Target Hospitality Corp.

Third Quarter 2026 Earnings Conference Call

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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the Target Hospitality's Third Quarter 2026 Earnings Conference Call.

At this time, all lines are in a listen-only mode.

Following the presentation, we will conduct a question-and-answer session.

If at any time during this call you need assistance, please press *, 0 for the Operator.

This call is being recorded on Monday, November 9, 2026.

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

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

Thank you. Good morning, everyone, and welcome to Target Hospitality's third quarter 2026 earnings call.

The press release we issued this morning outlining our third quarter results is available in the Investors 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. The 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, November 9, 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 Vlacich, 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 and Chief Executive Officer, Target Hospitality Corp.

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

Our third quarter results reflect building momentum and disciplined execution across the business.

We delivered meaningful year-over-year and sequential increases in both revenue and adjusted EBITDA. That growth was driven by strong operational execution across our rapidly expanding WHS segment, and it demonstrates our ability to convert commercial wins into tangible financial results.

Since January 2026, we have secured more than $1.7 billion of multiyear contract awards representing over 10,000 beds. These awards span a diverse customer base supporting critical infrastructure development across North America, including data centres and large-scale power-generation projects.

Central to these wins is our Target Hyper/Scale platform. It delivers comprehensive turnkey solutions with reliable speed-to-market results that are critical to our customers' project success.

That commercial momentum is translating directly into operational execution.

We have rapidly scaled WHS utilized beds to more than 6,200, with more beds set to come online over the coming months as recent awards ramp.

Our proven ability to execute at scale is resonating with both existing and prospective customers, reinforcing Target's role as a trusted, mission-critical partner.

That reputation is helping fuel the deepest commercial pipeline in Target's history, now exceeding 25,000 beds of actionable opportunities.

The depth of this demand reinforces our view that North American critical infrastructure development is a long-duration capital investment cycle, spanning multiple end markets across power-constrained and housing-scarce geographies.

Target is well positioned to capitalize on the breadth of this growing demand and commercial opportunity, giving us confidence in our ability to create sustainable, compounding annual growth.

Turning to our individual segments.

Our HFS-South segment continues to serve our long-standing customers' workforce requirements through an established network of communities. We remain committed to this customer base, delivering consistent, reliable hospitality solutions without compromising the service of our HFS customers rely on.

Moving to our Workforce Hospitality Solution, or WHS, segment. Momentum in this segment continues to validate our strategy of diversifying our contract portfolio into high-value end markets we believe offer sustainable, long-term growth. Our third quarter results reflect measurable progress on that strategy.

Executing multiple large-scale customer developments at once is translating directly into significant financial contribution, underscoring the strength of our operating platform and the scalability of our business model.

As in-market demand accelerates, we have been deliberate in prioritizing projects backed by substantial committed customer investment and tangible development activity. That selectivity is paying off, with the projects we support continuing uninterrupted through their planned ramped-up phases.

With our communities building out on schedule, we expect WHS utilized beds to grow at a double-digit percentage rate quarter over quarter through mid-2027.

Customer activity has kept pace with this build-out and, in certain communities, has accelerated ahead of schedule. This has generated incremental demand for our services, highlighting the value of our Target Hyper/Scale platform and our ability to adapt quickly to evolving project requirements.

That flexibility, combined with the velocity at which we deliver a comprehensive turnkey solution, has supported multiple scope expansion on recently announced WHS contract awards. Total contract value on those awards is now more than 10 percent above initial terms.

These expansions also point to a broader opportunity. As industry adoption grows, existing and prospective customers increasingly recognize the benefit of an integrated offering from a single-source partner.

This positions us to extend our reach and capture a greater share of customer total development spend at both the workforce hub and the project site.

Our core offering is the foundation for that expansion and for lasting strategic partnerships. We follow a consistent sales motion: win the initial engagement, demonstrate value, and expand the relationship over time.

By adding complementary products and services that address adjacent customer needs, we create additional entry points for new business and repeatable opportunities to grow existing accounts.

