TARGET HOSPITALITY

2Q 2019 Earnings Call Presentation

August 14, 2019

TARGET HOSPITALITY

Disclaimer

Cautionary Statement Regarding Forward-Looking Statements

This presentation contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements." You can identify these statements by the fact that they do not relate strictly to historical or current facts. Management cautions that any or all of Target Hospitality's forward-looking statements may turn out to be wrong. Please read Target Hospitality's annual, quarterly and current reports filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, including Platinum Eagle Acquisition Corp.'s 2018 Form 10-K filed on February 28, 2019, Form 8-K filed on March 21, 2018, first quarter 2019 Form 10-Q, and second quarter 2019 Form 10-Q, when filed, for additional information about the risks, uncertainties and other factors affecting these forward-looking statements and Target Hospitality generally. Target Hospitality's actual future results may vary materially from those expressed or implied in any forward-looking statements. All of Target Hospitality's forward-looking statements, whether written or oral, are expressly qualified by these cautionary statements and any other cautionary statements that may accompany such forward-looking statements. In addition, Target Hospitality disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures including EBITDA, Adjusted EBITDA, Net debt, Adjusted diluted earnings per share, and Adjusted free cash flow. Reconciliations of these historical measures to the most directly comparable GAAP financial measures are contained herein. To the extent required, statements disclosing the definitions, utility and purposes of these measures are set forth in our earnings press release for the second quarter 2019, which is available on our website free of charge at www.TargetHospitality.com.

Information reconciling forward-looking Adjusted EBITDA to GAAP financial measures is unavailable to Target Hospitality without unreasonable effort. We cannot provide reconciliations of forward-looking Adjusted EBITDA to GAAP financial measures because certain items required for such reconciliations are outside of our control and/or cannot be reasonably predicted, such as the provision for income taxes. Preparation of such reconciliations would require a forward-looking balance sheet, statement of income and statement of cash flow, prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to us without unreasonable effort. Although we provide a range of Adjusted EBITDA that we believe will be achieved, we cannot accurately predict all the components of the Adjusted EBITDA calculation.

Combined Pro Forma Financial Information

This presentation contains combined pro forma financial information, including revenues and Adjusted EBITDA calculated as: (i) the results of Algeco Us Holdings LLC ("Target Parent") and Arrow Parent Corp. ("Signor Parent") (combined) for the year ended December 31, 2018, plus (ii) the results of Signor for the period from January 1, 2018 through September 6, 2018, in each case, without giving effect to the business combination and related transactions. We identify combined pro forma financial information in this presentation as ''combined pro forma'' or as prepared on a ''combined pro forma basis.'' As Signor was acquired on September 7, 2018 and the audited combined financial statements of Target Parent and Signor Parent do not reflect the historical operations of Signor for the period January 1, 2018 through September 6, 2018, the summary combined pro forma financial information is presented to reflect combined financial information as if Signor had been acquired as of January 1, 2018, to present the results of operations of Target Parent, Signor Parent, and Signor on a combined pro forma basis for the full year of 2018, without giving effect to the business combination and related transactions. No additional adjustments have been made to the historical financials of Target Parent, Signor Parent, or Signor for purposes of presenting such combined pro forma financial information. The combined pro forma financial information in this presentation is for informational purposes only and should be read in connection with the historical consolidated financial statements and related notes of Target Parent and Signor Parent (combined) and Signor for the applicable periods. The combined pro forma financial information in this presentation does not purport to project our future financial position or operating results. Combined Pro forma financial information does not include the predecessor period of other companies acquired after September 7, 2018.

2Q 2019
Financial Results and Operational Highlights

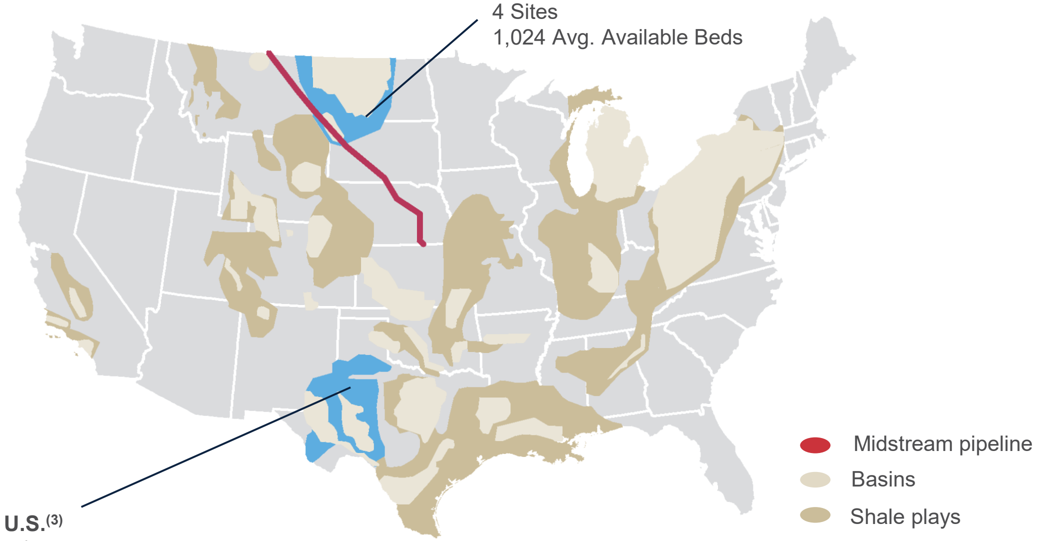
Brad Archer, President & Chief Executive Officer
Andrew Aberdale, Chief Financial Officer
Troy Schrenk, Chief Commercial Officer

Target Hospitality *(NASDAQ: TH)*

Nation's largest vertically-integrated specialty rental and value-added hospitality services provider

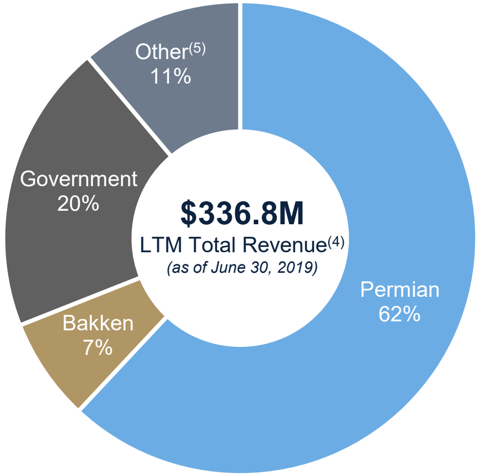
Largest provider of turnkey specialty rental units

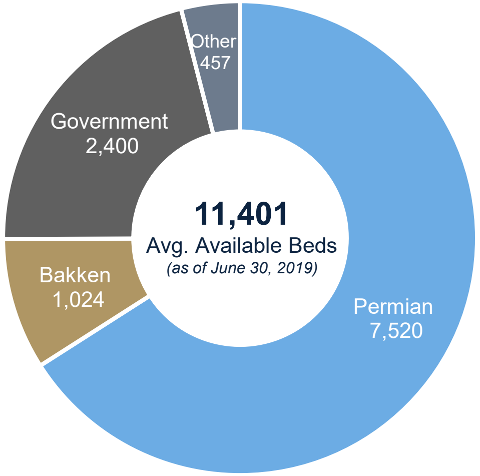
- Target Hospitality is the largest vertically integrated specialty rental and hospitality services company in the United States
- TH owns an extensive network of geographically relocatable specialty rental accommodation assets
  - 11,401 avg. available beds across 22 sites[(2)] as of June 30, 2019
- TH leverages a large network with increased visibility from locked-in guaranteed payment contracts and exclusivity provisions



Key differentiating attributes

1	**Largest network[(1)]**	*Customers value scale and flexibility of network of communities; continues to drive growth & profitability*
2	**Premier customers with exclusive long-term relationships**	*Long-standing and exclusive customer relationships; >3-yrs weighted avg. contract duration drives visibility*
3	**Premium in-house catering + value-added hospitality services**	*Unique Target 12 value proposition; customer pull drives favorable pricing & long-term trusting partnerships*

