

Target Hospitality Corp.

First Quarter 2026 Earnings Conference Call

May 11, 2026 — 8:00 a.m. C.T.

Length: 34 minutes

"While Cision has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. Cision will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Cision ait fait des efforts commercialement raisonnables afin de produire cette transcription, la société ne peut affirmer ou garantir qu'elle ne contient aucune erreur. Cision ne peut être tenue responsable pour toute perte de profits ou autres dommages ou responsabilité causé par ou découlant directement, indirectement, accessoirement ou spécialement de toute erreur liée à l'utilisation de ce texte ou à toute erreur qu'il contiendrait. »

CORPORATE PARTICIPANTS

Mark Schuck

Target Hospitality Corp. — Senior Vice President, Investor Relations & Financial Planning

Brad Archer

Target Hospitality Corp. — President & Chief Executive Officer

Jason Vlacich

Target Hospitality Corp. — Chief Financial Officer & Chief Accounting Officer

CONFERENCE CALL PARTICIPANTS

Scott Schneeberger

Oppenheimer & Co. — Analyst

Jawad Bhuiyan

Stifel — Analyst

Greg Gibas

Northland Securities — Analyst

Raj Sharma

Texas Capital Securities — Analyst

PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the Target Hospitality First Quarter 2026 Earnings Call. At this time, all lines are in listen-only mode. Following the presentation, we will conduct a question-and-answer session. If anyone during this time requires any operator assistance, you may press star zero for the operator.

I would now like to turn the conference call over to Mr. Mark Schuck. Please go ahead.

Mark Schuck — Senior Vice President, Investor Relations & Financial Planning, Target Hospitality Corp.

Thank you. Good morning, everyone, and welcome to Target Hospitality's first quarter 2026 earnings call. The press release we issued this morning outlining our first quarter results is available in the investor section of our website. In addition, a replay of this call will be archived on our website for a limited time.

Please note the cautionary language regarding forward-looking statements contained in the press release. This same language applies to statements made on today's conference call. This call will contain time-sensitive information as well as forward-looking statements, which are only accurate as of today, May 11, 2026. Target Hospitality expressly disclaims any obligation to update or amend the information contained in this conference call to reflect events or circumstances that may arise after today's date, except as required by applicable law. For a complete list of risks and uncertainties that may affect future performance, please refer to Target Hospitality's periodic filings with the SEC.

We will discuss non-GAAP financial measures on today's call. Please refer to the tables in our earnings release posted in the investors section of our website to find a reconciliation of non-GAAP financial measures referenced in today's call and their corresponding GAAP measures.

Leading the call today will be Brad Archer, President and Chief Executive Officer, followed by Jason Vlastic, Chief Financial Officer. After their prepared remarks, we will open the call for questions.

I'll now turn the call over to our Chief Executive Officer, Brad Archer.

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Thanks, Mark. Good morning, everyone, and thank you for joining us on the call today.

We delivered a strong first quarter with continued progress on our strategic transformation and sustained momentum executing on recent contract awards. Our focus remains straightforward: deliver for customers, scale responsibly, and continue pivoting the portfolio toward durable, high-value end markets where our integrated operating model and speed-to-market capabilities create clear competitive advantages.

Since February 2025, we have secured more than \$2 billion of multi-year contracts, including approximately \$1.8 billion in our rapidly expanding WHS segment. These wins underscore the strength of our differentiated service offering and validate our ability to pivot and expand our contract portfolio across strategic end markets. This momentum is being driven by powerful long-term demand dynamics, supported by a multi-trillion-dollar investment cycle led by AI-driven data centers and related critical infrastructure development. We believe our Target Hyper/Scale platform and vertically integrated

operating model uniquely positions us to help customers execute on this unprecedented build out and become an increasingly critical component of overall project success. Together, these elements support an active and expanding growth pipeline exceeding 20,000 beds, providing a strong foundation to continue advancing our strategic growth initiatives.

Turning to our segments and the continued execution on our strategic transformation. Our HFS South segment continues to deliver premium hospitality solutions to a base of world-class customers across our expansive network. These customers benefit from the scale of our network, which provides flexibility to support their dynamic workforce allocation needs. At the same time, they find added value in the consistency and reliability of hospitality solutions delivered across our communities. This performance is reflected in customer renewal rates that consistently exceed 90%, reinforcing both the strength of our relationships and our ongoing commitment to serving these customers.

