

Camping World Holdings: How Much Inventory Is Enough?

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Camping World Holdings, Inc. (CWH) entered the second half of 2026 with a difficult retail balance. New RV demand had weakened, but the company said it had continued to gain new-unit share through May. Used-unit sales were growing, yet margins on both new and used vehicles had fallen. During the second quarter, management deliberately cleared aged used RVs and prior-model-year new RVs. That action was completed as planned. The next question was how to replenish and price inventory after the clearance while preserving the ability to serve customers and compete.

The question is consequential because an RV dealer sells from the assortment on its lots while much of its vehicle inventory is financed through floorplan facilities. More breadth may draw shoppers and support unit sales. More units also use financing capacity and can become expensive to hold if demand slows or a model ages. Faster markdowns can release cash and lot space, but may reduce gross profit. The public filings do not report store- or age-cohort economics that would settle the choice.

This case asks you to recommend H2 inventory and pricing guardrails. The alternatives below are constructed for teaching; they are not disclosed CWH proposals or management instructions.

Company and market position

CWH operates RV and outdoor retail locations and sells new and used recreational vehicles, parts and services, and Good Sam memberships and services. At the end of Q2 it reported 200 store locations. Management described growing RV market share, expanding Good Sam Services and Plans, and reducing selling, general and administrative expense as priorities. The company reported a \$26.6 million Q2 SG&A reduction and identified approximately \$100 million of incremental annualized structural savings, with management expecting a \$50 million run-rate by year-end 2026 and full annualization by early 2028. These are management estimates, not realized results. [P02](#)

Q2 revenue was \$1.93 billion, net income was \$43.7 million and Adjusted EBITDA was \$112.1 million. CWH reduced its full-year 2026 Adjusted EBITDA outlook to \$230-270 million. Adjusted EBITDA is a non-GAAP measure. Management attributed the revised outlook to softening new-RV trends in May and June. On the July 30 call, management said July demand remained soft but vehicle margins had improved sequentially as inventory aged and mix improved. [P02](#); [P04 live-call event](#) and [retrospective transcript](#)

The company cited RV Industry Association estimates that summer 2026 wholesale shipments would be 8.2% below 2025 and reported Statistical Surveys, Inc. data showing U.S. new-RV registrations down 16.4% through May, while used registrations were up 2.4%. CWH said its new-unit share increased through May. The share comparison and market data were company-reported; May was the latest registration period cited in the release. [P02](#)

The inventory problem

In Q2, CWH sold 22,312 new RVs, down 16.4% year over year, and 19,882 used RVs, up 5.2%. New-vehicle revenue declined 5.0% to \$869.0 million; used-vehicle revenue rose 1.4% to \$580.3 million. Average new-vehicle selling price rose 13.6%, while used-vehicle average selling price fell 3.6%. New-vehicle gross margin was 10.9%, down 286 basis points, and used-vehicle gross margin was 16.5%, down 397 basis points. Total gross profit declined 9.1% to \$538.4 million. [P02](#)

Management said it had moved through aged used inventory and prior-model-year new inventory during Q2 “as planned.” On the July 30 call, it described prior-model-year exposure as nearing 1%, reported that the cohort of new vehicles older than 365 days had been cut by more than 60% year over year, and said used inventory’s average age in July was down more than 30% from the end of Q1. Those are management-reported measures. Management also said Q2 vehicle margins reflected the deliberate clearance and described current inventory as appropriate for demand. [P02](#); [P04 live-call event](#) and [retrospective transcript](#)

The next inventory policy must balance three aims: maintain enough model and price-point breadth to attract shoppers; avoid rebuilding slow-moving or duplicative cohorts; and protect gross profit and liquidity if the market remains weak. The case does not provide unit-level acquisition costs, aging curves, markdown recovery values, or category-level floorplan expense. A precise “optimal” inventory target cannot be calculated from public information alone.