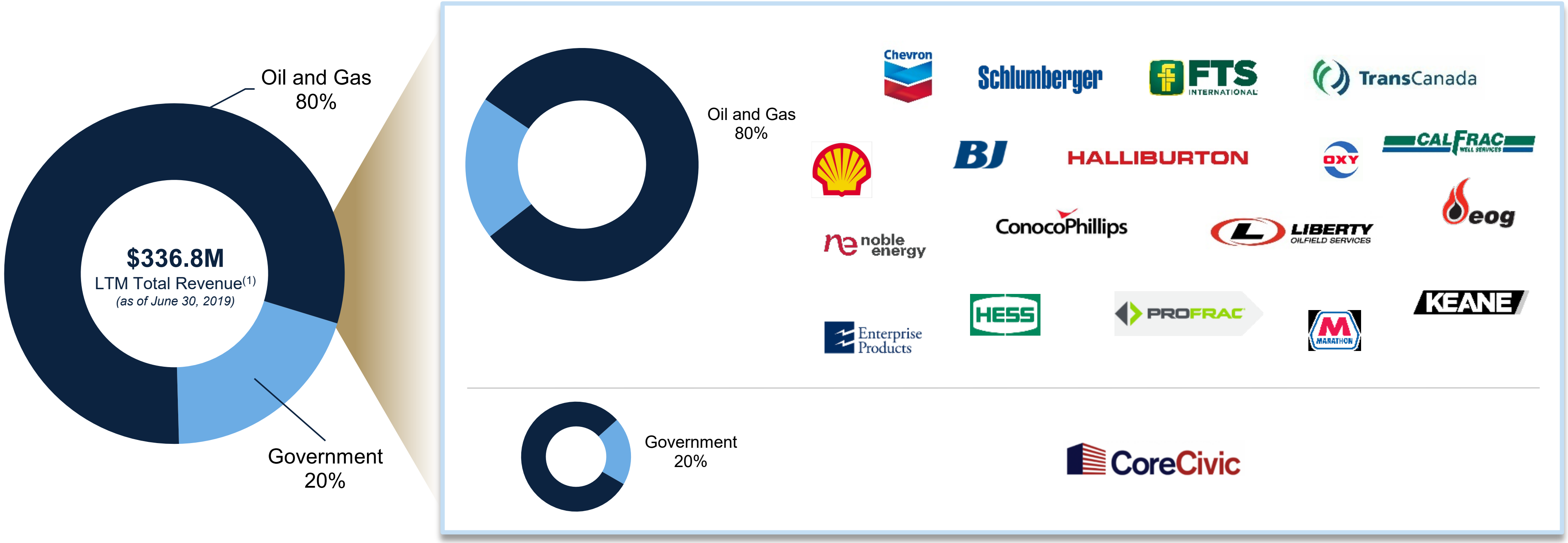




Note: % do not foot due to rounding

(1) *Management estimate*
(2) *Excludes 2 new communities in the Permian – 500-room Carlsbad, NM Seven Rivers community and 300-room community in the Delaware basin*
(3) *Includes communities located in the Permian and Anadarko basins*
(4) *As calculated on a combined pro forma basis which includes revenue from Signor Parent for preceding four quarters as of June 30, 2019*
(5) *"Other" segment operations consist primarily of revenue from the construction phase of the contract with TransCanada Pipelines as well as specialty rental and vertically integrated hospitality services revenue from customers in the oil and gas industry located outside of the Permian and Bakken basins*

Long-standing relationships with diversified, blue-chip customers



- Diversified customer base includes largest, blue-chip, investment grade oil & gas and integrated energy companies
  - Encompass full oil & gas value chain, including upstream, midstream, downstream, contractors and other sector participants
- Long term growth strategy weighted towards customers who secure quality accommodations for their employees over multi-year horizons and who value TH's scale and broad offering via its extensive network of communities
- >90% contract renewal rate demonstrates strength of customer relationships with aligned customers

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(1) *As calculated on a combined pro forma basis which includes revenue from Signor Parent for preceding four quarters as of June 30, 2019*

Stable exposure to the government end market

South Texas Family Residential Center (STFRC)

- STFRC established in 2014 in Dilley, Texas
- Ideal solution meeting government need to house asylum-seeking women and children family units
  - 2,400 average available beds with a multi-year lease through 2021
  - Demand for accommodations, due to increased influx of asylum-seeking family units, far exceeds U.S. government's supply of beds at present
- Provide catering and facility maintenance services only
- Approved GSA vendor status; sub-contractor of CoreCivic

✓Unique, hard to replicate asset
✓Best-in-class facility
✓Local community support
✓Long-term land lease
✓Stable operational results

TH Provided Services

- 12-hour catering services
- 24/7 snacks and refreshments
- Cafeteria maintenance/management
- Maintenance of employee facilities

CoreCivic Provided Services

- Admission processing
- Healthy and safe accommodations
- Maintenance of resident facilities
- Schooling and educational resources
- Recreational and medical facilities
- TV, telephone and email access
- On-site immigration courts
- All other contracted services

Recent growth initiatives and milestones

September 7, 2018
Acquires Signor Lodging

January 31, 2019
Renews and expands several multi-year contracts

February 26, 2019
Announces a new 400-bed community in Carlsbad, NM anchored by a major producer (Delaware Basin)

March 18, 2019
Target Hospitality goes public

May 7, 2019
Announces a new 200-bed community for a major, integrated E&P customer (Delaware Basin)

June 19, 2019
Acquires 3 communities from Superior Lodging (575 beds)

June 25, 2019
Expands capacity by 200 beds at two new Delaware Basin communities

July 1, 2019
Acquires Midland community from ProPetro (168 beds)

SIGNOR LODGING

Available Beds(1):	6,770	11,825	11,560	11,930	12,505	12,705	12,873

Organic

M&A

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(1) *Reflects pro forma 2019 exit run-rate average available beds, which includes available beds at announced communities under construction presently; new communities in Carlsbad, NM and Delaware Basin expected to be operational in 3Q-2019;*

2Q 2019 Financial Highlights

Revenue
$81.4 million

Adjusted EBITDA[1]
$41.2 million | 50.7%

Adjusted diluted EPS[2]
$0.13

ADR[3] $80.9
Utilization[4] 86%

Net debt[5] $399.6 million
Net leverage[6] 2.4x

Items of note:

- Pre-tax charges and (credits) of $2.9 million
  - Transaction expenses: $1.4 million
  - After-tax charges and (credits) of $2.2 million
- SG&A expense of $7.9 million, ex. pre-tax charges and (credits)
  - 9.7% of total sales; driven by higher legal, advisory, and audit expenses
- Depreciation and amortization of $13.8 million
- Net interest expense of $9.9 million
- Income tax expense of $4.1 million
  - $1.2 million cash paid for income taxes in the quarter
- 100,217,035 weighted average shares of common stock outstanding

(1) *Adjusted EBITDA is a non-GAAP measure; see appendix to this presentation for a reconciliation to the most comparable GAAP measure*
(2) *Adjusted diluted earnings per share (EPS) is a non-GAAP measure; see appendix to this presentation for a reconciliation to the most comparable GAAP measure*
(3) *ADR = Average Daily Rate; calculated based on specialty rental incomes and services income received over the period, excluding construction revenue, divided by utilized bed nights*
(4) *Utilization in a period is calculated as utilized beds divided by average available beds for the same period*
(5) *Net debt is a non-GAAP measure reflecting gross amount of total long-term debt less cash and cash equivalents, see appendix to this presentation for a reconciliation to the most comparable GAAP measure*
(6) *Net leverage as presented is defined as gross amount of total long-term debt (including drawn amount under ABL revolving credit facility) minus total cash and cash equivalents divided by pro forma LTM Adjusted EBITDA as of June 30, 2019*

