



# Target Hospitality Announces 100 Room Expansion at El Capitan Community in Orla, Texas for a Major Integrated Producer Customer

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- Doubles room capacity within first year of operation
- Expansion underpinned by multi-year, guaranteed contract with a major integrated producer
- Expected to be operational in the second quarter of 2020

THE WOODLANDS, Texas--(BUSINESS WIRE)-- Target Hospitality Corp. ("Target Hospitality" or the "Company") (NASDAQ: TH), the largest provider of vertically-integrated specialty rental accommodations with premium catering and value-added hospitality services in the U.S., today announced a planned expansion of 100 rooms at its El Capitan community located in Orla, Texas within the Permian's Delaware Basin. This is the second expansion for this community that is directly tied to continued customer demand in the Delaware Basin, a growing hub of production, development, and capital investment.

Target Hospitality expects the \$4 million El Capitan expansion to be completed in the second quarter of 2020 and will increase the available room count to 400. As with the Company's prior investments in new greenfield communities, this expansion marks another successful project that resulted in rapid growth and doubled capacity within the first year of operation. A multi-year, guaranteed contract with a major integrated energy customer underpins the expansion of this community.

"With this expansion, Target continues to execute on our strategy of growing our lodges at attractive return profiles, and are incredibly pleased that this second expansion will double the size of this community in less than a year," said Brad Archer, President and Chief Executive Officer of Target Hospitality. "Continued investment in the Delaware Basin will further enhance our ability to support our clients' growing operations as our lodges continue to experience strong demand by our top tier customers for our premier full-turnkey hospitality services in this fast-growing region of the Permian Basin," concluded Mr. Archer.

This expansion follows the Company's recent [announcement](#) of contract renewals and extensions with four key customers. The expansion is reflective of the resiliency of the Permian Basin activity by major oil and gas producers and service providers.

Target Hospitality's El Capitan community located in Orla, Texas is a full-turnkey community featuring single-occupancy accommodations complete with private bathrooms, a state-of-the-art commercial kitchen with dining facility, on-premises laundry, and indoor and outdoor recreational areas. Guests also benefit from amenities such as 24-hour culinary services, housekeeping, security, and a safety code of conduct program that includes a "zero tolerance" drug and alcohol policy.

To see a complete list of Target Hospitality's communities, visit [www.targethospitality.com](http://www.targethospitality.com).

### **Cautionary Statement Regarding Forward Looking Statements**

Certain statements made in this press release are "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. When used in this press release, the words "estimates," "projected," "expects," "anticipates," "forecasts," "plans," "intends," "believes," "seeks," "may," "will," "should," "future," "propose" and variations of these words or similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside our control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Important factors, among others, that may affect actual results or outcomes include: continued customer demand and activity levels in the Permian Basin; continued expansion to new communities; operational, economic, political and regulatory risks; our ability to effectively compete in the specialty rental accommodations and hospitality services industry; effective management of our communities; natural disasters and other business disruptions; the effect of changes in state building codes on marketing our buildings; changes in demand within a number of key industry end-markets and geographic regions; our reliance on third party manufacturers and suppliers; failure to retain key personnel; and increases in raw material and labor costs. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

### **About Target Hospitality**

Target Hospitality is the largest provider of vertically integrated specialty rental accommodations and value-added hospitality services in the United States. Target Hospitality builds, owns, and operates customized housing communities for a range of end users, and offers a full suite of cost-effective hospitality solutions including culinary, catering, concierge, laundry and security services as well as recreational facilities. Target Hospitality primarily serves the energy and government sectors, and its growing network of 25 communities with over 13,000 rooms is designed to maximize workforce productivity and satisfaction.

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