



**Cedar Fair**  
Entertainment Company



Investor Presentation  
June 2020



# Forward-Looking Statements

Some of the information in this presentation that is not historical in nature constitutes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements as to the Company's expectations, beliefs and strategies regarding the future. These forward-looking statements may involve risks and uncertainties that are difficult to predict, may be beyond our control and could cause actual results to differ materially from those described in such statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Important factors, including the impacts of the COVID-19 pandemic, general economic conditions, adverse weather conditions, competition for consumer leisure time and spending, unanticipated construction delays, changes in the Company's capital investment plans and projects and other factors discussed from time to time by the Company in its reports filed with the Securities and Exchange Commission (the “SEC”) could affect attendance at the Company's parks and cause actual results to differ materially from the Company's expectations or otherwise to fluctuate or decrease. Additional information on risk factors that may affect the business and financial results of the Company can be found in the Company's Annual Report on Form 10-K and in the filings of the Company made from time to time with the SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, information, circumstances or otherwise that arise after the publication of this document.



# FUN Overview



# Cedar Fair Executive Team



**Tim Fisher**  
COO



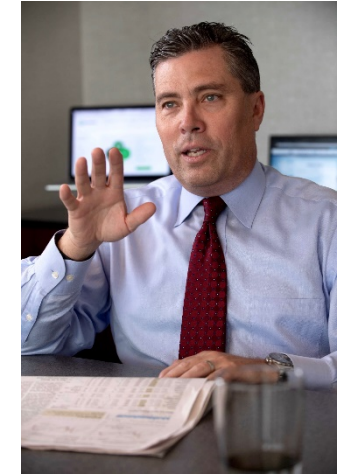
**Kelley Semmelroth**  
CMO



**Richard Zimmerman**  
CEO



**Duff Milkie**  
GC



**Brian Witherow**  
CFO



**Craig Heckman**  
HRO



**Dave Hoffman**  
CAO





## **OUR VISION**

**TO BE THE PREFERRED CHOICE  
for regional entertainment.**

## **OUR MISSION**

**TO MAKE PEOPLE HAPPY  
by providing them fun, dynamic  
and memorable experiences they  
can share with their family and  
friends year after year.**





**Cedar Fair**  
Entertainment Company

### KEY STATISTICS

Entertain

**28M**

visitors annually

**841**

rides and attractions

**124**

roller coasters

**2,300+**

hotel rooms



### PARKS PORTFOLIO

Own and operate

**11**

amusement parks

**9**

outdoor water parks  
(in-park)

**4**

outdoor water parks  
(unique gates)

**1**

indoor water park  
(hotel feature)