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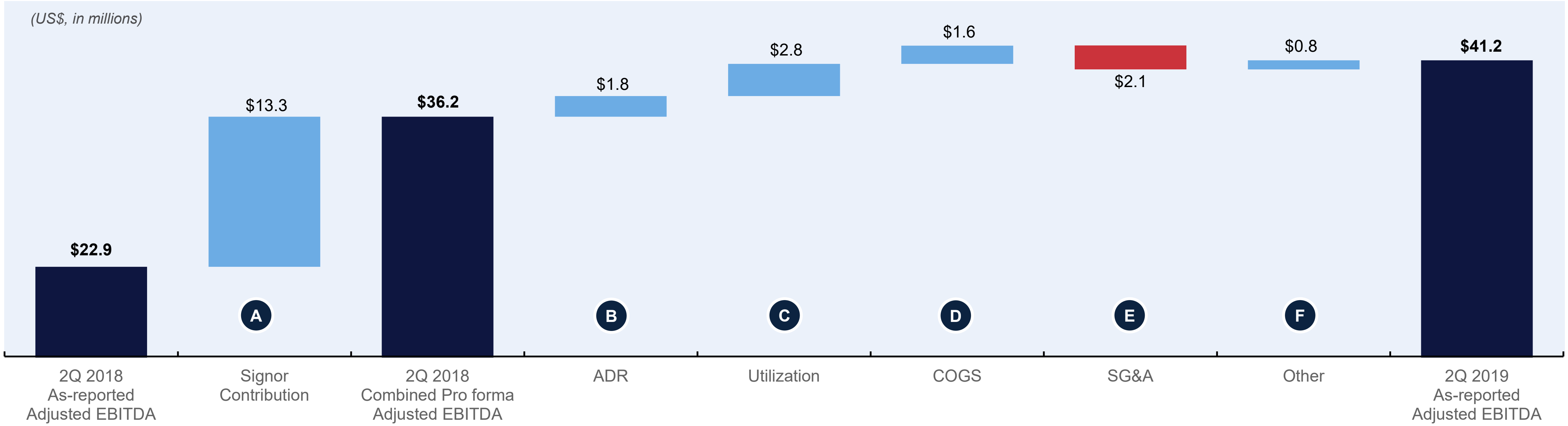
Adjusted EBITDA driven by broad-based operational execution

Bridge 2Q 2018 to 2Q 2019



- **A** Represents contribution from Signor acquisition
- **B** Reflects impact from increase in price primarily in the Permian Basin
- **C** Reflects impact from increase in utilized beds, primarily in the Permian Basin; communities in Skillman (3Q-18), El Reno (3Q-18), and Odessa FTSI (2Q-19) became operational
- **D** Reflects improved cost leverage primarily due to improved utilization driving occupancy costs lower
- **E** Reflects higher costs primarily for build out of corporate staff and public company costs as well as increase in commissions commensurate with higher revenues
- **F** Reflects contribution primarily from TCPL construction work and fees from operations of managed communities (Orla North and Orla South)

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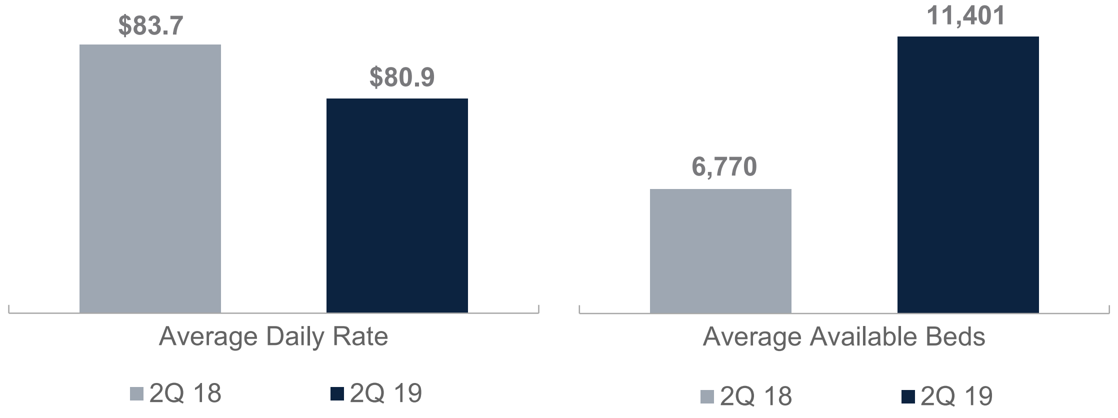
Performance evident in key operating metrics

Total Company, As Reported

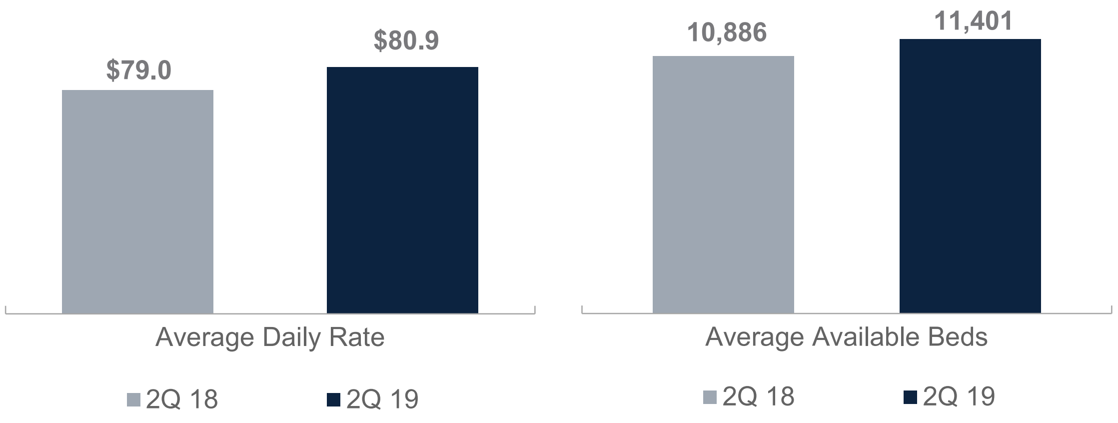
Utilization:	84%	86%



- Increase in average available beds primarily due to addition of Signor, new community additions (Skillman in 3Q-18 and Odessa FTSI in 2Q-19), and expansions in legacy portfolio
- ADR decreased primarily due to lower overall ADRs at acquired Signor Permian communities and certain Bakken communities partially offset by higher contracted rates at all legacy Target's Permian communities

Total Company, Combined Pro forma[1]

Utilization:	83%	86%



- Average available beds increased due to new community additions (Skillman in 3Q-18 and Odessa FTSI in 2Q-19) and expansion of legacy Signor and Target communities
- ADR increased by ~$2 due to renewal of contracts on more favorable terms resulting from high-grading of Signor communities and broad-based improvements in the remainder of communities, partially offset by lower pricing in the Bakken basin

Robust activity in the Permian basin and Signor acquisition synergies driving performance

(1) Includes results of Signor in 2Q 2018

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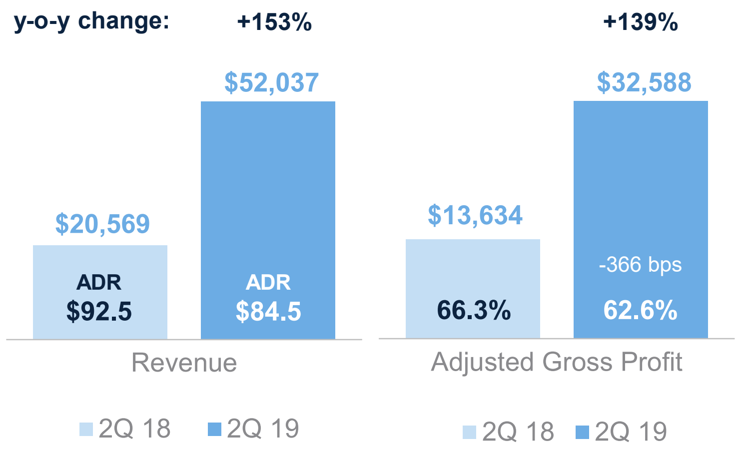
2Q 2019 Segment results(1)