Now moving to our Workforce Hospitality Solutions segment. Our WHS segment continues to expand as we execute on recent contract wins and benefit from strong industry momentum across AI-driven data center and related critical infrastructure development. These end markets are supported by long duration demand and we believe our operating model positions us well to deliver where speed, reliability, and on-site execution are essential. These dynamics support today's announcement of our AI Infrastructure Community, further reinforcing our confidence in the expanding opportunity set ahead. This community, once complete, will support over 3,300 individuals and positions us to deepen our presence in the accelerating AI-driven capital investment cycle. We believe this momentum will continue to translate into additional multi-year contract awards as we leverage our differentiated platform to capture growing demand.

As AI-driven infrastructure development expands into more remote geographies, the need for high-quality workforce accommodations and integrated services becomes increasingly critical to project success. Target Hyper/Scale is purpose-built to meet this demand by delivering tailored, scalable solutions that can evolve across multi-year timelines, providing customers with a single partner to solve complex mobilization, housing, and on-site service challenges. With over two thirds of all planned nationwide data center development centered in rural areas, we continue to see a steady backfilling of organic growth opportunity across these rapidly expanding end markets. Target's embedded presence in many of these regions, along with our customer-centric model, creates a differentiated competitive advantage. Together, these strengths allow us to deliver highly customizable, scalable solutions supported by a vertically integrated platform, enabling rapid mobilization, efficient operations, and consistent service quality that help keep critical projects on schedule while creating a compelling value proposition for Target.

This differentiated positioning is reinforced by our ability to execute at scale. As we deliver on recent contract wins and advance an active growth pipeline, we maintain clear visibility into securing additional fleet to support customer needs on compressed timelines. With a diversified North America-based supplier network, we have the flexibility to expand inventory in line with demand while maintaining disciplined capital allocation. Our execution underpins our confidence in the path ahead. We remain focused on converting recent contract wins into durable performance while advancing our strategic transformation and sustaining momentum in our rapidly expanding WHS segment. With strong customer demand and active discussions representing more than 20,000 beds, we believe Target is well positioned to drive long-term value creation through our focused strategic growth initiatives.

I will now hand the call over to Jason to discuss our financial results and the increased 2026 outlook in more detail.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

Thank you, Brad.

First quarter total revenue was approximately \$73 million with adjusted EBITDA of approximately \$10 million. The first quarter of 2026 marked a transitional period for Target with margins temporarily compressed as we incurred elevated operating expenses for services, mobilization, and construction activities driven by the rapid expansion of our WHS segment. As we continue to execute the most successful contracting period in Target's history and bring recent WHS contracts awards on line, we expect revenue and adjusted EBITDA to build through 2026 and into 2027. Over this period, we also anticipate consistent and sustained margin expansion, supported by the strong underlying unit economics of our WHS contracts.

Turning to our segments, our HFS South segment generated approximately \$33 million in quarterly revenue. Customers in this segment continue to value our premium service offerings and expansive network, which delivers reliable, consistent hospitality solutions aligned with their evolving labor allocation needs. While we experienced some moderation in our HFS South segment, the network continues to deliver strategic value through its established presence in high-activity regions, consistent cash flows, and its ability to support our long-standing customer base.

Moving to the rapidly expanding WHS segment, our WHS segment generated approximately \$24 million of quarterly revenue driven by recent contract awards, including the Data Center Community and West Texas Power Community, with additional contributions from the workforce hub contract as activity continues to shift from the construction phase into the services phase. We continue to experience strong customer demand across this segment, supported by accelerating industry activity across AI infrastructure and data center development. This momentum has supported two multi-year contract awards since April, representing over 7,000 beds, which combined are expected to generate approximately \$1.3 billion of multi-year revenue over their initial term.

