass program structure but maintained multiple tiers. As of mid-2025, the company reported having about 6.7 million active passes at all parks, an 8 percent decrease from the combined 2024 total.

Management blamed the decrease on a mix of economic headwinds, weather interruptions in early 2025, and weaker renewal activity. New pass sales, however, had picked up by summer 2025, and July attendance grew 1 percent year-over-year, aided by better passholder visitation when weather normalized.

The central challenge remains the same: Set pass prices low enough to maintain volume but high enough to ensure each visit generates meaningful in-park spending, while avoiding overcrowding that harms the guest experience.

Cedar Fair's experience indicates that value-creating extras and uniform park quality can maintain both high regular admission and season pass prices and high renewal rates.


For the merged Six Flags, sustaining growth in the season pass base without excessive discounting will be key to building a stable attendance foundation into 2026 all while ensuring each individual park delivers a visit worth repeating

All Park Access

2026 Gold Pass

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\$75/ea

Or become a Gold Member for \$6.99/mo after initial payment of \$20 due today, plus applicable taxes. Refund Protection Available!



Buy Now →


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- ✓ Unlimited Visits Now Through the End of 2026
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- ✓ No Blockout Dates
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- ✓ Bring-A-Friend Discount Tickets
- ✓ Pass Perks**
- ✗ Free Preferred Parking
- ✗ VIP Entrance (2 hours daily)
- ✗ 1 Skip The Line Pass Per Visit
- ✗ 2 FREE Bring-A-Friend Tickets Annually

Exclusive Access

2026 Prestige Pass

~~\$200~~
\$145/ea

Or become a Prestige Member for \$12.99/mo after initial payment of \$20 due today, plus applicable taxes. Refund Protection Available!



Buy Now →

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- ✓ Unlimited Visits Now Through the End of 2026
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- ✓ Unlimited Access to Six Flags Great America, Hurricane Harbor Chicago & Rockford
- ✓ No Blockout Dates
- ✓ Includes Fright Fest & Tricks and Treats
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- ✓ Bring-A-Friend Discount Tickets
- ✓ Pass Perks**
- ✓ Free Preferred Parking
- ✓ VIP Entrance (2 hours daily)
- ✓ 1 Skip The Line Pass Per Visit
- ✓ 2 FREE Bring-A-Friend Tickets Annually

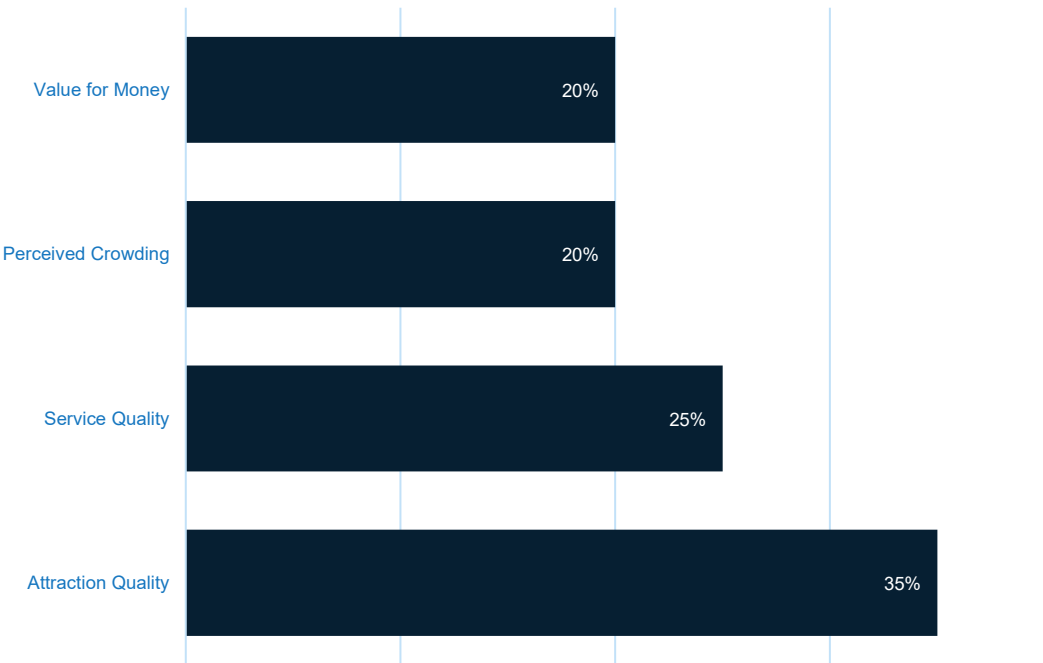
The Guest Experience Imperative

07

Guest experience drives sustainable growth — operational discipline must match capital investment

Key Drivers of Guest Experience And Their Relative Influence

Influence on Guest Pleasure
% of total



AEDP believes that a great guest experience is the cornerstone on which all financial results are based. Theme parks are experiential goods; they have to provide fun, secure, and memorable visits in order to validate the money and time expense of a visit. More than thirty years of industry research validate that visitor satisfaction is highly predictive of intention to return and recommend.