# 2019 Operating Results

Ended 12/31/19  
w/ Schlitterbahn

Ended 12/31/19  
Same-park Basis

Net Revenues

**\$1.47B**

**\$1.43B**

Net Revenues Growth

**↑ 9%**

**↑ 6%**

Attendance

**↑ 8%**

**↑ 5%**

In-Park Per Capita Spending

**↑ 1%**

**↑ 1%**

Out-of-Park Revenues

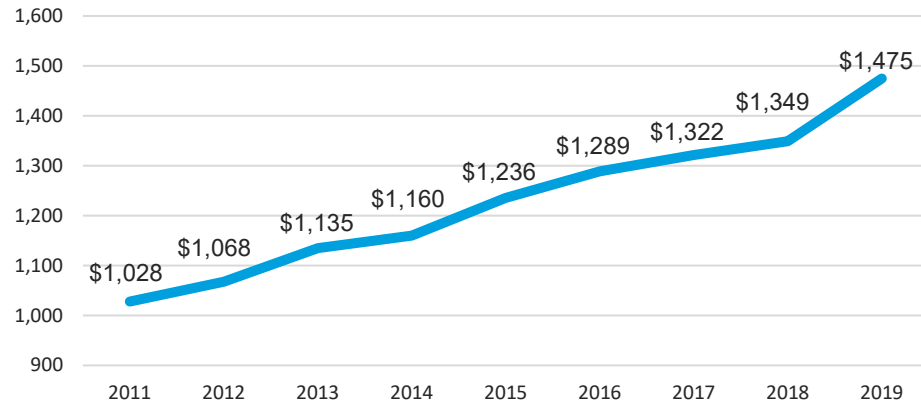
**↑ 11%**

**↑ 8%**



# Record 2019, Strong Start to 2020 prior to COVID-19

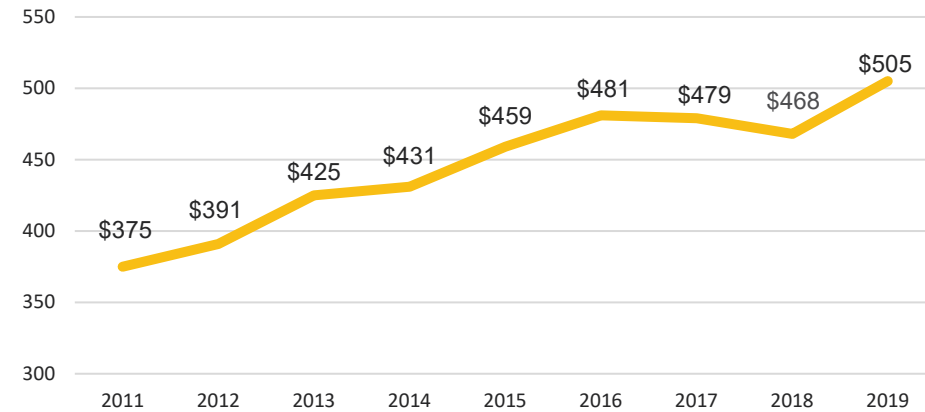
**TOTAL REVENUE**  
(\$ in millions)



## 2019 Results

- Record net revenues of \$1.47 billion, up 9%; same park up 6%
- Record attendance of 27.9 million visits, up 8%; same park up 5%
- Record in-park per capita spending of \$48.32, up 1%; same park up 1%
- Record out-of-park revenues of \$169 million, up 11%, same park up 8%

**ADJUSTED EBITDA<sup>(a)</sup>**  
(\$ in millions)



## 2020 To Date

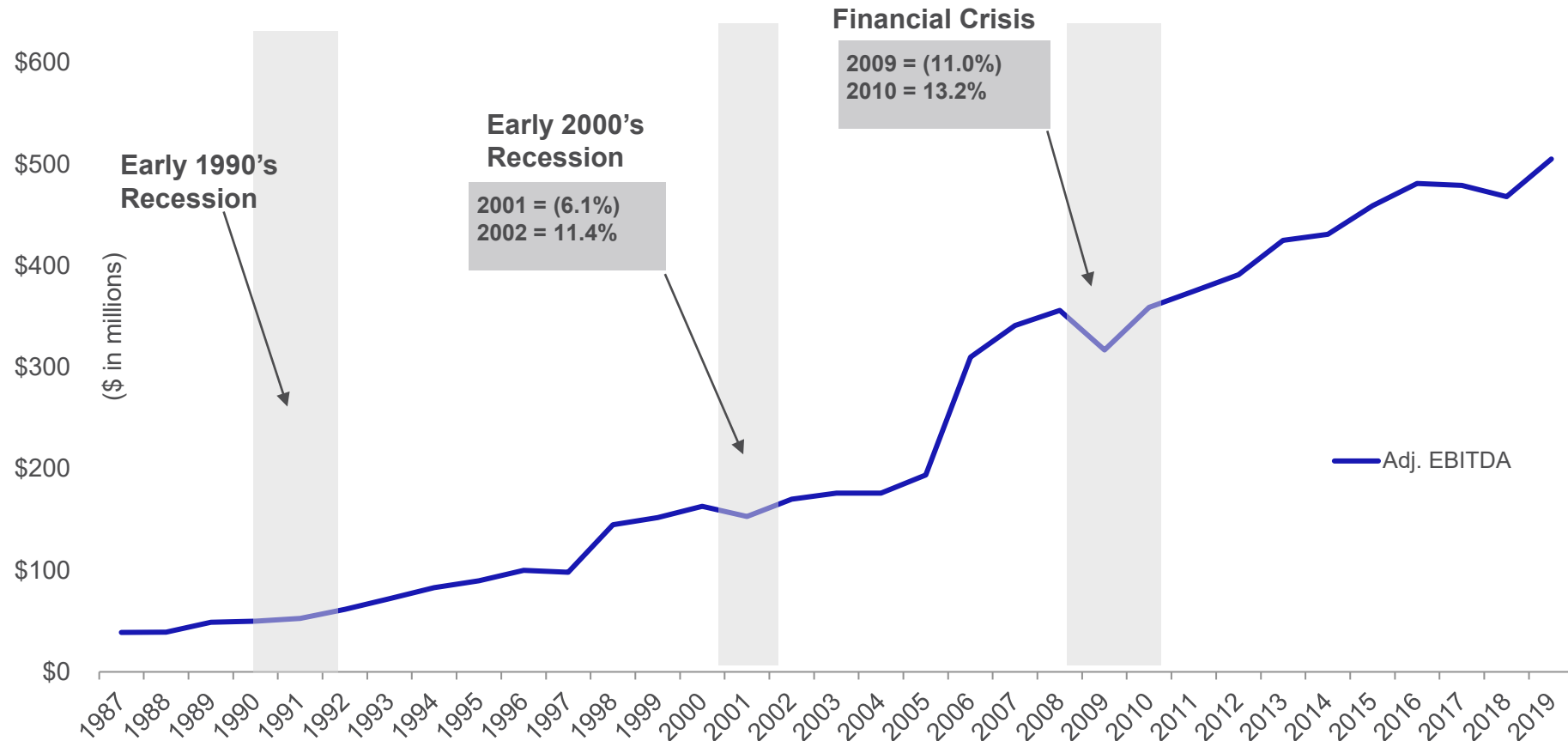
- At March 29, 2020, sales of season passes and all-season products were up approximately 30%; deferred revenues were up 20% or \$33 million compared to the same period last year.
- Prior to the mid-March COVID-19 disruption, attendance was up 149,000 visits, or 19%, and revenues were up more than \$8 million – both reflecting a record start at Knott's Berry Farm.

