

First Quarter Results Predict Strong Year for KOA

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Measuring against a record 2019, Kampgrounds of America sees dramatic growth across business in first quarter of 2021

KOA NEWS SERVICE (Apr. 15, 2021) – A surge in short-term business in the first quarter of the year resulted in an increase of total revenue of 20.9% versus 2020 and 21.3% over a record 2019, according to Kampgrounds of America, Inc. in their recently released Q1 Business Report. The company also acquired four campgrounds and secured five franchise contracts during the same period. Additionally, KOA reports a positive outlook for the rest of the year, sharing that advanced deposits on future business at the end of the quarter were up over 55% from their record-breaking 2019.

Strong Short-Term Performance

KOA reports a 42.6% increase in short-term, first-quarter revenue over 2020 and a 39.6% increase over a record 2019. This dramatic growth follows one of KOA's most successful fall seasons and points to continued momentum for the company.

Across short-term business, which measures vacation and leisure camping, KOA has experienced growth in nearly every measure. Occupancy in the first quarter of 2021 was 24.3% improved over 2020 and 17.5% over 2019.

"Since 2020 was affected by various challenges related to COVID-19, we've begun benchmarking our business against 2019," said Toby O'Rourke, president and CEO of KOA. "We experienced the best year in our history in 2019 and it was our tenth straight year of growth following the recession. Prior to the onset of COVID-19 disruptions in March last year, we were on pace to exceed 2019 by 10%. Seeing KOA perform even stronger in the first quarter of this year is incredibly encouraging."

Long-Term Affected by COVID-19

KOA's long-term business was 0.9% ahead of 2020 and down -9.8% to 2019. Similarly, revenue related to long-term business was down -6.2% to 2020 and -2.8% to 2019. The continued Canadian border closure and some reluctance by traditional long-term campers to make travel plans until vaccinated had an impact on long-term business over this past winter.

"We do feel the continued impact of COVID-19 when we examine our long-term business," O'Rourke said. "Ongoing research we are conducting shows us that 57% of campers say availability of vaccines has a great deal or some impact on their camping decisions. The effect is even more pronounced on older demographics who are more likely to participate in long-term and snowbird RVing."

According to research conducted in April, KOA found that 3-in-10 campers are either waiting to be vaccinated prior to camping or waiting for more people to be vaccinated. With a growing number of American's receiving vaccinations, the outlook for camping in 2021 is strong.

Franchise Stability and Growth

KOA's five franchise contracts in the first-quarter resulted from three new conversions and two new construction contacts. Parks in Detroit/Ann Arbor, Michigan; Three Forks, Montana, and Lost Hills, California converted to the KOA system.

An additional positive indicator for the health of the franchise are the two new construction contracts signed with KOA in the first-quarter. These new contracts join 12 KOA campgrounds already in planning or construction stages. Eight new construction KOAs have opened since 2017. This explosion of new construction campgrounds is the most since the early days of KOA, when new campgrounds were built at an impressive rate as the brand expanded.

"The interest in building campgrounds from the ground up is really motivating," said O'Rourke. "Developers are seeing the value and potential camping has for serious returns on their investment. We also see that value here at KOA and work closely with these new parks to ensure they maximize their potential."

An indication of franchisee satisfaction, KOA also had 100% renewal rate on existing franchise contracts in this time period.

Expansion of the Corporate Portfolio

KOA isn't just seeing growth from the franchise business, but is also actively expanding their owned campground portfolio. In the first-quarter of the year, KOA acquired four new campgrounds. Three of these acquisitions were previously franchised KOA locations, the Fort Collins/Lakeside KOA Holiday in Colorado and the Dayton KOA Resort and Thompson/Grand River Valley KOA Holiday in Ohio. The company also added an independent park to the system through the purchase of the Galveston Island RV Resort in Texas.

A newly formed acquisitions department positions the company to continue a high pace of growth going forward.

According to O'Rourke, "KOA sees value in franchising campgrounds and owning them ourselves. This mindset is not only financially driven, as campgrounds are an increasingly lucrative business, but it also makes us better franchisors because we live, breathe and understand camping from top to bottom. The camping industry is growing and our brand is well positioned to be at the forefront through both the owned and franchised sides of our business."

About Kampgrounds of America:

[Kampgrounds of America](#), Inc. (KOA) is the world's largest system of open-to-the-public campgrounds with 525 locations across the U.S. and Canada united under the mission of "connecting people to the outdoors and each other." The industry leader in outdoor hospitality, KOA's family of campground brands – KOA Journey, KOA Holiday and KOA Resort – offer sites and amenities designed for every type of camping experience. The company was founded in 1962 in Billings, Mont., and today serves more than a million camping families each year, who rely on the standards of excellence and unique outdoor adventures KOA is known for. For more information, visit [KOA.com](#).