Key operating determinants like availability of rides, waiting times, cleanliness, friendliness of staff, quality of food, range of entertainment, and value for money, influence satisfaction.

One study discovered that 72% of the visitors need the experience to validate the cost and 94% identify satisfaction as a primary driver of repeat business. As the nearby chart illustrates, these two attributes are consistently among the highest drivers of loyalty, highlighting the reason why operational discipline is just as important as capital investment.

Cedar Fair traditionally bested Six Flags on many of these fronts, including better cleanliness ratings, more ride uptime, and better seasonal event lineups.

Conversely, legacy Six Flags parks from 2020–2022 routinely experienced lower staff levels, ride closures, and lower food options, all of which degraded brand perception.

Source: Godovykh, M., Milman, A., & Tasci, A. D. A. (2019). *Theme park experience: Factors explaining amount of pleasure from a visit*. *Journal of Tourism and Leisure Studies*, 4(2), 1–21. PGAV Voice of The Visitor 2025.

Market Leaders Combine Reinvestment with Superior Guest Experience

Illustrative Positioning: Rides and Attractions per Visit Vs Ride Time per Guest



The combined Six Flags Entertainment established operations goals of 95 percent ride uptime and 8–10 rides per guest per visit, along with a five-year strategy for 50 restaurant renovations to improve food quality — a growing priority among younger generations.

The positioning matrix places Disney, Universal, and United Parks & Resorts in the "fewer rides, longer experiences" quadrant. United Parks, which owns the SeaWorld and Busch Gardens brands, has been more show, entertainment, and experience oriented, although the last ten years have witnessed more investment in rides. Disney and Universal especially provide high-immersion attractions and longer dwell times, so visitors experience fewer rides but feel high value through depth of experience.

Ride-driven operators, such as Six Flags, Parques Reunidos, and, to a lesser degree, CDA, fill the niche of "more rides, shorter experiences," where throughput and efficiency are the keys to sustaining value perception.

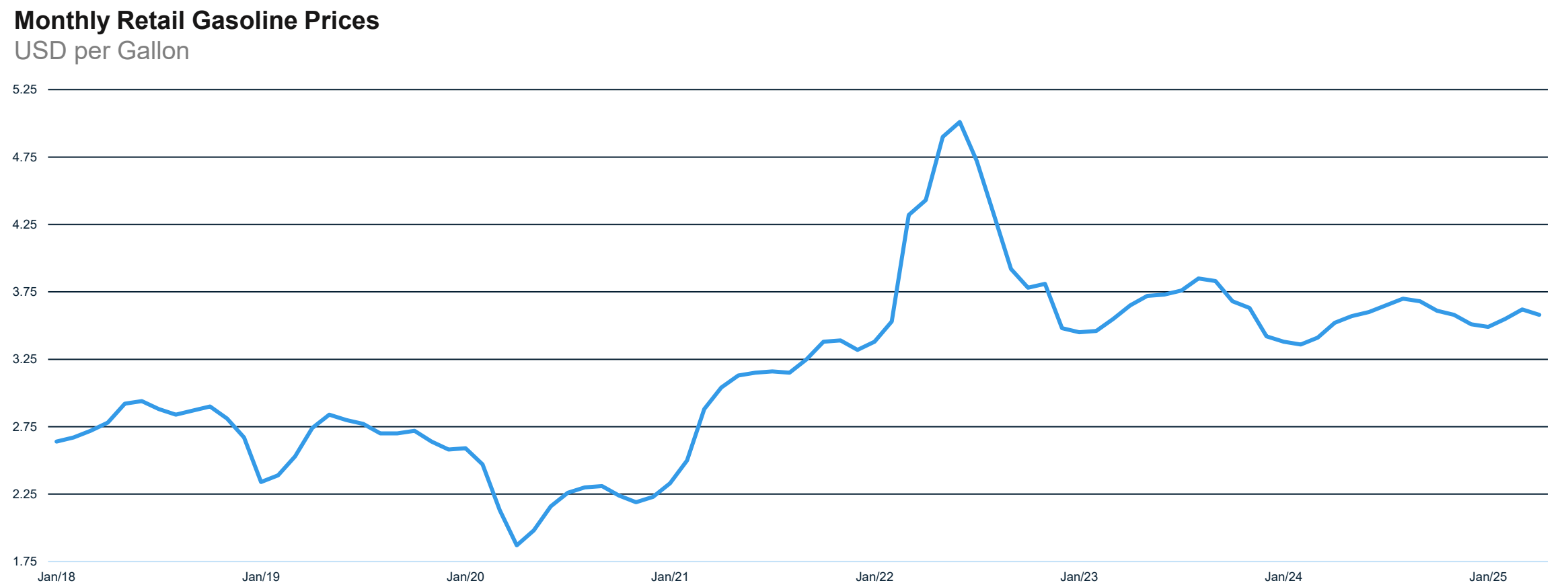
Cedar Fair parks historically had a consistent pipeline of attractions, whereas Six Flags trimmed additions during cost containment. Inflationary pressures now finance four coasters where five could previously be afforded, heightening the necessity to prioritize high-impact markets while making incremental improvements at every park.