Permian Basin

US$, in '000s

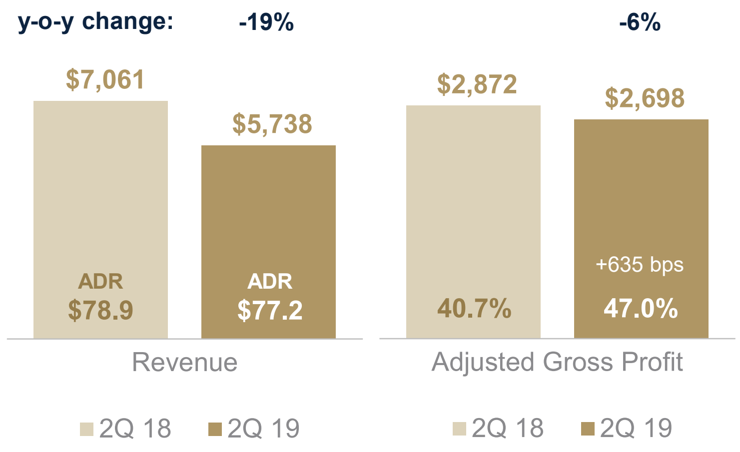


Operational highlights:

- Revenue increased 153%: primarily due to increase in avg. available beds from acquired Signor communities partially offset by comparatively lower ADR and utilization at Signor vs. legacy Target communities
- Adjusted gross profit margin declined 366 bps to 62.6%: primarily due to unfavorable mix – ADR and utilization – at acquired Signor communities partially offset by improved cost performance
- Average available beds increased to 7,520 from 2,360; ADR of $84.5; utilization of 86%

Bakken Basin

US$, in '000s

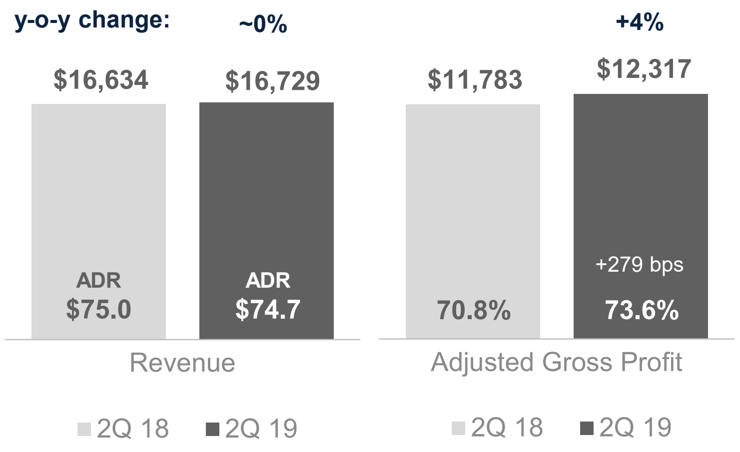


Operational highlights:

- Revenue decreased 19%: primarily due to a decrease in utilized beds (although utilization increased to 73% from 51%) at lower ADR reflecting reduced activity levels compared to prior year quarter
- Adjusted gross profit margin improved 634 bps to 47.0%: primarily due to reduced occupancy and employee costs (avg. available beds decreased by 552) driven by closure of Dunn county community (4Q-18)
- Average available beds decreased to 1,024 from 1,576; ADR of $77.2; utilization of 73%

Government

US$, in '000s



Operational highlights:

- Revenue essentially flat: primarily due to unchanged utilized beds and ADR at STFRC
- Adjusted gross profit margin increased 279 bps to 73.6%: primarily due to lower occupancy costs partially offset by unfavorable cost absorption as a result of lower occupied vs. utilized beds at STFRC
- Average available beds at 2,400 (excluding employee beds); ADR of $74.7; utilization of 100%

(1) *Results of All Other segment not discussed here; see accompanying earnings press release for detailed segment financial results*

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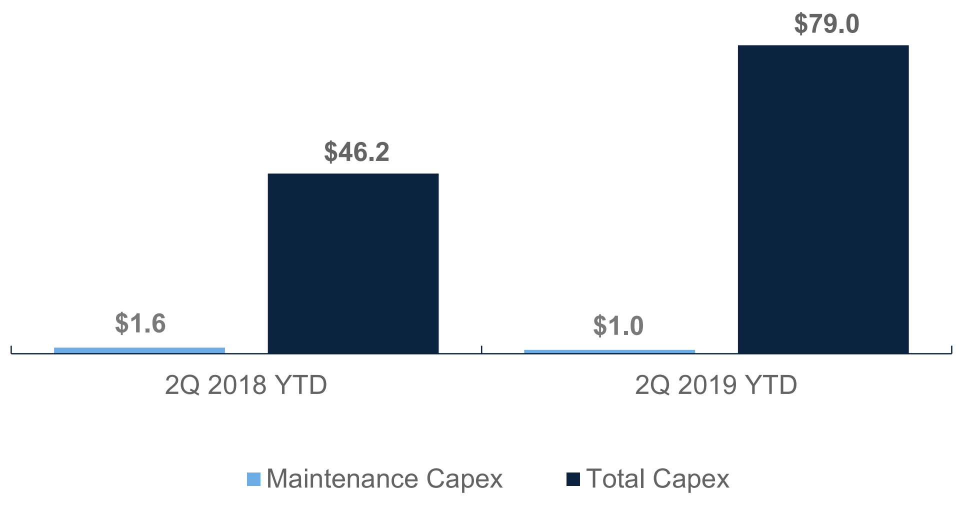
Robust cash generation backed by minimal maintenance capex needs

2Q-YTD Capital Expenditures

Avg. available beds: **6,770** **11,401**

$ in millions

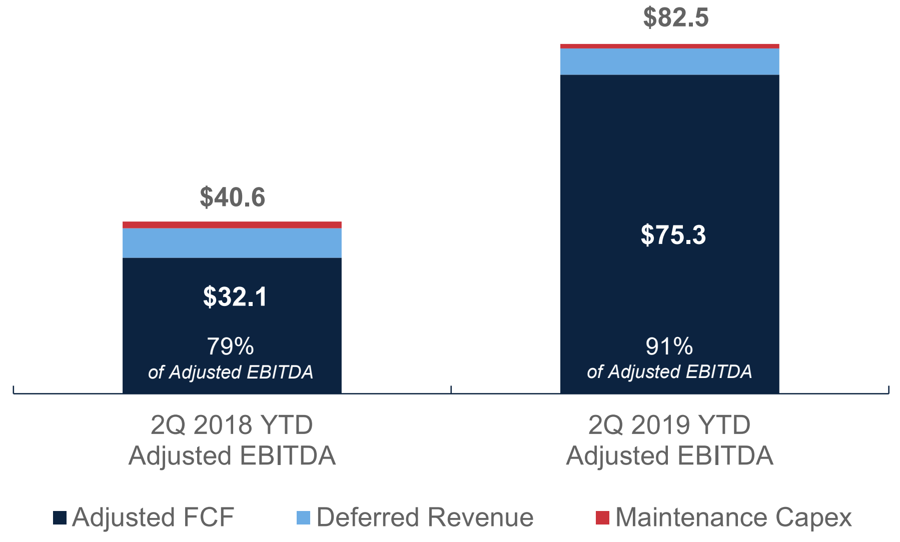


- Discretionary growth capital invested when customer demand gives high visibility of contracted utilization; IRR and payback hurdles must be met
- Basic upkeep of facilities included in routine operating costs resulting in minimal maintenance capex outlay

2Q-YTD Adjusted EBITDA & Adjusted FCF[1] conversion

Adj. FCF conversion[2]: **79%** **91%**

$ in millions



- Over 90% of Adjusted EBITDA converted to Adjusted free cash flow; cash generated important source of growth capital offsetting external borrowing needs
- Specialty rental assets require minimal maintenance capex outlays; deferred revenue adjustment due to customer advances

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(1) *Adjusted free cash flow (FCF) is a non-GAAP measure; see appendix to this presentation for reconciliation to the most comparable GAAP measure*
(2) *Adjusted FCF Conversion as presented is calculated as Adjusted free cash low divided by Adjusted EBITDA for the same period, and expressed as a percentage*