<sup>(a)</sup> See Appendix for reconciliation of Adjusted EBITDA





# Strong Long-Term Growth and Recession Resilient



## Acquisitions:

- 1992 – Dorney Park
- 1995 – World of Fun
- 1997 – Knott's Berry Farm
- 2001 – Michigan's Adventure
- 2004 – Geauga Lake
- 2006 – Paramount Parks (five parks)
- 2019 – Schlitterbahn (two water parks)
- Sawmill Creek Resort & Conference Center

(a) See Appendix for Reconciliation of Adjusted EBITDA



# Compelling Investment Rationale

- 1 Best-in-class parks and brands with loyal, high-repeat customer base
- 2 High quality assets and significant real estate holdings (and underlying asset value)
- 3 High barriers to entry
- 4 Strong business model and steady growth in revenues and free cash flow
- 5 Resilient operating performance through economic cycles
- 6 Industry-experienced management with history of delivering results

**Cedar Fair is entering a period of disruption from a position of strength**





# COVID-19 Measures



# COVID-19 – Senior Secured Notes Offering Completed

- **Secured \$1.0 billion of 5.5% senior secured notes due 2025**
  - \$463 million used to repay a portion of senior secured term loan
  - Credit facility amended, suspends total leverage ratio financial maintenance covenant after Q1 2020
  - Total leverage ratio covenant replaced by senior secured leverage ratio covenant
    - Commencing Q1 2021 through Q3 2021, leverage calculation substitutes results from Q2 2020 through Q4 2020 with results from Q2 2019 through Q4 2019
    - Prevents the effects of COVID-19 from distorting covenant calculations
    - Removes distractions from prudent management of the business
  - Requirements of amended credit facility:
    - Must maintain minimum liquidity level of \$125.0 million
    - Subject to payment restrictions, such as distributions, generally through December 2021
- **Added incremental \$100 million of revolving credit commitments to existing revolving credit facility**
  - Total size of revolver now \$375 million





# COVID-19 – Measures Taken to Reduce Monthly Cash Burn

- **Proactive steps taken to reduce operating expenses during the COVID-19 pandemic:**
  - Eliminated nearly all of our seasonal and part-time labor costs until the parks prepare to reopen
  - Suspended all advertising and marketing expenses, and reduced general and administrative spend and other park-level operating expenses to better align with the disruption in operations
  - Reduced the CEO's salary by 40% and all other executives by 25%
  - Deferred base salaries for all other salaried employees by 25%, subject to minimum thresholds or other statutory limitations
  - Reduced scheduled hours for full-time hourly employees by 25% to 30 hours per week
  - Suspended cash fees for the Board of Directors until business conditions improve
- **Additional proactive steps taken to provide incremental liquidity and enhanced financial flexibility:**
  - Suspended quarterly unitholder distribution payments until market visibility improves and distribution payments can be reinstated under our recently revised debt covenants
  - Reduced capital spending for calendar year 2020, including the suspension or delaying \$75-100 million of capital projects planned for the 2020 and 2021 operating seasons