In April, we announced the 4,000-bed data center hub contract, which is expected to generate approximately \$550 million of revenue over its initial term of approximately five years. As a reminder, we anticipate first occupancy at this community in the second half of 2026 with full completion anticipated by mid-2027. And today we announced the AI Infrastructure Community, which will be capable of supporting approximately 3,300 individuals and is expected to generate over \$750 million of revenue over its four-year term. We anticipate first occupancy at this community later in 2026 with full completion anticipated by mid-2027. The AI Infrastructure Community will predominantly consist of new assets, resulting in a net capital investment of approximately \$200 million to \$210 million, with roughly 95% expected to be incurred in 2026.

As these communities ramp and other recently announced WHS contracts continue to scale, we expect margin contribution across this segment to improve as we capture greater efficiencies from our fully integrated operating model and strong unit economics. With the rapid expansion of this segment

and increasing contributions from these contract awards, we expect WHS to become Target's largest operating segment for full year 2026.

Our government segment generated approximately \$13 million in revenue during the quarter. The decline compared to the previous year were driven by the termination of the PCC contract partially offset by the reactivation of our Dilley, Texas assets. Additionally, we incurred certain community operating expenses related to assets successfully redeployed from our government segment to support recently announced WHS contract awards, which compressed segment margins during the quarter. We expect to incur approximately \$5 million to \$7 million of transitional costs associated with ongoing network optimization initiatives over the next two quarters, which we anticipate will temporarily pressure the government segment margin.

Corporate expenses were approximately \$15 million for the quarter. As we continue advancing Target's strategic growth initiatives, we remain focused on managing corporate costs prudently while ensuring we have the resources needed to execute effectively. Accordingly, our 2026 outlook reflects modest increases in corporate expenses to support these growth initiatives over the coming quarters.

Total capital spending for the quarter was approximately \$46 million, focused on growth in our WHS segment, including the Data Center Community expansions. Target's strong business fundamentals and durable operating model are reflected in the strength of our balance sheet and our ability to maintain significant financial flexibility through prudent capital management. We ended the quarter with approximately \$150 million in total available liquidity and a net leverage ratio of 0.6x.

Over the past year, we executed the largest commercial pivot in our history while maintaining a strong balance sheet and significant financial flexibility. Our disciplined capital allocation approach has been central to this progress. As we execute on recently announced WHS contract awards, we believe this foundation positions Target to appropriately scale its capital structure while maintaining a strong financial profile and the flexibility to advance our strategic growth initiatives. With a scalable and sustainable operating model, robust financial profile, and strong momentum, we are well positioned to continue executing. This foundation supports our increased 2026 outlook, which includes total revenue of \$370 million to \$380 million and adjusted EBITDA of \$75 million to \$85 million, with capital spending excluding acquisitions between \$460 million and \$480 million.

As recent contract awards and community expansions come online and scale through 2026, we expect revenue and adjusted EBITDA to build steadily throughout the year. The additional operating scale and improved unit economics should support continued margin expansion through 2026 and into 2027. Together, these factors position us to exit 2027 with annualized revenue of more than \$680 million and adjusted EBITDA exceeding \$240 million. This strong momentum is driven by significant growth in our WHS segment, which is projected to become our largest operating segment by the end of 2026, contributing more than 45% of consolidated revenue based on the current contract portfolio.

Target is well positioned with a flexible operating model and strong financial profile as we continue to evaluate a robust growth pipeline focused on continued expansion of our WHS segment, which we believe offers the greatest opportunity to accelerate value creation for our shareholders. As we pursue these opportunities, we will remain focused on maintaining the strong financial profile we've built while maximizing margin contribution through our efficient operating structure.

With that, I will hand it back to Brad for closing remarks.

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Thanks, Jason.

We have continued to advance our strategic transformation, aligning our vertically integrated operating model with long duration demand across AI-driven data center, power generation, and other critical infrastructure development. Since February 2025 we've secured more than \$2 billion of multi-year contracts, including approximately \$1.8 billion in our WHS segment. Our focus now is on executing these awards, sustaining momentum, and accelerating our growth initiatives.

With an active growth pipeline exceeding 20,000 beds, our continued pivot toward durable, high-value end markets supported by strong secular tailwinds positions us to sustain momentum and drive meaningful growth. Our customer-centric model and Target Hyper/Scale platform continue to resonate with customers and serve as a clear point of differentiation, reinforcing our competitive advantage. Supported by a scalable operating platform and a robust, well-capitalized financial profile, we are well positioned to pursue an expanding addressable end market opportunity, deploy capital with discipline, and execute at scale to deliver durable, long-term value creation.