Because this approach builds on our existing capabilities and commercial relationships, it extends naturally into a more fully bundled solution for our customers.

The evolving demands of large-scale infrastructure development further strengthen this opportunity. As projects move deeper into emerging markets, companies face growing challenges in attracting and retaining the skilled labour these projects require, while also limiting strain on regional resources and supporting local communities.

Target is uniquely positioned to help customers address all three. In doing so, we help ease pressure on local housing and infrastructure, an increasingly important consideration for the state and local stakeholders whose support these projects depend on.

These dynamics are reflected in our commercial pipeline of actionable opportunities, which now exceed 25,000 beds.

A portion of this pipeline is an advanced contract discussion, driven by growing demand for turnkey, scalable solutions that support long-duration capital projects in remote and rural environments across the United States.

Looking ahead, our opportunity is not tied to a single end market's investment cycle. It spans a multidecade North American critical infrastructure build-out across power generation, AI data centres, and other large-scale industrial projects, particularly in power-constrained and housing-scarce geographies.

That diversity expands our repeatable growth opportunities and increases visibility into long-duration revenue. We believe Target is well positioned to capture incremental customer demand and continue compounding annual growth.

I'll now turn the call over to Jason to discuss our financial results in more detail.

Jason Vlacich — Chief Financial Officer, Target Hospitality Corp.

Thank you, Brad.

Target delivered strong financial performance and significant growth in the third quarter.

Total revenue increased 30 percent year over year to approximately $129 million, while adjusted EBITDA grew 59 percent to approximately $34 million. These results were driven by expanding contributions from our high-quality WHS contract portfolio.

That performance is also translating into robust cash generation. Year-to-date cash flows from operating activities exceeded $150 million, supported by a sharp increase in customer advance payments tied to recent WHS contract awards.

These payments reflect the strength of our customer commitments and the value they place on our ability to rapidly scale communities at the pace of their development activity.

Profitability improved meaningfully as well. Adjusted EBITDA margin expanded approximately 480 basis points year over year to 27 percent, driven by continued execution on recent contract awards, strong unit economics, and increasing operating leverage across our communities.

Turning to our individual segment performance.

Our WHS segment generated approximately $80 million of quarterly revenue, a 116 percent increase over the prior year. That growth reflects multiple community developments advancing through their ramp-up phases, supported by strong unit economics and operational efficiencies.

Based on our current contract portfolio, WHS is on track to generate more than 55 percent of consolidated revenue in 2026.

Average WHS utilized beds exceeded 6,200 in the quarter. That demonstrates the depth of our operating platform, and our ability to bring multiple large-scale communities online at once.

Beyond 2026, our execution track record and growing customer adoption position WHS for continued expansion. The long-duration projects we support typically come with favourable contract terms, including minimum take-or-pay revenue commitments.

Those commitments give us greater revenue visibility and tie our capital deployment directly to contracted customer demand.

Paired with attractive unit economics and margin contribution, these contract terms support efficient capital investment with strong returns. Because we align these terms with our customers' multiphase project plans, we are building long-term partnerships that we believe will keep WHS the primary driver of Target's growth.

Moving on to our other operating segments.

Our HFS-South segment generated approximately $33 million in quarterly revenue. The moderation in this segment partly reflects our intentional reallocation of existing assets to support a high-return WHS contract award.

We remain focused on reliably serving our long-standing HFS customers while preserving the flexibility to optimize capacity and maximize value across our broader portfolio.

Our Government segment generated approximately $14 million in revenue during the quarter. The year-over-year decline primarily reflects the approximately $12 million PCC contract closeout payment included in the prior-year period, which did not recur in the current period.

We also incurred transitional costs during the quarter related to ongoing network optimization initiatives, and we expect additional costs of approximately $3 million to $5 million of this nature over the balance of 2026.

These costs will temporarily pressure Government segment margins and are reflected in our 2026 outlook.

Recurring corporate expenses, excluding stock-based compensation and transaction expenses, were approximately $17 million for the quarter.

Our 2026 outlook reflects a recalibrated corporate cost structure that provides the resources needed to execute on Target's strategic initiatives, and we remain focused on managing these costs prudently.