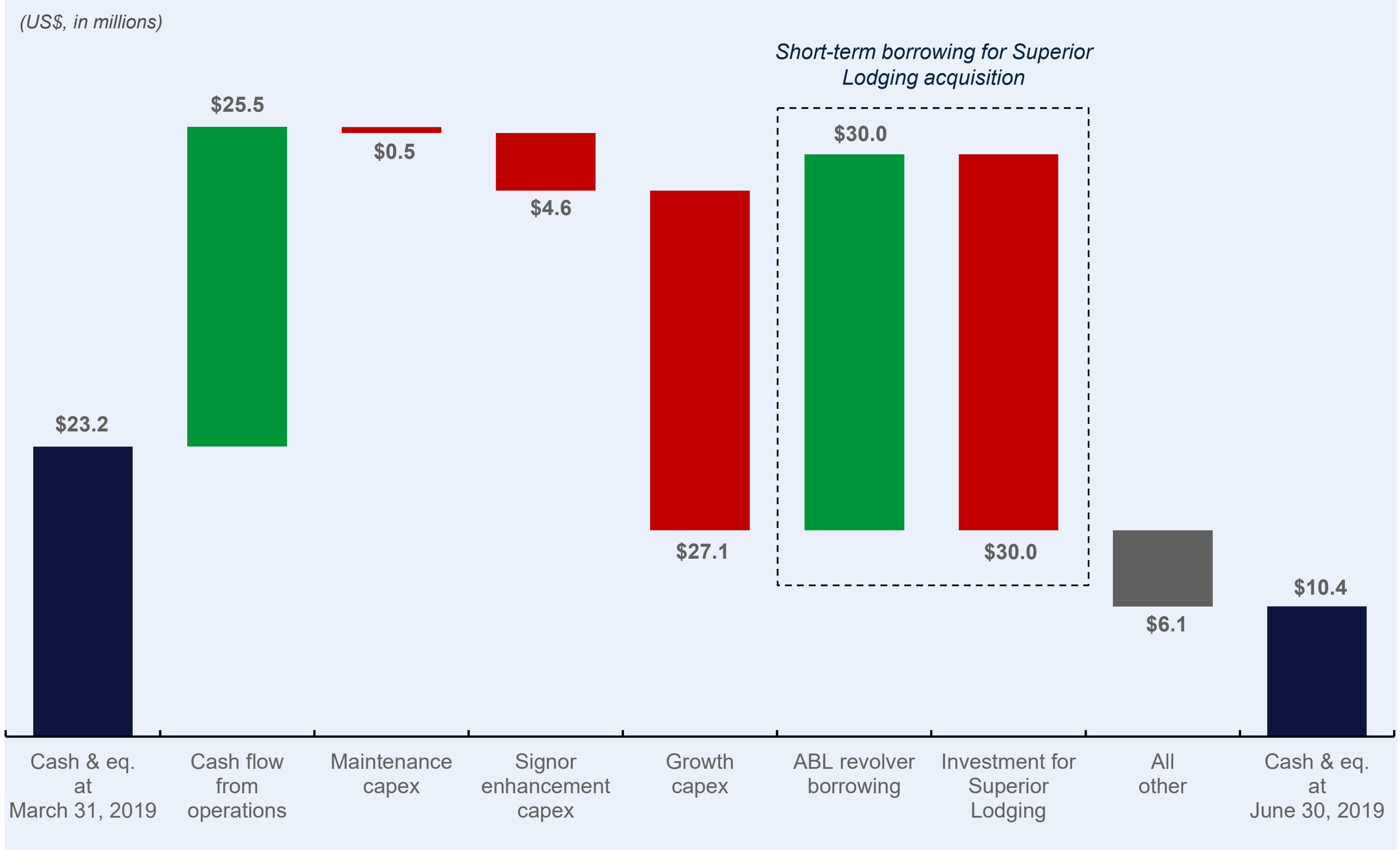
Exceptional cash flow generation

2Q-2019 cash flow walk

2Q-2019 cash flow walk

Items of note:

- Cash flow from operations of $25.5 million
  - Cash paid for income taxes of $1.2 million
  - Cash interest expense of $0.5 million
- Capital expenditures of $32.2 million
  - Minimal maintenance capex of ~$0.5 million
  - Mainly growth capex for new build expansions, and Signor enhancement capex of $4.6 million
- $30 million investment for Superior Lodging acquisition funded from ABL revolver
- All other mainly includes deferred financing costs of $5.9 million



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2019 Outlook

ADR Improvement
Continue to enhance network value proposition

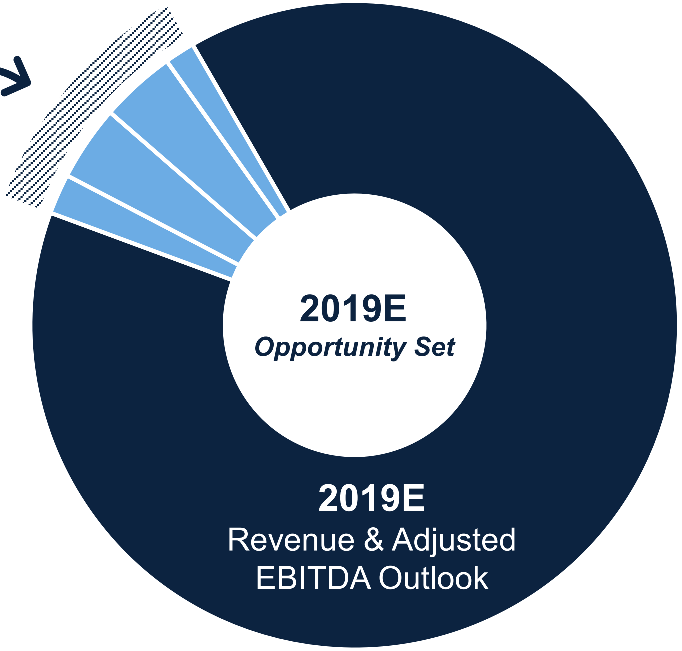
Strong Utilization
Win with the right customers

High-potential Opportunities
Continue to expand/rotate footprint

New Contract Wins
Carlsbad & Delaware Basin | 3Q-19 expected opening

2019E Outlook[(1)]
Total Revenue: $340 to $350 million
Adjusted EBITDA: $175 to $180 million

Monitoring and executing incremental opportunities[(2)]



Revenue visibility supported by ~86% of estimated 2019 revenue currently under contract

(1) *Information reconciling forward-looking Adjusted EBITDA to GAAP financial measures is unavailable to the Company without unreasonable effort, and therefore, no reconciliation to the most comparable GAAP measures is provided for 2019E Outlook – see non-GAAP measures on slide 2 for more information*
(2) *Illustrative only; not drawn to scale*

Summary

1. Market Leader in Strategically Located Geographies
2. Long-Standing Relationships with Diversified Blue-Chip Customers
3. Multi-Year Contracts and Exclusivity Produce Highly Visible, Recurring Revenue
4. Proven Performance and Resiliency Through the Cycle
5. Long-Lived Assets with Best-in-Class Unit Economics
6. Robust Free Cash Generation Supported by Minimal Maintenance Capex Spend

Appendix

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Full turnkey specialty rental and hospitality services

- Extensive network of geographically relocatable accommodation assets serves customers in highest demand regions
- Serving business and governmental needs where availability of space and flexibility are essential
- Turnkey solutions with integrated design and installation, catering, security, recreational, and other hospitality services
- Offering premium customer experience (Target 12) for enterprise clients with long-term relationships

Largest network of geographically relocatable and flexible accommodation space …

- ✓ New Innovative Modular Design
- ✓ Single Occupancy Design
- ✓ Swimming Pool, Volleyball, Basketball
- ✓ Fast Food Lounges
- ✓ Full & Self-Service Dining Areas
- ✓ TV Entertainment Lounges
- ✓ Training / Conference Rooms
- ✓ Core Passive Recreation Areas
- ✓ Active Fitness Centers
- ✓ Lodge Reception Areas
- ✓ Locker / Storage / Boot-up Areas
- ✓ Parking Areas
- ✓ Waste Water Treatment Facility
- ✓ On-Site Commissary