# COVID-19 – Liquidity Outlook

- **Based on the measures taken to date, we anticipate our cash burn rate during the time park operations are fully suspended will be approximately \$30-40 million per month on average including:**
  - A reduced level of operating costs for as long as the parks remain closed that would still allow them to be prepared to reopen in 2020
  - Projected run out on essential capital investment projects in process
  - Debt facility costs
  - Under a scenario where park closures extend through all of 2020, we have identified additional measures that can be taken to reduce the cash burn rate by as much as another \$5-7 million per month
- **Pro-forma liquidity position as of March 29, 2020, was \$821 million**
  - \$289 million in available revolver capacity (net of approximately \$16 million letters of credit)
  - \$532 million in cash on hand
- **Pro-forma senior secured leverage ratio of 2.6x at end of Q1 2020**
  - Represents more than \$170 million of EBITDA cushion from previous 4.0x covenant



# COVID-19 – Customer Initiatives

- **Extended 2020 season pass privileges through the end of 2021 season**
  - Extension represents effort to proactively manage demand for the 2021 season
  - Helps to compensate passholders for any lost operating days during 2020 due to the effects of the pandemic
- **Paused collection of guest payments on installment purchase products until we have better visibility on reopening of parks**
- **Adding enhancements to mobile app technologies, focused on usable tools and applications helpful for guests throughout their park visits**
  - New technologies such as new cashless payment app promotes safer guest and associate interactions
  - Strengthens safety measures recommended by health officials while offering exciting, guest-friendly alternatives to enhance the overall guest experience



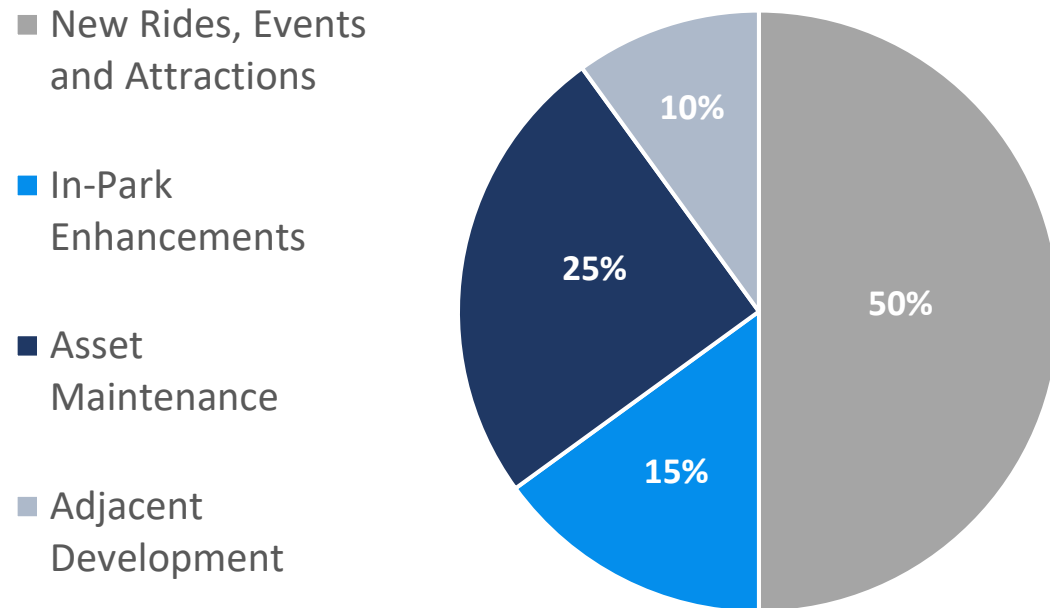


# Long-Range Plan



# CAPEX – Long-Term Strategy

Capital investment in new attractions and infrastructure needs migrating toward 9% of revenues over the long term, before investment in adjacent development



- Maintain position as the leader in world-class thrill rides and attractions
- Broaden park offerings, improve guest service and eliminate transactional pain points
- Build off successes, such as premium product offerings, limited-time events of scale and resort accommodations
- Expand cadence of and reduce reliance on large-scale investments to drive growth
- Something new in every park, every year



# Consumer Insights Research

We've held numerous Focus Groups to explore which types of entertainment experiences are most likely to motivate visitation.