Turning to capital management. Total capital spending for the quarter was approximately $246 million, primarily supporting long-term customer contracts tied to recent WHS segment contract awards.

This investment was funded in part by customer advance payments. As these contracts scale, we expect them to generate significant revenue and operating cash flow, supporting leading returns on capital investment.

We ended the quarter with approximately $140 million in total available liquidity and a net leverage ratio of 1.4 times. As a reminder, the total net leverage ratio is calculated on a last-quarter annualized basis, as permitted under our credit facility through the second quarter of 2028.

Supported by growing contributions from recently announced WHS segment contracts and our ability to deliver flexible value-added solutions, we are reaffirming our 2026 outlook today.

This includes total revenue of $435 million to $445 million and adjusted EBITDA of $105 million to $115 million with capital spending, excluding acquisitions, of $490 million to $510 million to fund our long-term growth.

A meaningful portion of this capital spending is supported by customer advance payments tied to recently awarded WHS segment contracts, enabling efficient capital deployment while maintaining strong financial flexibility.

As recent contract awards continue to scale, we expect revenue and adjusted EBITDA to continue building through the balance of 2026 and into 2027, with greater operating scale and strong unit economics supporting further margin expansion.

The ramp positions us to exit 2027 with annualized revenue exceeding $750 million and adjusted EBITDA above $300 million.

Importantly, this outlook is based entirely on our existing contracted portfolio and does not assume any contribution from our broader commercial pipeline.

Reaching these targets requires near-term capital investment, which will temporarily increase our net leverage. As communities open and ramp, we expect our committed contracted portfolio, customer advance payments, and attractive unit economics to drive meaningful cash generation.

That cash generation, in turn, supports deleveraging. Based on our current project schedule, we anticipate exiting 2027 with net leverage well below 2 times.

With a flexible operating model and strong financial profile, Target is well positioned to pursue a robust growth pipeline.

Our priority remains expanding the WHS segment, which we believe offers the greatest opportunity to create long-term sustainable value for our shareholders.

Importantly, as we pursue these opportunities, we will stay focused on preserving the financial strength we have built while maximizing margin contribution through our efficient operating model.

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

Brad Archer

Thanks, Jason.

Our third quarter results reflect a strategic transformation that is delivering meaningful revenue growth and margin expansion.

We are executing at scale, converting commercial momentum into tangible operating results, and building lasting partnerships that open the door to a greater share of each customer's total development spend. Importantly, as our customers' operational footprint expands, so will Target's.

The flexibility of our asset base and operational reach allows us to support expanding activity coast to coast.

Since January, we have secured more than $1.7 billion in multiyear contract awards, representing over 10,000 beds. These durable, long-term contracts provide greater revenue and cash flow visibility.

As our communities continue to scale, our existing contract portfolio supports continued growth into 2027 and beyond.

With a diversified contract portfolio, meaningful financial flexibility, and an actionable pipeline exceeding 25,000 beds, we are building a repeatable growth model around our core offering.

We believe Target is uniquely positioned to capitalize on this multidecade critical infrastructure build-out, and we are firmly committed to converting that opportunity into compounding growth and long-term shareholder value.

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 *, followed by the 1 on your touch-tone phone. You will hear a prompt that your hand has been raised.

If you wish to decline from the polling process, please press *, followed by the 2.

And if you are using a speakerphone, please lift the handset before pressing any keys.

First question from Scott Schneeberger with Oppenheimer. Please go ahead.

Daniel Hultberg — Oppenheimer

Hey. Good morning, guys. It's Daniel on for Scott. Thank you for taking our questions.

Following the recent midterm elections, could you please discuss the political backdrop, particularly in Texas, permitting and the impacts to Target's pipeline? Thanks.

Brad Archer

Yeah. Thanks, Daniel. And a great question to kick off the Q&A with following last week's election, as there are some understandable questions about how an evolving political landscape may affect demand in certain regions, particularly Texas, where we have an established presence. Let me address that directly for everybody.

