



Target Hospitality Announces Second 400-Bed Expansion to Data Center Community, Increasing Total Capacity to Over 1,000 Beds

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THE WOODLANDS, Texas, Feb. 24, 2026 /PRNewswire/ -- Target Hospitality Corp. ("Target Hospitality", "Target" or the "Company") (Nasdaq: TH), one of North America's largest providers of vertically integrated modular accommodations and value-added hospitality services, today announced the second 400-bed community expansion ("Second Expansion") to the previously announced 250-bed data center community. The pace of this community's expansions underscores the strong industry momentum and reinforces both the importance of Target's workforce accommodations platform and the Company's focus on growing its presence in supporting AI infrastructure development.

With the Second Expansion, this highly customized and purpose-built campus will be capable of supporting up to 1,050 individuals (the "Expanded Data Center Community"), representing a 320% increase from the initial 250-bed community. As a reminder, this Expanded Data Center Community can grow to support up to 1,500 individuals.

The Second Expansion is expected to provide approximately \$49 million of committed minimum revenue over its initial two-year term beginning June 2026 through May 2028 (the "Second Expansion Contract"). Additionally, the Second Expansion Contract includes four one-year extension options, enabling continuity of services through May 2032.

The Second Expansion Contract increases total committed minimum revenue for the Expanded Data Center Community to more than \$130 million - over three times the initial \$43 million contract value. This incremental scale is expected to enhance margin contribution by enabling the Company to capture greater efficiencies from its fully integrated operating model and strong unit economics.

Target has begun construction activity of the Second Expansion and anticipates a net capital investment of approximately \$15 to \$18 million, with completion by June 2026.

This expansion reflects accelerating demand for customized workforce accommodations essential to AI and data center development. Target's vertically integrated platform positions the Company as a leading provider of these critical solutions and reinforces a core strategic growth vertical. It also supports ongoing discussions around additional potential commercial opportunities, including the growing demand for large-scale power-generation capabilities critical to technology infrastructure development.

"Target's rapid response to customer demand underscores the strength of our Hyper/Scale brand and speed-to-market execution across the data center value chain. Our scalable communities align with accelerating



development timelines, reinforcing Target as a trusted provider of essential workforce accommodations. Backed by strong industry momentum, we are well-positioned to accelerate our next phase of strategic growth," stated Brad Archer, President and Chief Executive Officer.

About Target Hospitality

Target Hospitality is one of North America's largest providers of vertically integrated modular accommodations and value-added hospitality services in the United States. Target builds, owns and operates a customized and growing network of communities for a range of end users through a full suite of value-added solutions including premium food service management, concierge, laundry, logistics, security and recreational facilities services.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements made in this press release (including the financial outlook contained herein) 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: operational, economic, including inflation, political and regulatory risks; our ability to effectively compete in the specialty rental accommodations and hospitality services industry, including growing the HFS – South, Workforce Hospitality Solutions and Government segments; effective management of our communities; natural disasters and other business disruptions, including outbreaks of epidemic or pandemic disease; the duration of any future public health crisis, related economic repercussions and the resulting negative impact to global economic demand; 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; changes in end-market demand requirements that could lead to cancellation of contracts for convenience in the Government segment; our reliance on third party manufacturers and suppliers; failure to retain key personnel; increases in raw material and labor costs; the effect of impairment charges on our operating results; our future operating results fluctuating, failing to match performance or to meet expectations; our exposure to various possible claims and the potential inadequacy of our insurance; unanticipated changes in our tax obligations; our obligations under various laws and regulations; the effect of litigation, judgments, orders, regulatory or customer bankruptcy proceedings on our business; our ability to successfully acquire and integrate new operations; global or local economic and political movements, including any changes in policy under the Trump administration or any future administration; federal government budgeting and appropriations; our ability to effectively manage our credit risk, liquidity and collect on our accounts receivable; our ability to fulfill Target Hospitality's public company obligations; any failure of our management information systems; and our ability to refinance debt on favorable terms and meet our debt service requirements and obligations. 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.

Investor Contact

Mark Schuck
(832) 702 – 8009

ir@targethospitality.com

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