Economic Headwinds and US Consumer Trends

08

Volatile Fuel Prices Impact Regional Leisure Travel Demand

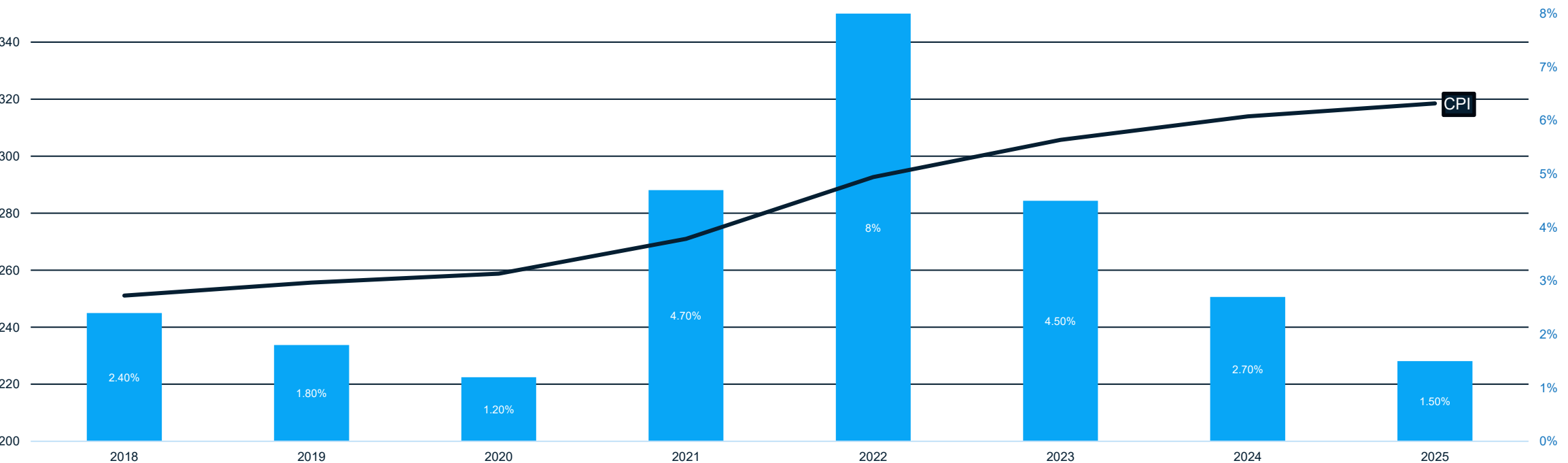
From 2018 through 2025, average U.S. gasoline prices have been subject to extreme volatility, reaching an all-time high of \$5.01 per gallon in June 2022 (EIA). This increase, fueled by supply chain disruptions and geopolitical unrest, had a direct impact on consumer inclination to take discretionary regional trips. While prices have moderated from 2022 peaks, they continue to trade above pre-pandemic averages, putting a strain on household budgets. For drive-to leisure destinations, elevated fuel prices can be a trip deterrent for marginal visits, especially for value-conscious families.