Our conversations over the past several days with existing and prospective customers have not slowed. If anything, they reinforce the continued demand for our critical solutions, supporting AI data centre and critical infrastructure development.

Those discussions remain centered on urgency, ensuring adequate and reliable workforce accommodations are in place to support their development plan, not on pausing or delaying them.

As the regulatory and permitting backdrop evolves where our customers build may shift, we don't believe their development plans have changed. Our customers operate across a large geographic footprint, and they will pursue the most favourable environments for their large-scale projects.

Our commercial pipeline will follow them, as we have in the past. The flexibility of our asset base and the speed with which we can stand up a full turnkey solution extend coast to coast. Our established presence in Texas reflects where customer demand has been, not the limits of our operational reach.

Simply put, our pipeline is not geographically constrained. It follows the customer demand. We expect Texas to remain a significant market for data centre and power development.

At the same time, we do anticipate that future development will increasingly extend into other regions, and our coast-to-coast reach positions Target to support customers wherever that growth occurs.

More importantly, as these dynamics evolve, we believe Target is part of the solution. Our ability to reduce strain on local housing, infrastructure, and other community resources directly addresses key concerns of state and local stakeholders.

By meeting our customers' evolving needs nationwide, while easing those concerns, we help ensure that critical infrastructure is developed in a way that supports communities and the public interest.

We believe this could be a meaningful tailwind for Target, and it further underscores the value of a vertically integrated single-partner solution, both for our customers and for the communities where they build.

In short or, really, in summary, our customers' plans remain intact. Our reach is national, and our value proposition has never been more relevant.

Daniel Hultberg

Thank you. Great colour.

Could you also please elaborate on the drivers of the increased bed pipeline now exceeding 25,000 bed from 20,000 previously? And any colour you're able to provide to help us think about geographies, end markets, contract duration, ADR is appreciated.

Thank you so much.

Brad Archer

Yeah. Look, the pipeline has always had multiple geographies in it. This is not—was never just built around Texas, if you will. That's kind of where the demand has been. But a case in point, if you look, I think everybody knows about the one in Wyoming. Right? We're still working with that.

But increasingly, more and more of this is outside of the Texas region, from Midwest to in Nevada, Indiana, you name it, Ohio, some of the definitely different regions. It's kind of why we say coast to coast on some of this.

And then if you look at the increase in just 5,000, we've always talked about behind that 20,000, or even behind this 25,000-bed pipeline, there's other beds behind that that just hadn't made it to this cut. And this is truly just the impact of the customers coming to us, more demand.

We're not seeing less demand. We're seeing more since last quarter. And it was time to kind of move that pipeline up and get it more real around the incremental growth we're seeing on the pipeline.

Jason Vlacich

And the contract economics are very similar to the contracts that we've already announced. So for example, the most recent contract was a fixed minimum take-or-pay contract for approximately four years with an ADR of around $150 a night. So we're seeing similar opportunities in our pipeline.

Again, we're focused on fixed minimum contracts over multiyear periods with minimum revenue guarantees to support the spend and meaningful advanced customer payments.

Brad Archer

Yeah. And I think, let me just add one thing to that, Daniel, too. When you talk about, now we have multiple contracts out there in this segment and the easy kind of shift for them as well, once you have the land, once you have the permit, is to continue expanding on that site. That's part of what makes up this pipeline as well.

New and then existing increases, if you will, build out on the same land that we're already doing work on.

Daniel Hultberg

Got it. Great. Thank you so much. I'll turn it over.

Operator

Thank you. Next question comes from Stephen Gengaro with Stifel. Please go ahead.

Stephen Gengaro — Stifel

Thanks. Good morning, everybody.

Brad Archer

Good morning.

Jason Vlacich

Good morning.

Stephen Gengaro

So two for me. I'll start with a pretty obvious one that we keep getting asked. But can you talk about sort of the strength of your existing contracts and maybe how they are structured with respect to any termination and contractual protections for Target?

And maybe also as part of that, confirm that things that are included in your 2027 guide and the run rate EBITDA are fully permitted and not sort of subject to political headwinds?