## Key Findings:

- Something for everyone - consumers are seeking entertainment options that can accommodate all types of people, ages and interests
- Disconnecting to connect – despite the pervasiveness of technology, people still appreciate simple fun that fosters connection
- Consumers are on the hunt for “never before” experiences
- Craving atmosphere and experiences with a “sense of place”
- Consumers see “local” as more authentic
- Authentic diversity is differentiating – consumers are drawn to places that celebrate the diversity of the area in an authentic way





# Consumer Insights Research

Rides and events remain top reasons for visiting our parks, with high-park-interest guests driven by water parks and family coasters.



## Top Reasons to Visit Parks:

- Family Rides
- Thrill Coasters
- Water Rides
- Seasonal Events
- Anniversary Celebrations



# Long-Range Plan: Core Strategies

- **Broaden the Guest Experience**
  - Aimed at driving more visits from existing guests and incremental visits from new, unique guests
  - Traditional rides, such as roller coasters and water attractions, still play an important role
  - Expanded use of limited-duration events and more immersive experiences – “Seasons of FUN” model that drives urgency to visit
  - Food & beverage to continue to play an outsized role in the guest experience
- **Expand the Season Pass Program**
  - Remains our strongest growing channel – approximately 53% of total attendance in 2019
  - Continued evolution of the program, including the broad rollout of PassPerks, our season pass loyalty program
- **Increase Market Penetration through Targeted Marketing Efforts**
  - Key opportunities exist with several demographic groups with the fastest population growth rates
- **Pursue Adjacent Development**
  - Continued evolution of our accommodations and resort offerings

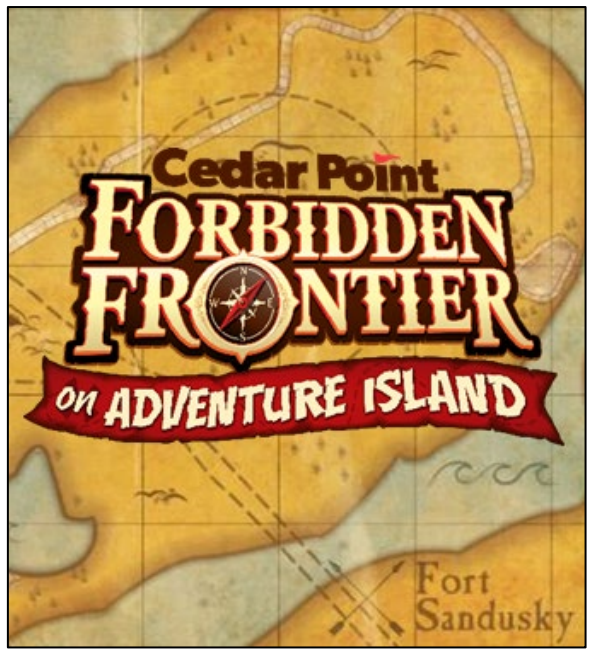


# “Seasons of FUN” Model: Creates Urgency to Visit





# Offer Guests Immersive Experiences





# Food & Beverage Playing A Key Role

- Our research confirms food and beverage today play a **critical role in the guest experience**
- **Consumers want unique experiences,** offerings they can't get at home
- We have enhanced existing F&B facilities, added **more immersive dining experiences**
- Executive chefs and additional **culinary talent hired** at each park
- Since 2011, F&B revenues up more than 50%; F&B per cap up more than 35%