Inflation Surge Since 2021 Eroded Consumer Purchasing Power, Pressuring Discretionary Leisure Spending

US consumer prices have increased steeply since 2021, representing the highest inflation in more than four decades. Following relatively stable levels of ~2% per annum in 2018–2019, inflation soared to a 9.1% peak in June 2022, fueled by supply chain disruptions, high energy prices, and post-pandemic demand surges. This prolonged price growth has reduced real disposable income, rendering discretionary spending — including theme park tickets, passes, and in-park spend — increasingly sensitive to price-value perceptions. While inflation has cooled since 2023, price levels continue to trade above pre-pandemic baselines, necessitating that leisure operators justify premium prices with value proposition enhancements.

United States Consumer Price Index (CPI) and Annual Inflation Rate
Index and Percentage

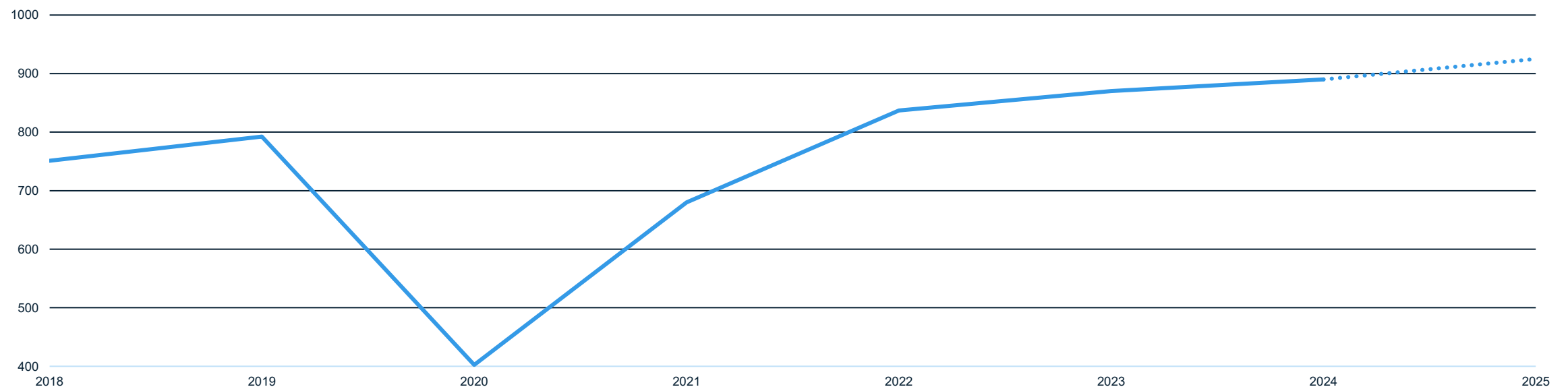


US Leisure Travel Spending Surges to Record Levels, Signaling Strong Post-Pandemic Recovery

Following the precipitous decline in 2020, US domestic leisure travel spend recovered quickly, hitting record highs in 2022 and 2023. Spending in 2023 totaled roughly \$870 billion, according to the US Travel Association. This growth owes to a release of pent-up demand, a consumer preference shift towards experiences over goods, and a greater emphasis on domestic destinations amid the international travel recovery phase. In spite of inflationary pressures, increased airfare, and higher lodging expenses, consumers showed themselves willing to spend on leisure when they felt they were getting great value in the experience. Such resilience sets a firm demand foundation for attractions and tourism operators, even as overall economic conditions are mixed.