Jason Vlacich

Yeah. So first off, our contracts are very strong. They're based on the ones that we've announced over the last 12 to 18 months; are based on fixed minimum revenue guarantees. Over multiple years, average contract life is around four or five years.

Some of those contracts do have standard cancellation provisions. However, those provisions are very favourable to Target where all capital investments are recovered plus a margin and a portion of the undiscounted future minimum revenues associated with any remaining committed term associated with that contract, so.

And the other thing to keep in mind is Target would retain ownership of all of the equipment. Right? So in the unlikely event that a termination provision were to be exercised, we would retain ownership of the equipment. It would be fully paid for, plus a margin.

We'd also get any portion of unrecovered future revenue associated with the minimum committed term. And then we could redeploy that equipment for other customer opportunities, either in the same location, or we could relocate to another location, as we've done in the past.

And in terms of our outlook, I would say the outlook is based heavily on almost entirely on the fixed minimum revenue guarantees associated with those contracts. That includes our 2026 outlook, as well as the 2027 exit rate. So none of that includes anything in the pipeline.

None of that includes any variable revenue upside as well. So associated with the contracts that we've announced, there is variable revenue upside that could amount to $60 million to $80 million of annual revenue per year combined. None of that is built into the 2027 exit rate figures or the 2026 outlook.

So it's heavily based on the fixed minimum revenue guarantees associated with the contracts that we've announced. And again, it's all fully secured at this point. So we're deploying capital, for example, on all contracted revenue, and none of that is speculative.

Stephen Gengaro

Great. Thanks. And then the other just quick one, and this is a little bit semantics, but I'll ask anyway. When you say a portion of the 25,000-bed opportunity is in advanced contract discussions, can you sort of—what does that mean exactly? Are you conveying that they're close to signings? Like what puts something in that category?

Brad Archer

Yeah. Well, I'll give you kind of an answer to your question, probably what you're trying to get around. Look, we expect incremental awards in the near term. Right?

We think, as we said last quarter, we're in advanced negotiations. We closed one soon after we delivered our numbers. Not saying that's going to happen this time, but I would tell you the cadence of awards has not changed from last quarter. Right?

We're not looking at something that we think's pushed off a year, due to the political nature of things. None of that has really changed our outlook or our customers'. We were in discussions with them, I said earlier, all last week. And in fact, we've probably seen an increase in calls looking to push projects forward.

So yeah, a little bit of colour maybe on that as well. When we say advanced discussions, literally, we're exchanging paper on that contract. Right? They have their permits. They kind of—they have our numbers. We're exchanging the Ts&Cs on that. And we're kind of waiting on them to finalize.

Stephen Gengaro

Great. That's great colour. Thank you.

Jason Vlacich

Yep. You bet.

Operator

Thank you. Next question from Greg Gibas with Northland Securities. Please go ahead.

Greg Gibas — Northland Securities

Great. Thanks for taking the question. Congrats on the quarter. Could you discuss the scope expansions you're seeing as it relates to the opportunities to broaden scope and add service offerings to existing customer contracts?

Brad Archer

Sure. Look, the scope expansions, they're definitely a meaningful growth driver for Target. They create incremental opportunities across the entire platform from site development to value-added services. And look, our customers today, they're increasingly asking us to support them, and which I think this is important, right, not only at the workforce hub, but at the project site itself.

And those solutions, they can be enhanced site development, comprehensive transportation, job site catering, and additional security. It's a natural extension for us in what we already do. So it's an adjacency that we're already very good at and that we've done in the past in the oil and gas side, in the mining side.

So together, they create a more, I would say, fully bundled solution that extends our reach well beyond the community. And it positions us to capture a much greater share of the customer's total development spend.

Greg Gibas

Got it. Very helpful. And given there will be more capacity for data centres in 2027 with more gigawatts coming online, is it fair or reasonable to assume the contracting environment will be more favourable relative to '26, positioning Target to exceed contracting activity that you achieved this year?