Thank you for joining us on the call today and, once again, we appreciate your interest in Target Hospitality. We will now open the call for questions.

Q & A

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press the star followed by the one on your touchtone phone. Should you wish to cancel your request, please press the star followed by the two. Once again, ladies and gentlemen, that is star one should you wish to ask a question.

Your first question is from Scott Schneeberger from Oppenheimer. Your line is now open.

Scott Schneeberger — Analyst, Oppenheimer & Co.

Thanks very much. Good morning. And congratulations on your new win. You guys have been certainly quite busy. You're welcome.

I'm going to ask a few questions, I guess, on that one and then I'll turn it over, probably three or four specific to it though. Could you speak to what type of customer the AI Infrastructure contract is and where it's located, just kind of the nature of who that is, where that is? And then I'll ask a second one here while we're at it. How much is committed revenue, what's variable, and what is the CapEx structure of the revenue, the CapEx consideration component? Thanks.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

Yeah, I would say, you know, we're not going to disclose the customer or the location. What we've disclosed is what's out there, what we're allowed to disclose at this point.

In terms of the contract structure, I think you asked about what is the committed revenue minimum. Assuming the term of 48 months, the committed revenue minimum is just above \$750 million. None of that includes variable revenue, so we anticipate variable revenue above and beyond that. It could range from \$20 million to \$40 million per year once it's fully ramped up in mid-2027 or thereabouts. So I would say kind of the contract minimums range right around that. The over \$750 million minimum obviously doesn't include any variables, so there's incremental variable revenue upside above and beyond that, not inconsistent with the last Data Center Hub contract that we announced in April.

Scott Schneeberger — Analyst, Oppenheimer & Co.

Understood. A couple more on this one. Any consideration for the margin profile, how we would think about this contract maybe versus the last one or however you can give a little more insight if you're able. And then also, it looks like, yeah, we'll do that and just one more. Thanks. Go ahead, Jason.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

Yeah, so the margin profile, very similar to the last contract we announced, between 40% and 50% roughly on that. High ADR. You can obviously calculate that from the beds that are being deployed associated with this in the contracted minimum. So that's essentially the structure on that.

Scott Schneeberger — Analyst, Oppenheimer & Co.

Great. Thanks. And then just lastly for me and I'll turn it over, kind of the cadence on over the coming year of revenue, of initial revenue. And then also, the discussion of using predominantly new

assets is, I guess, just an open question on that. I infer that not near anything else, but you guys, on the last contract, used a lot of what was excess. So just some discussion of are you in a good situation with your current supplier to get that up and ramped rapidly and anything else you can share. Thanks.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

Yeah, I would say in terms of the cadence of revenue, very minimal revenue is anticipated for this year. That'll start to ramp up pretty heavily as we move through 2027. And we think by the back half of 2027, all 3,370 beds are fully ramped up. That's what supports the annualized adjusted EBITDA number that we spoke of on the call of over \$240 million. That's all contributing to that.

And what was the other part of the question?

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

It was supply. I'll jump on that one. Good morning, Scott. This is Brad. Yeah, look, on the supplier network, for us, we've been buying these buildings for many, many years. We have a very well-established diversified North American supplier network, creates a lot of flexibility for us, right? Let's us expand the inventory as these customers ramp up. And if you look at the contract that we just announced today and the prior one, both of these build out about over 12-plus months, right, so it really gives us a lot of time to kind of get the product ready, get it built and delivered to site. That goes along with hiring our own staff and everything. So it works really well for us staffing up, us building, us financing it as well. So it works well when you could build these out over kind of a year.

Scott Schneeberger — Analyst, Oppenheimer & Co.

Sounds good. Thanks. Yeah, you all have always done a nice job with that. Congratulations again on this. I'll turn it over.

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Thanks.

Operator

Thank you. Your next question is from Jawad Bhuiyan from Stifel. Your line is now open.

