

INVESTOR FACT SHEET

Q3 / 2021

FINANCIAL DATA

Recent Price (01.03.2022)	\$3.56
Market Cap (MM)	\$345
Enterprise Value (MM)	\$654
Shares Outstanding (MM)	\$96.8
Total Available Liquidity (MM)	+\$155

ANALYST COVERAGE

Firm	Analyst / Recommendation	Price Target
Oppenheimer	Scott Schneeberger / (OP*)	\$6.00
Stifel	Stephen Gengaro / (Buy)	\$5.50

 Consensus Price Target⁽¹⁾ Represents **62%⁽²⁾⁽³⁾ Return**

(*) OP represents an Outperform rating

QUARTERLY UPDATE

- **Generated revenue of ~\$89 million and adjusted EBITDA⁽⁴⁾ of ~\$38 million**
- **Meaningful operating cash flow of ~\$40 million and Discretionary Cash Flow ("DCF")⁽⁴⁾ of ~\$35 million**
- **39% discretionary cash flow yield⁽⁴⁾⁽⁶⁾ on revenue**
- **100% reduction of year-to-date 2021 outstanding borrowings under Target's \$125 million credit facility**
- **Improved net leverage ratio⁽⁷⁾ by 52% since beginning of 2021**

COMPANY OVERVIEW

Target Hospitality Corp. (NASDAQ: TH) is North America's **largest provider** of vertically integrated **modular accommodations and value-added hospitality services**. Target Hospitality builds, owns, and operates a customized and growing network of communities for a range of end users through a **full suite of value-added hospitality solutions** including **premium food service management, catering, comprehensive aseptic cleaning, as well as holistic facilities management**.

The **majority** of our **revenues** are generated under **multi-year contracts** which provide visibility to future earnings and cash flows. We believe our customers enter into contracts with us because of our **differentiated scale** and ability to deliver **premier comprehensive hospitality solutions** through our **distinct core competencies** and **unique capabilities**. These attributes underpin our ability to continue executing **strategically focused value enhancing diversification**.

KEY DIFFERENTIATING ATTRIBUTES



North America's Largest Network

Strategically located network creates scale and flexibility that continues to drive profitability



Premier Customers

Long-standing customer relationships; ~ 4 yrs. wtd. avg. contract duration and +90% contract renewal rate drives visibility



Diversified Service Offerings

Distinct core competencies provide unique opportunities to drive value enhancing diversification



Exceeding Analyst Expectation

Executing against expectations, with six consecutive quarterly "Beats" versus analyst estimates

FINANCIAL HIGHLIGHTS

Robust Cash Flow Strengthens Operational Flexibility and Supports Value Creation

Cash Flow from Operations⁽⁵⁾
\$118 Million

Discretionary Cash Flow Yield⁽⁸⁾
42%

(1) Represents Bloomberg analyst consensus estimate of \$5.75 as of 01.03.2022.

(2) Cautionary Note: Equity value depicted in the consensus estimate is for illustrative purposes only. Dollar per unit amounts are not intended to indicate expected market price per unit. Market prices are always subject to change, volatility and risks beyond the Company's control. Investors should conduct their own equity value analysis

(3) TH share price as of 01.03.2022

(4) Adjusted EBITDA and Discretionary Cash Flow are non-GAAP financial measures. Please refer to the tables in Target Hospitality's third quarter 2021 earnings release, filed on November 12, 2021, posted in the Investors section of our website, at www.TargetHospitality.com, for a reconciliation to GAAP measures.

(5) Cash flow from operations for the twelve months ended September 30, 2021

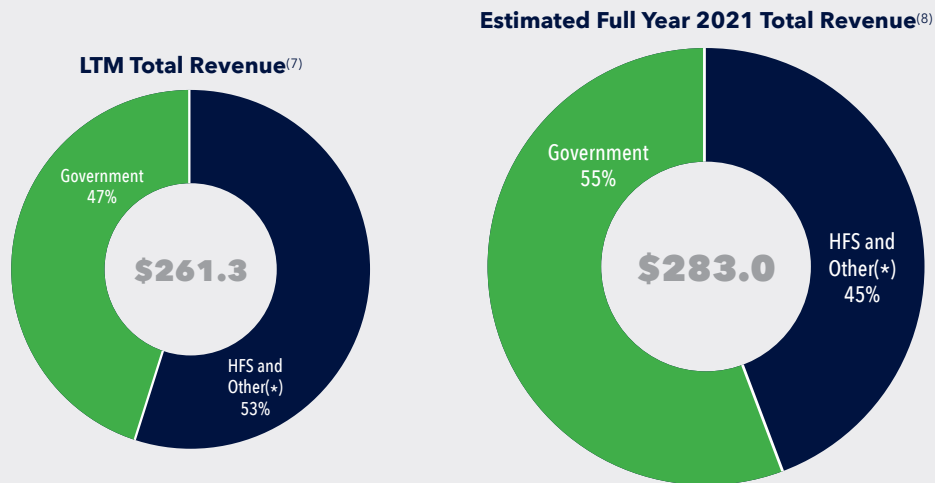
(6) Defined as Discretionary Cash Flow for the three months ended September 30, 2021, divided by total consolidated revenue for the three months ended September 30, 2021.

(7) Total net leverage ratio is defined in the credit facility as consolidated total net debt to consolidated EBITDA for the preceding four fiscal quarters

(8) Defined as Discretionary Cash Flow for the twelve months ended September 30, 2021, divided by total consolidated revenue for the twelve months ended September 30, 2021

CORPORATE STRATEGY: Strategically Focused on **Enhancing Value through Diversification**

Target’s **strategic focus** centers on **diversifying its service markets** and end customers by expanding its commercial reach beyond its core accommodations platform. This strategy will focus on **unlocking value** within its **existing core competencies and unique capabilities**, while developing multiple growth channels and establishing target as a more complete provider of hospitality solutions.



(7) \$ in millions, total consolidated revenue for the twelve months ended September 30, 2021
 (8) Represents mid-point of 2021 financial outlook, as announced on November 2, 2021 and reiterated on November 12, 2021
 (*) Includes HFS - South, HFS - Midwest, TCPL Keystone and All Other segments

ALL INCLUSIVE SERVICE OFFERINGS

FULL TURNKEY CULINARY SERVICES	TECHNOLOGICAL SERVICES	FULL TURNKEY MAINTENANCE SERVICES	SUPPLY CHAIN SERVICES
FULL TURNKEY FACILITIES MANAGEMENT	FULL TURNKEY JANITORIAL SERVICES	FULL TURNKEY TRANSPORTATION SERVICES	SITE SERVICES
SAFETY AND SECURITY SERVICES	WASTE MANAGEMENT SERVICES	UTILITIES SERVICES	ADMINISTRATIVE SERVICES

CONTACT INFORMATION:
 MARK SCHUCK: SENIOR VICE PRESIDENT - INVESTOR RELATIONS & FINANCIAL PLANNING
 PH: (832) 702-8008 | EMAIL: ir@targethospitality.com

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