Brad Archer

I'll take that. Jason's over here looking at me smiling. But look, I would tell you, and kind of what I mentioned earlier, the cadence of awards for us hasn't changed. Our excitement about the industry hasn't changed.

We think we're going to have a really good 2027. We've got a lot of tailwinds behind us, a lot of momentum. Nothing that happened the past week has changed our mind on that.

Greg Gibas

Fair enough. If I could do one more. I wanted to just ask outside of WHS if you could maybe speak to opportunities you're seeing there that are, perhaps, similar in beds or, I guess, size and scope that you're seeing or excited about.

Brad Archer

Yeah. Look, it's not just data centres. Right? Like critical mineral development, large-scale infrastructure development it makes up part of our pipeline. But I would also say the large-scale power generation project, and not so much 100 percent tied to just data centres. Right?

I think there's a bifurcation when you look at nuclear and some of the others. We know that the national grid has been under stress for a long, long time. So with or without data centres, this needs to get built out. Right?

So we're seeing a lot of interest in that already, because a lot of the power providers are doing work for the data centres that are also looking to expand, again, just the power generation projects themself across the US. And we think that has a lot of legs.

We already have a few contracts earlier in the year that were power projects, which we've told everybody. And we think there's more of that to come.

Greg Gibas

Good to hear. Appreciate it, guys.

Operator

Thank you. Next question from Faiza Alwy with Deutsche Bank. Please go ahead.

Faiza Alwy — Deutsche Bank

Yes. Hi. Thank you. Good morning. You talked about incremental service offerings and opportunities to expand into value-added adjacencies.

I'm curious how we should think about the impact to EBITDA margins from that because it sounds like maybe relative to prior contracts, there's more of an opportunity. So just curious how that impacts the profitability of these contracts.

Jason Vlacich

Yeah. It'll be accretive. We're already seeing that in some of our contracts where that's come into play. And you see some of that come through in the operating results in Q3.

So overall, it's relatively in line with the blended margin that you see there in the WHS segment of around 50 percent for those enhanced services that Brad talked about with respect to transportation, job-site catering, security, site development, some of which have already started.

Brad Archer

Yeah. And some—I think one of the differences on some of these is it's capital wide, right—

Jason Vlacich

Yeah.

Brad Archer

—as well on that.

Faiza Alwy

Yeah. Makes sense. And then just curious if you've seen any kind of changes in terms of the competitive backdrop over the last few months.

Brad Archer

I wouldn't say we've seen any changes. I think it's some of the same competitors that have been out there. Right? We're not going after every project. If we said supply and demand, it's still in our favour.

We want to go with the larger projects that are multiyear projects that we think can continue to stay in place for a long time, right, in cluster areas where there's other things building around it, not just one data centre, but multiple power, et cetera.

And as you do the larger projects, it starts to limit the competition. Right? They're there. They're going to bid on it. They're going to win some of them. But we think we have a pretty good moat built around the business, especially on the types of projects we like to go after.

Faiza Alwy

Great. Thank you so much.

Operator

Thank you. Next question from Angel Castillo with Morgan Stanley. Please go ahead.

Oliver Jiang — Morgan Stanley

Hi. Good morning. This is Oliver on for Angel today. Can we just touch on, you added over 5,000 beds to the pipeline. Right? Maybe it's one project; maybe it's five.

But how should we think about just these projects? Are they fully permitted? Do you have air permits? Like, how far along in that development do you say, okay, well, this is now actionable in the next 18 months and we should add it to the pipeline?

Brad Archer

Yeah. So the ones that make it to this list definitely have their permits. They have their land. They have what they're going to do on power, especially if you're talking about Texas, right, and.

But I would tell you all of the 25,000 on there are actionable, meaning if they wanted to go and sign us tomorrow and us go to work, we could do that.

Oliver Jiang

Mm-hmm.

Brad Archer

Right? So they're really far down the line, or they just don't make this list. That's what we talk about. There's another list behind this that just hasn't made the cut and, hopefully, it does over time.

But this is a very actionable 25,000-bed setting, what I would tell you, with permits and ready to go.

Jason Vlacich

And these are multiple contract—

Brad Archer

Absolutely.