Jawad Bhuiyan — Analyst, Stifel

Good morning. Thanks for the question. I'm on for Stephen Gengaro. Could you talk a little bit about the supply chain for these new rooms and maybe what the timing would be to add incremental rooms going forward? And I just have another follow up.

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Just in general, and just kind of what I touched on, we have a supplier network kind of spread out across the U.S., right, North American based. We have a lot of history with the folks that we build from. I don't see any issue in ramping up. And the contract, again, at a high level, builds out over 12 months, right? There will be some delivered quarter over quarter going out for 12 months until the project is finished.

Jawad Bhuiyan — Analyst, Stifel

Got it. And maybe, I guess, in terms of the bidding landscape, what does that look like? Just because we're kind of seeing, it seems like the new award, it seems to be at a much higher average daily rate. Is this because you're building new rooms or is it related to the types of rooms and services?

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Yeah, all the above, right? When you're building new product, the basis is higher, but our return model stays the same. Right? Whether we're using a used product or when we're buying brand new, we're not giving in on the return model.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

Yeah, we're definitely pretty disciplined about maintaining our minimum payback period. So, obviously, new units are going to drive up rates.

Jawad Bhuiyan — Analyst, Stifel

Got it. And just one last one. Within the oilfield, I guess any signs of [inaudible] activity that you guys are seeing or any sort of color on that would just be really appreciated. Thank you.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

So HFS South, I would say, you know, we anticipate that segment to maintain an operating performance pretty consistent with Q1 for the rest of the year, slightly up margin-wise from Q4, driven

by some operational efficiencies, but we view that segment as relatively stable as we pace through 2026 and that's what's baked into our outlook as well.

Jawad Bhuiyan — Analyst, Stifel

Awesome. Thank you. I'll pass it on.

Operator

Thank you. Your next question is from Raj Sharma from Texas Capital. Your line is open.

Raj Sharma — Analyst, Texas Capital Securities

Hi. Thank you for taking my questions again. Congratulations on the new win and the continued solid execution. Some of my questions have been answered. I wanted to understand the need for the capital expenditures and how you intend to sort of allocate in terms of the funds raised. And how much of this new build is, is it all new or is it some from existing inventory? Thank you.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

I'll take that one. This is Jason. Thanks for the question. All of it's new, so they're all new units. This is going to phase over time. So we've outlined this at the top of the call, this 3,370-bed community will phase over the next the 12 to 14 months essentially. We anticipate by mid-2027 it'll be fully ramped up. And our capital deployment is going to pace on that schedule as well.

I would say in terms of funding capacity for us, I would say, between the capital-efficient contract structure, our growing operating cash flows, which are going to continue to grow as we phase these beds and existing liquidity and our balance sheet capacity, we're pretty well positioned to fund our capital expenditure program.

And the other thing is that this capital spend is aligned with fully executed contracts, right, and the related ramp-up schedule. So we're ensuring that the capital deployment is directly tied to long-duration projects that meet our minimum payback requirements. So the economics and the support for the spend is already embedded in our contract structures that are fully executed. We're not speculatively spending.

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Yeah, and I think the down payments help a lot as well, right, that we're able to get from the customer.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

Yeah, absolutely. Certainly, there's customer funding mechanisms at the early phases of deployment, which reduce funding requirements.

Raj Sharma — Analyst, Texas Capital Securities

Got it. Thank you. Very, very helpful. That's all for me and I'll take it off line. Thank you.

Operator

Thank you. Your next question is from Greg Gibas from Northland Securities. Your line is now open.

Greg Gibas — Analyst, Northland Securities

Great. Good morning, Brad, Jason. Congrats on the new win. I wanted to follow up on that structure to the degree that you can share. I mean nice to hear that what you've kind of, the \$750 million is all committed, no variable. Could you maybe provide a breakout of service versus any type of CapEx reimbursement?

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

While we don't disclose those contract-specific funding terms, what I would say is that contracts are designed to be capital efficient and aligned with long-duration cash flows.

Greg Gibas — Analyst, Northland Securities

Okay. Fair enough. And I wanted to follow up too on the government side of the business. I think you mentioned \$5 million to \$7 million in transition initiative costs over the next couple of quarters, I think you said related to the network optimization. Could you maybe elaborate on that and then maybe what's kind of causing that?