# The Changing Landscape of Food & Beverage

## BACKBEATQUE BBQ SMOKEHOUSE



## HUGO'S ITALIAN KITCHEN





# Popular 4<sup>th</sup> Quarter Events Extend Calendar, Add Growth



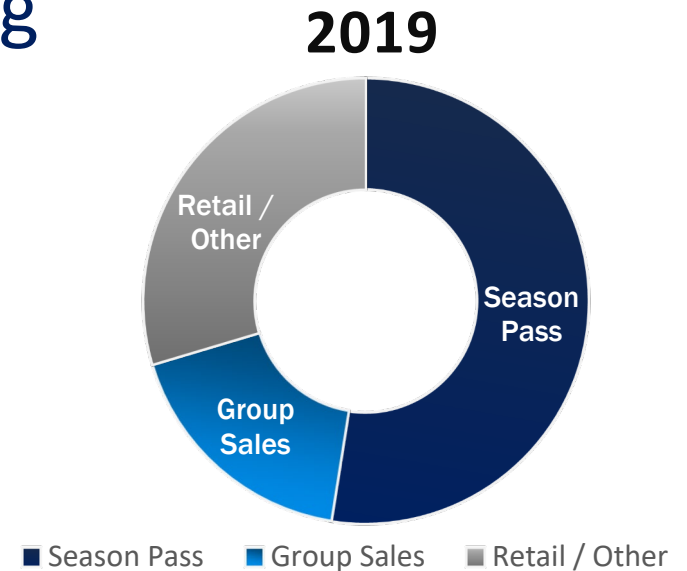
- Haunt's popularity has increased dramatically over the past two decades
  - Haunt produces some of our highest attendance days
- Attendance in October up by more than 30% over the last decade
  - October now more than 10% of annual attendance

- 2016 – first year for the event (one park with approximately 140,600 guests in attendance)
- 2019 – six parks with a combined attendance of approximately 1.2 million
- Canada's Wonderland – extraordinary 1<sup>st</sup> year



# Season Pass Channel Growth Remains Strong

- Season pass visitation comprised 53% of 2019 total attendance (same park), up from 27% in 2009
- Season passes sold for 2019 exceeded 2.6 million units, nearly double the number sold in 2009
- Season pass visitation in 2019 topped 14 million visits versus our total attendance of 27.9 million guests
- Strong sales growth trends continue for all-season dining and beverage options





# Evolution of the Season Pass Program

**Goal:** Transition program to **Long-term Relationship-based model** (from Seasonal Transactional)

- Loyalty Program builds lifetime value for guests

## Objectives:

- Address affordability concerns for value-oriented guests while maintaining admissions price integrity
- Drive higher unit sales through “stickier” retention
- Increase the average visitation of our season passholder base



# PASSPERKS Loyalty Program

**Objective: Deliver surprises and provide incentives to our most engaged guests – the season passholder**

- Offer a program that resonates with season passholders
- Play into our guest’s emotions by delivering the unexpected
- Drive incremental visits from passholders throughout the season
- Incentivize renewals, driving retention rates higher
- Systemwide program rollout in 2021
  - Rewards are earned with each park visit
  - Offer monthly incentives, such as discounted “Bring-a-Friend” tickets, or in-park discounts on food and merchandise
  - Conduct lucky drawings monthly (based on visitation), featuring exclusive experiences as prizes



# SP Payment Plan + Loyalty Program Meet Objectives

Key Objectives	CEDAR FAIR SEASON PASS PROGRAM		Subscription Model
	Payment Plan +	Loyalty Program	
Affordability	YES	NO	YES
Retention	NO	YES	YES
Visitation	NO	YES	NO
Pricing Power	YES	YES	NO
Purchase Urgency	YES	NO	NO



# Market Sizing Study

Performed to better measure the current penetration of markets feeding our parks and gain a better understanding of the consumer segments within those markets.



## Key Findings:

- Strong attendance penetration among demographic groups in decline
  - Lowest penetration among groups with the fastest population growth rates
- Key opportunities exist with several demographic segments across multiple parks:
  - Older Non-Families
  - Families with Young Children
  - Millennial Non-Families
  - Asian American and U.S. Hispanic Households
  - High-Income Households
- Near-term priority to focus on the tourism market in Southern California





# Evolution of the Accommodations Channel

- Substantial growth of accommodations portfolio last 8 years:
  - Total hotel rooms grew to more than 2,300 from 1,900 (includes Schlitterbahn and Sawmill Creek Resort)
  - Total luxury RV sites increased to more than 600
- Accommodations Revenue:
  - > \$80 million, up 35% since 2011 (includes Schlitterbahn and Sawmill Creek Resort)



# Adjacent Development – Accommodations

SPRINGHILL SUITES®  
MARRIOTT



- Charlotte – adjacent to Carowinds
- Opened November 2019
- 130 well-appointed suites
- Year-round accommodations

