

What is EBITDA, and why is this important for Campground and RV Park Owners?

(Plus easy Tips to improve your EBITDA!)

EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization. In simpler terms, it is a measure of a company's financial health and profitability before accounting for certain expenses. For campground and RV park owners, understanding, and improving EBITDA can greatly impact the success of their business.

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Why EBITDA is important for campground and RV park owners:

1. Provides a clear picture of financial health: EBITDA gives a clear picture of the financial health of the business by excluding certain expenses that may skew the true profitability of the business.

2. Helps with valuations: EBITDA is often used in the valuation of a business. A higher EBITDA can result in a higher valuation and potentially higher sale price if the business is ever sold.

3. Helps with cash flow management: By understanding the EBITDA, owners can better manage cash flow and create a budget that takes into account the expenses that are not included in the EBITDA calculation.

Tips to improve EBITDA for campground owners and RV park owners:

1. Increase revenue: Increasing revenue through various means such as increasing occupancy rates, raising prices during peak season, or creating additional revenue streams (such as adding a rental service) can help improve EBITDA.

2. Reduce expenses: Reducing expenses through various means such as improving energy efficiency, reducing maintenance costs or even renegotiating contracts with suppliers or vendors can help increase EBITDA.

3. Focus on marketing: Investing in marketing can help increase the visibility of the campground or RV park and attract new customers. A well-executed marketing strategy can help increase revenue and ultimately improve EBITDA.

4. Improve customer satisfaction: Improving customer satisfaction through increased amenities, cleanliness and customer service can help increase repeat business and ultimately improve revenue and EBITDA.

5. Streamline operations: Streamlining operations by improving processes and utilizing technology can help reduce costs and improve profitability.

In conclusion, EBITDA is an important metric for campground and RV park owners to understand and monitor in order to improve the financial health and profitability of their business. By taking steps to increase revenue, reduce expenses, focus on marketing, improve customer satisfaction and streamline operations, owners can work to improve EBITDA and ultimately the success of their business.



The Pines RV and Cabin Resort