

INVESTOR FACT SHEET

Q1 / 2022

FINANCIAL DATA

Recent Price (5.27.2022)	\$6.30
Market Cap (MM)	\$610
Enterprise Value (MM)	\$960
Shares Outstanding (MM)	96.9
Total Available Liquidity (MM)	+\$115

ANALYST COVERAGE

Firm	Analyst / Recommendation	Price Target
Northland Securities	Greg Gibas / (OP*)	\$8.00
Oppenheimer	Scott Schneeberger / (OP*)	\$9.00
Stifel	Stephen Gengaro / (Buy)	\$8.00


Consensus Price Target⁽¹⁾ \$8.33

(*) OP represents an Outperform rating

QUARTERLY UPDATE

- Generated revenue of ~\$80 million, a 77% increase from the first quarter of 2021
- Adjusted EBITDA⁽²⁾ of ~\$33 million, an increase of 109% from the same period in 2021
- Improved net leverage ratio by 60% since the first quarter of 2021, with a net leverage ratio⁽³⁾ of 2.6x
- Continued strong business momentum supporting a 65% increase in customer demand from first quarter 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 eight consecutive quarterly "Beats" versus analyst estimates

FINANCIAL HIGHLIGHTS

Capital Flexibility Creates Ideal Platform to Accelerate Growth and Supports Value Creation
Total Available Liquidity⁽⁴⁾
\$115 Million
Net Leverage Ratio⁽³⁾
2.6x

(1) Represents analyst consensus estimate of \$8.33 as of 05.27.2022.

(2) Adjusted EBITDA is a non-GAAP financial measure. Please refer to the table in Target Hospitality's first quarter 2022 earnings release, filed on May 10, 2022, posted in the Investors section of our website, at www.TargetHospitality.com, for a reconciliation to GAAP measures.

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

(4) Total available liquidity as of March 31, 2022. Includes \$5.8 million of cash and cash equivalents and \$109 million of available liquidity under Target's \$125 million revolving credit facility

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.

1

MANAGING LEGACY PORTFOLIO

Cash Generation Creates Optimal Scenario to Self-Fund Attractive Growth Opportunities

2

GROWING GOVERNMENT SERVICE OFFERINGS

Strategic Opportunities to Expand Reach Across Agencies, Geographies and Service Offerings

3

EXTENDING REACH TO ADJACENT END MARKETS

Target's Unique Capabilities Create Compelling Opportunity Sets in Naturally Adjacent End Markets

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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