United States Domestic Leisure Travel Spending

Nominal, Billions USD

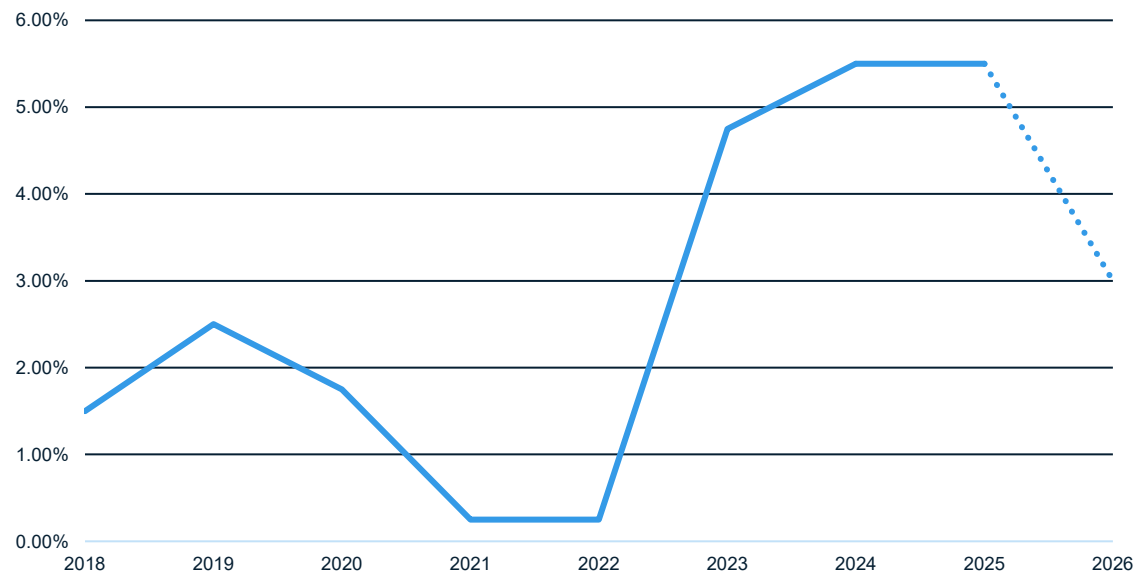


Footnote: 2024 and 2025 figures are forecasts based on U.S. Travel Association Winter 2025 projections, originally published in real 2023 dollars. Values shown here have been adjusted to nominal terms for consistency with historical data.

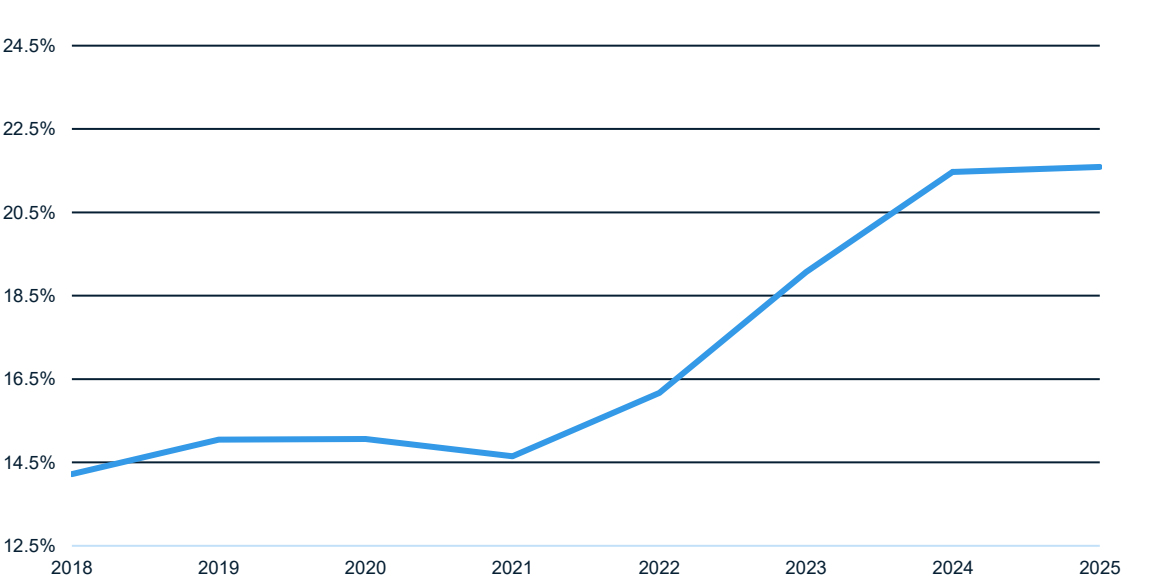
Rising Interest Rates Squeeze Consumer Discretionary Spending

Since early 2022, the Federal Reserve has raised the federal funds rate from close to zero to above 5%, the most rapid monetary tightening in 40 years. That steep rise has pushed borrowing costs across the economy higher, sending average U.S. credit card APRs above 21% in late 2024 — a record high. For consumers, the impact is double-barreled: more expensive debt servicing decreases discretionary income available, while pricey credit deters financing of discretionary purchases like vacations. Even consumers with higher incomes are growing more discriminating, shopping for better value and often cutting back on the number or length of leisure trips.