… with premium catering and hospitality value added services

- ✓ Media Lounges & WiFi throughout
- ✓ Individual Xbox/PSII Pods
- ✓ Flat-screen TV's in Each Room
- ✓ 40+ Premium TV channel line-up
- ✓ Personal Laundry Service
- ✓ Individually Controlled HVAC
- ✓ Hotel Access Lock Systems
- ✓ 24-hour No-Limit Dining
- ✓ Free DVD Rentals
- ✓ Self-Dispensing Free Laundry
- ✓ Transportation to Project Site
- ✓ 24-hour Gated Security
- ✓ Daily Cleaning / Custodial Service
- ✓ Professional Uniformed Staff

Best-in class specialty rental assets with compelling unit economics

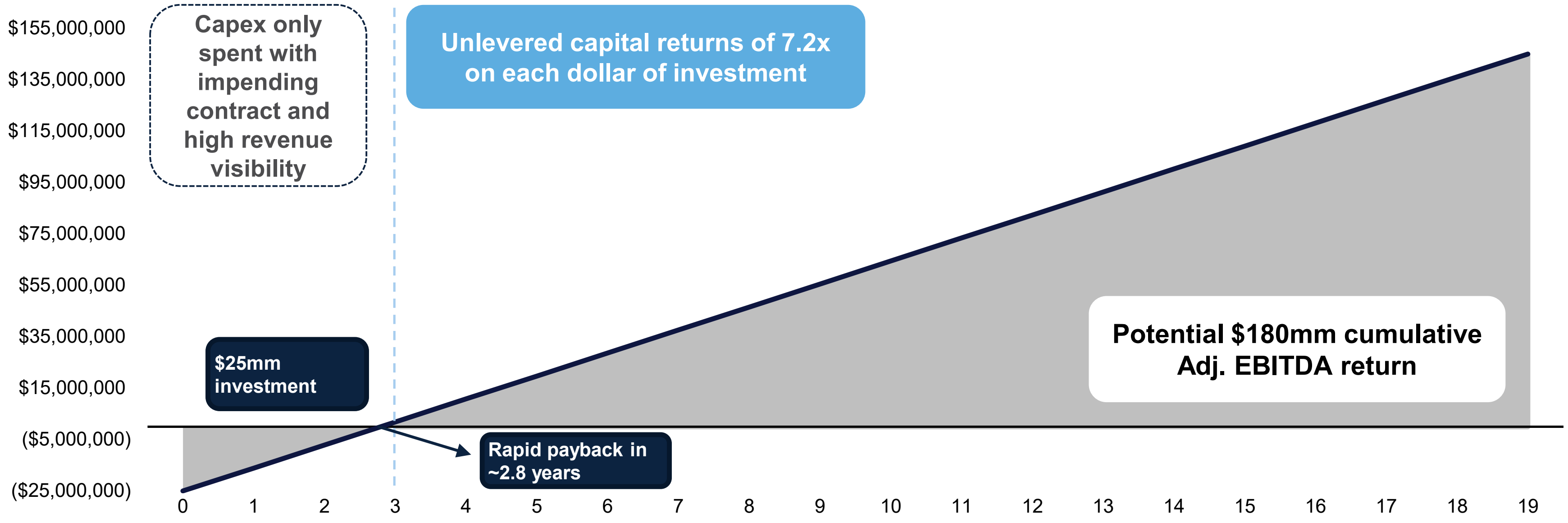
Illustrative Inputs[1]:

Community: 500 beds
Capex: $50K / room ($25mm total)
ADR / COGS: $95pppn / $35pppn
Low maintenance capex

Illustrative Outputs[1]:

$9.0mm Adj. EBITDA / year
$180mm Adj. EBITDA over 20 years
IRR: 36% (20 year)

Potential Community 20 Year Investment Return – Mid Case[1]



Compelling unit economics underpinned by contracted revenue coupled with nominal maintenance capex requirements likely to generate IRRs in excess of 35% and rapid payback on potential investments

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Note: Illustrative example with capex assumed for new build only; expansions of current sites can often be done at better economics.
(1) This is an illustration of a potential outcome on a mid-case opportunity. Such outcome is not guaranteed and is subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management. Actual results will vary, and those variations may be material. Nothing in this presentation should be regarded as a representation that this outcome will be achieved.

Disciplined capital allocation priorities

1

Invest in Growth

Organic & Inorganic

Minimal maintenance capex(1)

Maintain capital discipline

2

Optimize Debt Cost

$410.0 million(2)

Net leverage goal of ~2.0x

Opportunistic debt repayment

3

Return Capital

Maximize ROIC(3)

Prioritized actions

Retain optionality

Continue to allocate capital in a disciplined manner to maximize shareholder value

(1) *Maintenance capital expenditures at ~1% of total revenues for 2019E*
(2) *Gross amount of total long-term debt, including $340.0 million of aggregate principal amount of 9.5% Senior Secured Notes due March 2024 and $70 million drawn under the $125 million ABL revolving credit facility as of June 30, 2019*
(3) *ROIC = Return On Invested Capital, defined as net operating profit after taxes divided by total invested capital*

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Well capitalized balance sheet provides flexibility

($ in millions)	**Interest Rate**	**Maturity**	**Carrying Value** (as of June 30, 2019)
Senior secured notes, aggregate principal amount(1)	9.5%	March 2024	$ 340.0
ABL revolving credit facility(2)	Varies	September 2023	$ 70.0
Total long-term debt, gross amount			**$ 410.0**
Less: Cash and cash equivalents			$ 10.4
Net debt(3)			**$ 399.6**
Combined Pro forma LTM Adjusted EBITDA(4)			$ 166.2
Net leverage(5)			**~2.4x**
Total available liquidity(6)			$ 65.4

(1) Excludes unamortized deferred financing costs of $16.2 million and unamortized original issue discount of $3.3 million as of June 30, 2019; net amount is $320.5 million including unamortized deferred financing costs and unamortized original issue discount
(2) Total borrowing capacity under the ABL revolving credit facility is $125.0 million
(3) Net debt is a non-GAAP measure calculated as gross amount of total long-term debt less cash and cash equivalents, as calculated in the table above on this slide
(4) As calculated on a combined pro forma basis which includes revenue from Signor Parent for preceding four quarters as of June 30, 2019; see appendix to this presentation for a reconciliation
(5) Net leverage as presented is defined as gross amount of total long-term debt (including drawn amount under ABL revolving credit facility) minus total cash and cash equivalents divided by pro forma LTM Adjusted EBITDA as of June 30, 2019
(6) Total available liquidity as presented is defined as total cash and cash equivalents plus available borrowing capacity under the ABL revolving credit facility

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Share count analysis

Shares by Type	Common Stock	Other Shares and Equivalents Outstanding (4)		Total Potential Outstanding Common Shares (Fully Diluted)
	Outstanding as of 3/21/2019 (1)	Escrowed Founder Shares (2)	Exercise of Outstanding Warrants (3)	
Public Shares	14,321,606			14,321,606
Shares Underlying Public Warrants	-		10,833,316	10,833,316
Shares Underlying Founder & TH Director (former & current) Warrants (5)	-		5,333,334	5,333,334
Founder Shares (6)	3,034,102	5,015,898		8,050,000
Former Platinum Eagle Director Shares (7)	75,000			75,000
TDR (8)	74,786,327			74,786,327
PIPE Investors (9)	8,000,000			8,000,000
US GAAP Basic Outstanding Share Count for EPS (1)	**100,217,035**			
Add: Escrow Shares	5,015,898			
Total Outstanding Common Shares (4)	**105,232,933**	**105,232,933**	**121,399,583**	**121,399,583**

(1) Excluded from the US GAAP Basic Outstanding Share Counts are 5,015,898 common shares (the "Escrow Shares") issued and outstanding that have been deposited into an escrow account that have no voting or economic rights while in escrow. See further information on the earnout agreement and the escrow agreement in Exhibit 10.2 and 10.3, respectively, to our Form 8-K filed March 21, 2019 (the "8-K"). Note that these shares will be excluded from the EPS calculations prospectively (basic & diluted) until those shares are released from Escrow.

(2) These Escrow Shares will be released if at any time during the period of three 3 years following the date hereof, the closing price of the shares of the Company's Common Stock as reported on NASDAQ or any other national securities exchange exceeds $12.50 per share (50% release) and $15.00 per share (remaining 50% release) for 20 of 30 consecutive days.