Jason Vlacich

—potential awards—

Oliver Jiang

Yeah.

Jason Vlacich

—right, with multiple different customers. It's geographically diverse.

Brad Archer

It is.

Oliver Jiang

Yeah.

Jason Vlacich

Some are several thousand beds. Some are a little bit less than that. So it's size wise, also diverse as well. I would say if you were to try to estimate it, you'd look back at the contracts that we've announced this year, which are pretty diverse in size where you have some that are 4,000, 3,300, 1,100, et cetera.

So it's relatively diverse, and some are several thousand and some are a little bit less than that.

Oliver Jiang

Yeah. That's helpful. And then, obviously, we've kind of followed along as you kind of get the Wyoming site online. I mean, any learnings you're seeing there? I mean, do you think kind of your community engagement becomes more of a moat over time? And just any learnings there as you see for future projects would be helpful.

Brad Archer

Yeah. We think the community piece end really helps us in the future. Right? We think it's a tailwind. And we tell customers this, but we've been doing this for 20-plus years on the oil and gas side. The data centre folks are facing the same exact thing that oil and gas has faced over many years.

But we're very, very good at the customer relations piece, the community relations piece, in small communities. It is where we've cut our teeth over 20 years. It's what we've done. We think it continues to help build that moat around the business.

And we think, look, at the end of it they're going to be forced in some areas where, maybe they thought they could get around letting people just come to town and hit hotels and RVs, we think there's going to be regulations around that at some point.

And it's a benefit, right, for them, in how they're going to control their workforce, how they're going to make sure they have adequate housing, how they do the busing so there's not 4,000 cars going through a one red-light town.

Those types of things are really starting to take hold. And we think that helps in the future, for sure.

Oliver Jiang

Got it. Thank you.

Operator

Thank you. Ladies and gentlemen, as a reminder, if you have any questions, please press *, 1.

Next question from Alex Rygiel with Texas Capital. Please go ahead.

Alex Rygiel — Texas Capital

Thank you. Just one quick one. Your supply chain, can you talk to if it's keeping up with your pace? And obviously, that includes your access to labour on these facilities.

Brad Archer

Yeah. No issues at this point and, in fact, we're in both the big jobs right now far down the road. We have excess capacity. We could do multiple other jobs at the same time and be fine on manufacturing.

And then, remember, it's the build-up over time. It's worked out really well. Got about a year on these large projects to build them out. That's really helped. We've gotten the factories in line building our design and no issues at this point and could take on more.

Alex Rygiel

And one other question. If there is a shift from nonunion to union, any impact to your business at all?

Brad Archer

What's the question?

Jason Vlacich

I think the question was if there's a shift from nonunion to union.

Brad Archer

Well, a lot of the projects we're on—but we're not on the site already—but a lot of the projects we're on are already built by union trade, the data centres themselves. We don't see that as an issue.

Alex Rygiel

Great. Thank you.

Operator

Thank you. We have no further questions. I will turn the call back over to Brad Archer for closing comments.

Brad Archer

Thank you.

Thank you, all, for joining us today.

Look, the continued execution on all fronts shows our strategy is sound and it's working. As we close out 2026 and enter 2027, we expect to continue executing on existing contracts as well as deliver new wins.

While we acknowledge the political backdrop surrounding data centres, our enthusiasm has not wavered at all. And in fact, we believe the focus on community engagement strengthens our offering and will become an even more critical component of planning and execution when hyperscalers look to build in remote locations.

Target Hospitality, Target Hyper/Scale has never been in a better position to create long-term value for our team members, customers, and investors. And we are laser-focused on the execution of our plan.

Last but not least, I want to thank all of our team members at Target Hospitality. No better team in the industry. The relentless effort they have put in in 2026 and the high level of execution, it amazes me every day. Proud to be a part of the team. Thanks again for doing what you do.

Operator, that will conclude the call for today.

Thank you.

Operator

Thank you. Ladies and gentlemen, this concludes your conference call for today. We thank you for participating, and we ask that you please disconnect your lines.