Financing and operating capacity

At June 30, CWH reported \$224.1 million of cash and \$444.8 million of working capital. Six-month operating cash flow was \$333.2 million, versus a \$44.6 million use in the prior-year period. Management attributed the improvement primarily to a \$427 million inventory working-capital adjustment and other changes. CWH reported a \$2.15 billion floorplan facility, \$1.324 billion in notes outstanding and \$715.2 million of availability. The filing cautions that seasonal cash flows and inventory movements affect liquidity. [P01](#)

On August 25, certain subsidiaries entered into an amended mortgage facility, disclosed August 31. The facility totals \$175.0 million: \$132.8 million funded at closing, including \$20.8 million of incremental net proceeds, and \$42.2 million of delayed-draw commitments. It extends specified real-estate debt maturity from October 2027 to August 2031. The loans are secured by specified properties, amortize at 5% annually and carry a 1.10x debt-service-coverage covenant beginning with the September 2026 test period. Delayed draws are limited to specified property transactions and subject to collateral and other conditions. The agreement also gives borrowers a right to request up to \$100 million of additional capacity; it is not a lender commitment absent a signed commitment. This mortgage facility is not a general-purpose inventory or working-capital line. [P03](#)

The real-estate financing creates debt-service and property-level considerations. It does not remove the need to evaluate vehicle inventory against separate floorplan financing, operating cash needs, and the company’s seasonal cash generation. The Q2 filing reported that CWH was in compliance with its credit covenants at June 30. [P01](#)

Decision assignment

Assume you are advising CWH's executive team for a classroom exercise. Recommend an H2 2026 replenishment, pricing and turnover policy. Your recommendation should specify:

1. Which categories or cohorts merit replenishment, and what evidence should open or close that gate?
2. What aging, pricing or contribution triggers would prompt a markdown or a pause in orders?
3. How should management balance share and used-unit growth against vehicle gross margin, floorplan use and cash generation?
4. What operating and financing indicators should be reviewed monthly, and what conditions should prompt a policy change?

Choose among these **constructed alternatives**, or propose a clearly defined hybrid:

- **Selective breadth-led replenishment:** maintain a broad but controlled assortment to defend share and build on used-unit growth; prioritize models and stores with evidence of customer demand.
- **Tighter turn and margin guardrails:** constrain new orders and accelerate age-based markdowns to avoid rebuilding aged stock and protect working capital and gross profit.
- **Gated hybrid:** allow replenishment only when category/store-level turn, contribution after financing cost and liquidity measures meet explicit thresholds; keep faster markdown triggers for aging or weak-demand cohorts.

Do not assume any alternative is a disclosed company plan. State which missing data you would request and which indicators you would use if the policy were implemented.

Exhibit 1. Q2 2026 performance

Metric	Q2 2026	Year-over-year change
Revenue	\$1.93bn	-2.1%
Net income	\$43.7m	-24.0%
Adjusted EBITDA	\$112.1m	-21.2%
New RV units	22,312	-16.4%
Used RV units	19,882	+5.2%
New-vehicle gross margin	10.9%	-286 bps
Used-vehicle gross margin	16.5%	-397 bps
Total gross profit	\$538.4m	-9.1%

Source: P02. Adjusted EBITDA is non-GAAP. Unit sales and margins are company-reported.

Exhibit 2. Market and inventory indicators

Indicator	Latest reported value at cutoff
RVIA summer wholesale shipment forecast	8.2% below 2025; 10.2% below Spring 2026 forecast
U.S. new-RV registrations through May	-16.4% year over year
U.S. used-RV registrations through May	+2.4% year over year
CWH new-unit share	Management said share increased through May
Prior-model-year new inventory	Management said exposure was nearing 1% on July 30
New vehicles older than 365 days	Management said cohort reduced by more than 60% year over year
Average age of used inventory	Management said July average was down more than 30% from end-Q1

Sources: P02 and P04. Market and aging figures are company-reported; registrations end in May.

Exhibit 3. Cash, vehicle financing and real-estate debt

Item	Reported amount / terms
Cash at June 30	\$224.1m
Working capital at June 30	\$444.8m
Six-month operating cash flow	\$333.2m; included a \$427m inventory working-capital adjustment cited by management
Floorplan facility	\$2.15bn commitment; \$1.324bn notes outstanding; \$715.2m available
August mortgage facility	\$175.0m total; \$132.8m funded at closing, including \$20.8m incremental net proceeds; \$42.2m delayed draw
Mortgage maturity and amortization	Aug. 25, 2031 maturity; 5% annual amortization
Mortgage covenant	Minimum 1.10x DSCR beginning with Sept. 30, 2026 test period

Sources: P01 and P03. The mortgage is property-secured and is not a general inventory facility; delayed draws and the separate right to request up to \$100m are subject to conditions.

Sources

- P01 - Q2 2026 Form 10-Q
- P02 - Q2 2026 results release
- P03 - August 31, 2026 mortgage-facility Form 8-K
- P04 - July 30, 2026 earnings call event and retrospective transcript locator.