Federal Funds Rate
Upper Bound Percentages



Average United States Credit Card APR (All Accounts)
Percentage

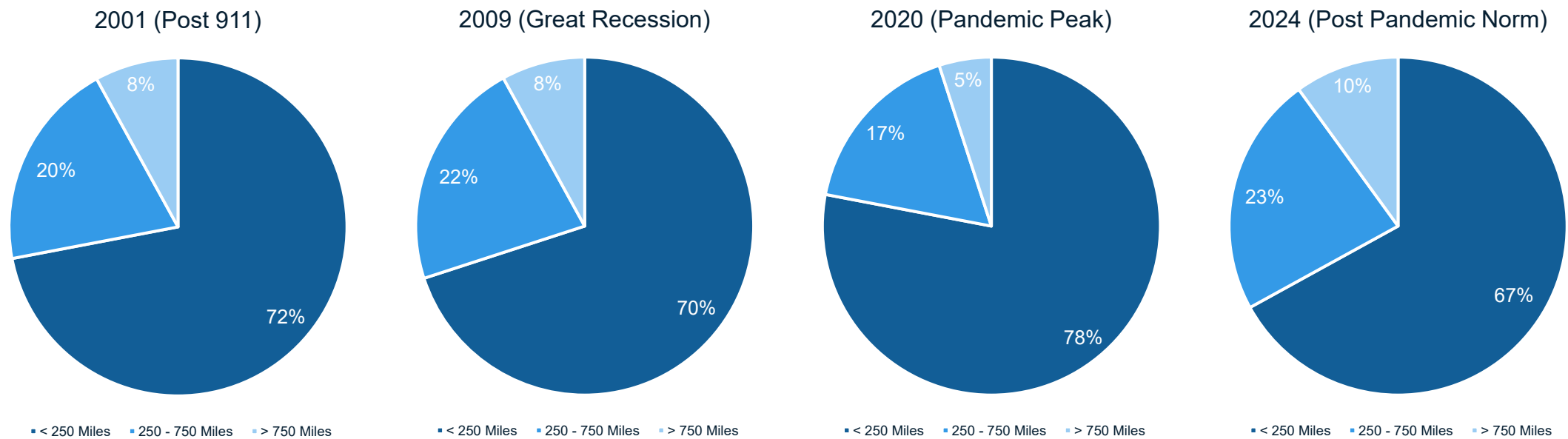


Footnote: Federal funds rate represents the upper bound target set by the Federal Reserve as of January each year. Credit card APR reflects the average interest rate across all U.S. credit card accounts, January values. 2025–2026 are Federal Reserve median projections.

Regional and Local Travel Preferences Sustain Drive-to Attraction Demand

Historically, traveler tastes have gravitated toward regional and local destinations in periods of uncertainty, including the post-9/11 downturn, the 2008–2009 recession, and the pandemic. In each of these periods, households expressed a preference for drive-market destinations, citing convenience, control over costs, and flexibility as reasons for this preference. In 2024, over two-thirds of leisure trips taken by people in the United States were within a 250-mile radius of their residences. Even with the recovery of air travel, many travelers still view regional leisure trips as providing better value relative to longer-haul vacations, particularly considering airfare volatility and ancillary fees. For attractions close to large population centers, this trend creates a larger and more durable addressable market, which can help to mitigate cyclical declines in long-haul demand.

Share of US Domestic Leisure Trips by Distance Band
Percentage



Footnote: Distance bands reflect share of U.S. domestic leisure trips by car, segmented by one-way driving distance.

Conclusion: Navigating the Road Ahead

09

Clear Performance Targets Define the Path to Sustainable Growth

One year after the merger of Six Flags and Cedar Fair, management has set clear performance goals defining what "success" looks like. The Key Performance Indicator (KPI) dashboard outlines measurable goals related to guest satisfaction, attendance, season pass registration, revenue growth, EBITDA margins, and responsible capital deployment. These metrics are designed to balance operational excellence with financial performance, representing a shift toward focusing on guest experiences while maintaining fiscal discipline.

Notably, every KPI is made to be time-bound and measurable so that investors can monitor progress accurately. For instance, increased Net Promoter Scores are set as a leading indicator of repeat visitation, and active season pass base growth is to underpin predictable revenue streams. Margin expansion is not presented as a by-product of cost-cutting, but rather as a function of volume increases, rationalized pricing, and operational efficiencies.

By the 2026 season, the company anticipates noticeable progress on every measure — from enhancing attendance at legacy underperforming parks to exhibiting capital investment restraint that correlates with long-term asset value creation. In today's economic climate, hitting these targets will involve juggling reinvestment in the guest experience with ongoing deleveraging and portfolio optimization. Being at or above these benchmarks will be the ultimate proof point that the merger has lived up to its strategic promise.



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