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

Essentially, there's basically legacy assets that were associated with the PCC contract and there's transitional costs associated with that that we don't expect to recur, but we anticipate that they'll be incurred over the next couple of quarters and then fall off from there.

Greg Gibas — Analyst, Northland Securities

Okay. Makes sense. And then lastly, just wanted to maybe get a better sense of the guidance raise. Is that a direct function of the new contract or are there any other moving parts there?

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

That is a direct function of the new contract.

Greg Gibas — Analyst, Northland Securities

Sounds good. Thanks, guys.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

Thanks.

Operator

Thank you. Once again, that is star one should you wish to ask a question. And your next question is from Scott Schneeberger from Oppenheimer. Your line is now open.

Scott Schneeberger — Analyst, Oppenheimer & Co.

Thanks very much for taking the follow up. Just one more from me. The pipeline remains at 20,000 beds even though you just announced this large win, and this is the second time it happened. Last large win you announced maintaining this 20,000-bed pipeline. So could you just elaborate a little bit on the demand environment, what you're seeing and what's keeping it so strong? Thank you.

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Well, first, I promise you, we can do math. That wasn't a mistake on our part. Look, it's just a continual backfilling of this, right? When we say 20,000-plus beds, there really is more than that. What we kind of put in the funnel and it comes out the bottom is what we believe, what we know, as we're in discussions with these customers that make up this 20,000-plus beds in some form, right? We're in designs, we're in bid negotiations with them, we're in some advanced discussions with them. They've moved through a lot of different cycles and it's getting close to a decision point on some of them, right? So we announced one in between now and our last call, then we announced this one, right, for another 3,300 and it's still over 20,000 beds. It continues to backfill. Over two thirds of the data center developments are in rural areas, right? Continues to support a backfilling of just growth opportunities for us. And we're seeing new deals every week that come in.

Scott Schneeberger — Analyst, Oppenheimer & Co.

That's excellent. Brad, just a quick follow up on that. Of the 20,000 beds, you said it's in all various time stages. The least ripe, how far out there are they, you know, before they may determine

when to make an award? Is it a year? Or is it two years? Or is it longer than that? Just a sense of how the time frame of this pipeline is of its activity. Thanks.

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Yeah, Scott, we haven't really put a time frame on it, but I'll give you one. I would say it's in that, you know, longest out there is probably two years, right? But most of that is, I would say, weighted towards much less time than that. I would say in the next 12 months that some decisions could be made. You know, do they go back, do they move to the right or to the left, we're not sure, but that's kind of where they sit today. But if you look at, again, overall, over a 24-month period, some of these will drop off, some new ones will come on. Right? There's going to be some winners and losers in these.

Scott Schneeberger — Analyst, Oppenheimer & Co.

Got it. Thanks. Appreciate the added color on that. That's helpful. Thanks so much and congrats again.

Jason Vlacich — Chief Financial Officer & Chief Accounting Officer, Target Hospitality Corp.

Thanks, Scott.

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Maybe just one general comment, too, for everybody, Mark. Just when you look at the contracts we have recently signed, including the AI Infrastructure Community we announced today, we believe they have the ability to produce more wins for us in the future. All of these counterparties are expanding

and spending capital across the U.S. And as we execute on these existing contracts, we're confident in becoming a preferred supplier on new sites. And look, I say all of this to say there is a lot of thought on who we contract with and how that relationship can look into the future. We have the ability here, I wouldn't say solely to pick and choose who we do business with, but in some cases the supply and demand are definitely in our favor. Right? So, when we're looking at these bids, we are saying how can this look in the future for us? Is this a customer we want to really do business with now and can it lead to more business in the future? And we think the contracts we've signed here recently, including the power contracts, have the ability to produce more wins for us long term.

Operator

Thank you. There are no further questions at this time. I will now hand the call back to Brad Archer for the closing remarks.

Brad Archer — President & Chief Executive Officer, Target Hospitality Corp.

Thank you all for joining us today and we look forward to talk to you again on our second quarter call. Operator, that will conclude the call for today.

Operator

Thank you. Ladies and gentlemen, the conference has now ended. Thank you all for joining. You may now disconnect your lines.