Sawmill Creek  
BY CEDAR POINT RESORTS



- Sandusky – minutes from Cedar Point
- 236-room hotel and conference center, restaurants, Tom Fazio-designed golf course
- Undergoing rolling renovation, reopen TBD





# Cedar Point Sports Center

## Outdoor Facility

- Opened March 2017 – performance is pacing well ahead of the original pro-forma model
- 10 multi-use fields with clubhouse
- Baseball, softball, soccer, lacrosse



## Indoor Center

- Opened January 2020
- 145,000 square feet
- Court space accommodates 10 basketball courts and 20 volleyball courts
- AAU basketball, JO volleyball, wrestling, cheer, gymnastics



# Key Takeaways

- **COVID-19 Measures**
  - Timely, proactive steps taken to further strengthen financial position if long-term disruption occurs
  - Completed \$1 billion notes offering and dramatically reduced cash burn; parks in state of readiness
  - Suspended quarterly unitholder distribution payments until market visibility improves and permitted to reinstitute under debt covenants
  - Implementing COVID-related safety procedures with upgraded technologies for park re-openings
- **Growth**
  - As operations recover, confident long-term strategies and initiatives will continue to drive up attendance, per capita spending and revenue growth for the foreseeable future
- **Leverage**
  - Top priority to responsibly reduce total leverage back below 4.0x as quickly as possible
  - Re-establish balance sheet flexibility to pursue future opportunities like Schlitterbahn
- **CAPEX**
  - Critically evaluating the required level of capital investment necessary for each of our parks; more efficient deployment of capital within each park
  - Evolving capital investments to coincide with the changing tastes of the consumer