(3) Assumes exercise of all outstanding warrants, including: (i) 10,833,316 Public Warrants and (ii) 5,333,334 Private Placement Warrants (as defined below). Each warrant entitles the holder thereof to purchase one share of TH common stock at a price of $11.50 per share.

(4) Total outstanding common shares in the "Other Shares and Equivalents Outstanding" columns represent the cumulative amount of outstanding common shares if each of the potential events in items 1-3 were to occur.

(5) Comprised of shares issuable upon exercise of certain warrants issued to the initial investors and former independent directors of Platinum Eagle in a private placement transaction concurrent with the initial public offering of Platinum Eagle (the "Private Placement Warrants").

(6) Reflects shares (the "Founder Shares") held by the Founder Group, as defined in the earnout agreement, filed as exhibit 10.2 to the 8-K. Excludes any shares purchased by any member of the Founder Group in the open market.

(7) Includes certain shares held by the former directors of Platinum Eagle Acquisition Corp. who are not members of the Founder Group as defined in the earnout agreement, filed as exhibit 10.2 to the 8-K.

(8) Includes the shares that were issued to the sellers of Target Parent and Signor Parent in connection with the business combination.

(9) Includes shares issued to investors for an equity offering for private investment in public equity.

Unaudited Consolidated Statements of Comprehensive Income (Loss)

Exhibit 1

Target Hospitality Corp.
Unaudited Consolidated Statements of Comprehensive Income (Loss)
($ in thousands, except per share amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Revenue:				
Services income	$ 59,832	$ 28,259	$ 120,905	$ 53,175
Specialty rental income	15,143	17,217	28,873	30,947
Construction fee income	6,383	—	13,562	-
Total revenue	81,358	45,476	163,340	84,122
Costs:				
Services	29,736	14,344	61,745	27,854
Specialty rental	2,490	2,598	4,808	5,028
Depreciation of specialty rental assets	9,960	6,792	19,861	13,395
Gross profit	39,172	21,742	76,926	37,845
Selling, general and administrative	10,925	7,998	55,676	18,180
Other depreciation and amortization	3,816	1,112	7,579	2,402
Restructuring costs	—	1,158	168	7,414
Currency losses, net	—	68	—	68
Other income, net	(123)	(515)	(161)	(965)
Operating income	24,554	11,921	13,664	10,746
Loss on extinguishment of debt	—	—	907	—
Interest expense, net	9,853	5,670	13,884	9,615
Income (loss) before income tax	14,701	6,251	(1,127)	1,131
Income tax expense	4,121	1,827	2,272	901
Net income (loss)	10,580	4,424	(3,399)	230
Other comprehensive income (loss)				
Foreign currency translation	(144)	616	(144)	(291)
Comprehensive income (loss)	$ 10,436	$ 5,040	$ (3,543)	$ (61)
Weighted average number shares outstanding - basic and diluted	100,217,035	25,686,327	89,960,451	25,686,327
Net Income (loss) per share - basic and diluted	$ 0.11	$ 0.17	$ (0.04)	$ 0.01

TARGET HOSPITALITY

Consolidated Balance Sheets

Exhibit 2

Target Hospitality Corp.
Consolidated Balance Sheets
($ in thousands)

	June 30, 2019 (Unaudited)	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 10,393	$ 12,194
Accounts receivable, less allowance for doubtful accounts of $335 and $39, respectively	51,679	57,106
Prepaid expenses and other assets	3,443	3,965
Related party receivable	588	—
Notes due from affiliates	—	638
Notes due from officers	—	1,083
Total current assets	66,103	74,986
Restricted cash	257	257
Specialty rental assets, net	339,302	293,559
Other property, plant and equipment, net	19,372	18,882
Goodwill	41,171	34,180
Other intangible assets, net	125,328	127,383
Deferred tax asset	10,921	12,420
Deferred financing costs revolver, net	5,471	2,865
Notes due from officers	—	500
Other non-current assets	804	—
Total assets	$ 608,729	$ 565,032

	March 31, 2019 (Unaudited)	December 31, 2018
Liabilities		
Current liabilities:		
Accounts payable	$ 19,156	$ 21,597
Accrued liabilities	28,072	23,300
Deferred revenue and customer deposits	17,148	17,805
Current portion of capital lease and other financing obligations (Note 9)	570	2,446
Total current liabilities	64,946	65,148
Other liabilities:		
Long-term debt (Note 9):		
Principal amount	340,000	—
Less: unamortized original issue discount	(3,154)	—
Less: unamortized term loan deferred financing costs	(15,607)	—
Long-term debt, net	321,239	—
Revolving credit facility (Note 9)	70,000	20,550
Long-term capital lease and other financing obligations	—	14
Note due to affiliates	—	108,047
Deferred revenue and customer deposits	14,003	19,571
Asset retirement obligations	2,713	2,610
Other non-current liabilities	—	101
Total liabilities	472,901	216,041
Commitments and contingencies (Note 15)		
Stockholders' Equity:		
Common Stock, $0.0001 par, 380,000,000 authorized, 105,232,933 issued and outstanding as of June 30, 2019 and 74,786,327 issued and outstanding as of December 31, 2018	10	7
Additional paid-in-capital	110,345	319,968
Accumulated other comprehensive loss	(2,607)	(2,463)
Accumulated earnings	28,080	31,479
Total stockholders' equity	135,828	348,991
Total liabilities and stockholders' equity	$ 608,729	$ 565,032

TARGET HOSPITALITY

Unaudited Consolidated Statements of Cash Flows

Exhibit 3

Target Hospitality Corp.
Unaudited Consolidated Statements of Cash Flows
($ in thousands)

	For the Six Months Ended June 30, 2019	For the Six Months Ended June 30, 2018
Cash flows from operating activities:		
Net income (loss)	$ (3,399)	$ 230
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	20,385	13,733
Amortization of intangible assets	7,055	2,068
Accretion of asset retirement obligation	103	70
Amortization of deferred financing costs	1,250	—
Amortization of original issue discount	147	—
Stock-based compensation expense	210	—
Officer loan compensation expense	1,583	—
(Gain) loss on involuntary conversion	11	(1,250)
Loss on extinguishment of debt	907	—
Deferred income taxes	1,499	564
Provision for loss on receivables	296	59
Changes in operating assets and liabilities (net of business acquired)		
Accounts receivable	5,131	(2,632)
Related party receivable	(588)	—
Prepaid expenses and other assets	522	90
Accounts payable and other accrued liabilities	(9,204)	3,049
Deferred revenue and customer deposits	(6,225)	(6,899)
Other non-current assets and liabilities	(907)	(2,038)
Net cash provided by operating activities	18,776	7,044

	For the Six Months Ended June 30, 2019	For the Six Months Ended June 30, 2018
Cash flows from investing activities:		
Purchase of specialty rental assets	(46,729)	(43,678)
Purchase of property, plant and equipment	(127)	(469)
Purchase of business	(30,000)	—
Receipt of insurance proceeds	362	3,015
Repayments from affiliates	638	540
Net cash used in investing activities	(75,856)	(40,592)
Cash flows from financing activities:		
Proceeds from borrowings on Senior Secured Notes, net of discount	336,699	—
Principal payments on finance and capital lease obligations	(1,890)	(7,199)
Principal payments on borrowings from ABL	(27,790)	(5,075)
Proceeds from borrowings on ABL	77,240	—
Repayment of affiliate note	(3,762)	—
Contributions from affiliate	39,107	—
Recapitalization	218,752	—
Recapitalization - cash paid to Algeco Seller	(563,134)	—
Payment of deferred financing costs	(19,799)	—
Proceeds from borrowings from capital lease	—	20,226
Receipt from capital lease	—	19,000
Net cash provided by financing activities	55,423	26,952
Effect of exchange rate changes on cash and cash equivalents	(144)	(294)
Net decrease in cash and cash equivalents	(1,801)	(6,890)
Cash and cash equivalents - beginning of period	12,194	12,533
Cash and cash equivalents - end of period	$ 10,393	$ 5,643
Non-cash investing and financing activity:		
Non-cash change in accrued capital expenditures	$ (2,126)	$ (2,011)
Non-cash contribution from affiliate - forgiveness of affiliate note	$ 104,285	$ —
Non-cash change in accrued deferred financing costs	$ (570)	$ —
Non-cash distribution to PEAC - liability transfer from PEAC, net	$ (8,840)	$ —
Non-cash deemed distribution to affiliate	$ —	$ (312)

TARGET HOSPITALITY

Non-GAAP Reconciliations

Exhibit 4

Target Hospitality Corp.
Reconciliation of Net income to EBITDA, Adjusted EBITDA and Adjusted EBITDA margin
($ in thousands)

	For the Three Months Ended June 30, 2019	For the Three Months Ended June 30, 2018	For the Six Months Ended June 30, 2019	For the Six Months Ended June 30, 2018
Net income (loss)	**$ 10,580**	**$ 4,424**	**$ (3,399)**	**$ 230**
Interest expense, net	9,853	5,670	13,884	9,615
Income tax expense	4,121	1,827	2,272	901
Loss on extinguishment of debt	—	—	907	—
Other depreciation and amortization	3,816	1,112	7,579	2,402
Depreciation of specialty rental assets	9,960	6,792	19,861	13,395
EBITDA	**$ 38,330**	**$ 19,825**	**$ 41,104**	**$ 26,543**
Adjustments:				
Currency losses, net	—	68	—	68
Other expense (income), net	456	(515)	418	(965)
Restructuring costs	—	1,158	168	7,414
Transaction expenses	1,428	—	9,474	—
Transaction bonus amounts	—	—	28,519	—
Officer loan expense	—	—	1,583	—
Acquisition-related expenses	303	—	303	—
Target Parent selling, general, and administrative costs	—	2,393	246	7,585
Stock-based compensation	210	—	210	—
Other adjustments	509	—	509	—
Adjusted EBITDA	**$ 41,236**	**$ 22,929**	**$ 82,534**	**$ 40,645**
Total revenue	$ 81,358	$ 45,476	$ 163,340	$ 84,122
Adjusted EBITDA margin	**50.7%**	**50.4%**	**50.5%**	**48.3%**

Exhibit 5

Target Hospitality Corp.
Reconciliation of Gross profit to Adjusted gross profit and Adjusted gross profit margin
($ in thousands)

	For the Three Months Ended June 30, 2019	For the Three Months Ended June 30, 2018	For the Six Months Ended June 30, 2019	For the Six Months Ended June 30, 2018
Gross profit	**$ 39,172**	**$ 21,742**	**$ 76,926**	**$ 37,845**
Depreciation of specialty rental assets	9,960	6,792	19,861	13,395
Adjusted gross profit	**$ 49,132**	**$ 28,534**	**$ 96,787**	**$ 51,240**
Total revenue	$ 81,358	$ 45,476	$ 163,340	$ 84,122
Gross profit margin	**48.1%**	**47.8%**	**47.1%**	**45.0%**
Adjusted gross profit margin	**60.4%**	**62.7%**	**59.3%**	**60.9%**

TARGET HOSPITALITY

Non-GAAP Reconciliations, continued

Exhibit 6

Target Hospitality Corp.
Reconciliation of Net income to Adjusted net income and Adjusted diluted earnings per share
($ in thousands, except per share amounts)

	For the Three Months Ended June 30,	
	2019	2018
Net income	**$ 10,580**	**$ 4,424**
Restructuring costs	—	1,158
Target Parent selling, general, and administrative costs	—	2,393
Other expense (income), net	456	(515)
Transaction expenses	1,428	—
Acquisition-related expenses	303	—
Stock-based compensation	210	—
Officer loan expense	509	—
Less: Income tax benefits	(681)	(765)
Adjusted net income	**$ 12,805**	**$ 6,679**
Weighted average shares outstanding	100,217,035	25,686,327
Net income per share, as reported	**$ 0.11**	**$ 0.17**
Adjusted diluted earnings per share	**$ 0.13**	**$ 0.26**

Exhibit 7

Target Hospitality Corp.
Reconciliation of Adjusted EBITDA to Net cash provided by operating activities to Adjusted free cash flow
($ in thousands)

	For the Six Months Ended June 30,	
	2019	2018
Adjusted EBITDA	**$ 82,534**	**$ 40,645**
Transaction bonus amounts	(28,519)	—
Transaction expenses	(9,474)	—
Acquisition-related expenses	(303)	—
Cash paid for interest	(6,321)	(6,104)
Officer loan expense	(1,583)	—
Cash paid for income taxes	(1,237)	72
Target Parent selling, general, and administrative costs	(246)	(7,585)
Restructuring costs	(168)	(7,414)
Other (income) expense, net	(418)	965
Gain on involuntary conversion	(11)	1,250
Working capital and other	(15,478)	(14,785)
Net cash provided by operating activities	**$ 18,776**	**$ 7,044**
Transaction bonus amounts	28,519	—
Transaction expenses	9,474	—
Acquisition-related expenses	303	—
Cash paid for interest	6,321	6,104
Officer loan expense	1,583	—
Cash paid for income taxes	1,237	(72)
Target Parent selling, general, and administrative costs	246	7,585
Restructuring costs	168	7,414
Other (income) expense, net	418	(965)
Gain on involuntary conversion	11	(1,250)
Working capital and other	15,478	14,785
Deferred revenue and customer deposits	(6,225)	(6,899)
Maintenance capital expenditures for specialty rental assets	(1,018)	(1,602)
Adjusted free cash flow	**$ 75,291**	**$ 32,144**

TARGET HOSPITALITY

Non-GAAP Reconciliations, continued

Exhibit 8

Target Hospitality Corp.
Reconciliation of Net income (loss) to EBITDA and Adjusted EBITDA
As Reported or Pro forma For Selected Periods
($ in thousands)

	Combined Pro Forma				As Reported		Combined Pro Forma
	Quarter Ended June 30, 2018	Quarter Ended September 30, 2018	Quarter Ended December 31, 2018	Year Ended December 31, 2018	Quarter Ended March 31, 2019	Quarter Ended June 30, 2019	Last Tweleve Months (LTM) June 30, 2019
Net income (loss)	**$ 17,359**	**$ 11,394**	**$ (920)**	**$ 31,873**	**$ (13,979)**	**$ 10,580**	**$ 7,075**
Interest expense, net	5,734	5,543	9,176	24,466	4,031	9,853	28,603
Loss on extinguishment of debt	-	-	-	-	907	-	907
Income tax expense (benefit)	671	1,678	9,176	11,755	(1,850)	4,121	13,125
Other depreciation and amortization	1,152	1,456	3,660	7,518	3,763	3,816	12,695
Depreciation of specialty rental assets	8,336	10,251	9,210	35,632	9,901	9,960	39,322
EBITDA	**$ 33,252**	**$ 30,322**	**$ 30,302**	**$ 111,244**	**$ 2,773**	**$ 38,330**	**$ 101,727**
Adjustments:							
Loss on impairment	-	-	15,320	15,320	-	-	15,320
Currency (gains) losses, net	68	4	77	149	-	-	81
Restructuring costs	1,158	415	764	8,593	168	-	1,347
Transaction expenses	848	1,134	5,934	8,400	8,046	1,428	16,542
Transaction bonus amounts	-	-	-	-	28,519	-	28,519
Stock-based compensation	-	-	-	-	-	210	210
Officer loan expense	-	-	-	-	1,583	-	1,583
Acquisition-related expenses	-	5,622	-	5,622	-	303	5,925
Non-routine bad-debt expense	-	1,192	-	1,192	-	-	1,192
Other expense (income), net	(1,053)	(422)	(6,888)	(8,275)	(38)	456	(6,892)
Other adjustments	-	-	-	-	-	509	509
Holdings selling, general, and adm. costs	1,967	1,617	(1,755)	7,378	246	-	108
Adjusted EBITDA	**$ 36,240**	**$ 39,884**	**$ 43,754**	**$ 149,623**	**$ 41,297**	**$ 41,236**	**$ 166,171**

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