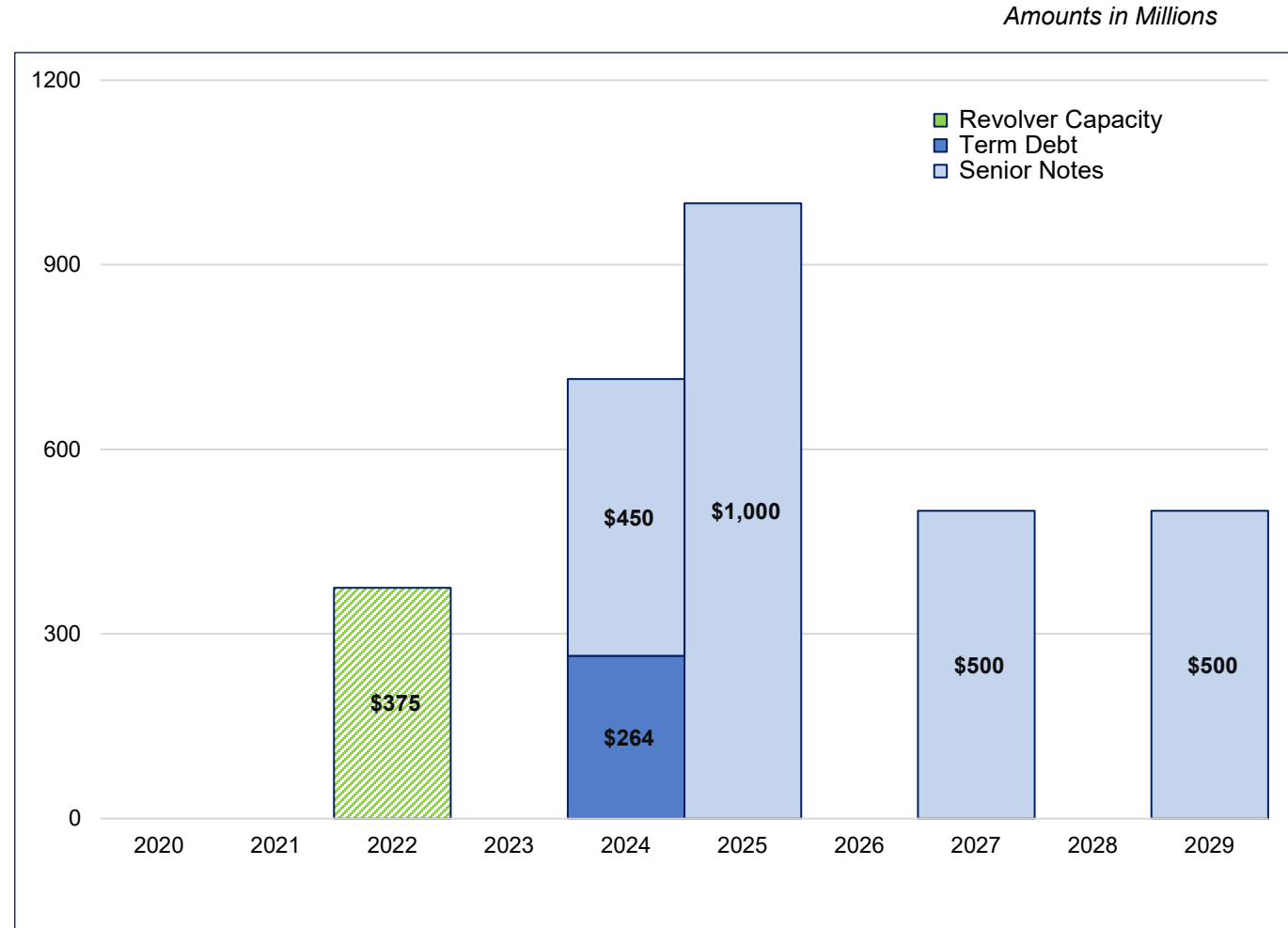


# Appendix



# Capital Structure – Debt Maturities

- Pro-forma total debt outstanding of \$2.7B at 03/29/20
- Pro-forma cash on hand totaled \$532M at 03/29/20
- Pro-forma Consolidated Leverage Ratio at 03/29/20 of 5.6x (4.6x net)
- Projected full-year 2020 cash interest costs of approximately \$130M
- Full-year cash interest costs projected to be \$150-155M in 2021-2023



# Adjusted EBITDA Reconciliation

**CEDAR FAIR, L.P.**  
**RECONCILIATION OF ADJUSTED EBITDA**  
(In thousands)

	Three months ended		Twelve months ended	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
<b>Net income (loss)</b>	\$ 2,785	\$ (22,497)	\$ 172,365	\$ 126,653
Interest expense	28,550	23,124	100,364	85,687
Interest income	(912)	(704)	(2,033)	(1,515)
Provision (benefit) for taxes	(717)	1,442	42,789	34,743
Depreciation and amortization	32,628	23,415	170,456	155,529
<b>EBITDA</b>	<b>62,334</b>	<b>24,780</b>	<b>483,941</b>	<b>401,097</b>
Loss on early debt extinguishment	—	—	—	1,073
Net effect of swaps	(4,536)	13,193	16,532	7,442
Non-cash foreign currency (gain) loss	(8,533)	24,268	(21,061)	36,294
Non-cash equity compensation expense	3,674	3,189	12,434	11,243
Loss on impairment/retirement of fixed assets, net	1,150	2,219	4,931	10,178
Gain on sale of other assets	—	(112)	(617)	(112)
Acquisition-related costs	(76)	—	7,162	—
Employment practice litigation costs	—	—	(200)	—
Other <sup>(1)</sup>	569	585	1,551	558
<b>Adjusted EBITDA <sup>(2)</sup></b>	<b>\$ 54,582</b>	<b>\$ 68,122</b>	<b>\$ 504,673</b>	<b>\$ 467,773</b>

(1) Consists of certain costs as defined in the Company's Amended 2017 Credit Agreement and prior credit agreements. These items are excluded in the calculation of Adjusted EBITDA and have included certain legal expenses and severance expenses. This balance also includes unrealized gains and losses on short-term investments.

(2) Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, other non-cash items, and adjustments as defined in the Amended 2017 Credit Agreement and prior credit agreements. The Company believes Adjusted EBITDA is a meaningful measure as it is widely used by analysts, investors and comparable companies in our industry to evaluate our operating performance on a consistent basis, as well as more easily compare our results with those of other companies in our industry. Further, management believes Adjusted EBITDA is a meaningful measure of park-level operating profitability and we use it for measuring returns on capital investments, evaluating potential acquisitions, determining awards under incentive compensation plans, and calculating compliance with certain loan covenants. Adjusted EBITDA is provided as a supplemental measure of our operating results and is not intended to be a substitute for operating income, net income or cash flows from operating activities as defined under generally accepted accounting principles. In addition, Adjusted EBITDA may not be comparable to similarly titled measures of other companies.

