



Target Hospitality Expands Data Center Community by 160% to Meet Accelerating Customer Demand

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THE WOODLANDS, Texas, Nov. 17, 2025 /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 a 400-bed community expansion ("Community Expansion" or the "Expansion") to the previously announced 250-bed data center community ("Data Center Community" or the "Community").

The Community Expansion represents a 160% increase from the initial Community size, resulting in a customized and purpose-built community capable of supporting up to 650 individuals ("Expanded Data Center Community"). As a reminder, this Community can grow to support up to 1,500 individuals.

The Expansion is expected to provide approximately \$40 million of committed minimum revenue over its initial two-year term through March 2028 ("Expansion Contract"). Additionally, the Expansion Contract includes four one-year extension options after the initial term, enabling seamless contract extensions through March 2032.

The Expansion Contract increases the total contract value for the Expanded Data Center Community to approximately \$83 million in committed minimum revenue, representing an over 90% increase from the initial \$43 million Data Center Community contract value.

Target will utilize a portion of its existing asset portfolio to complete the Community Expansion, resulting in a capital investment of approximately \$10 to \$15 million. The Company will begin construction on the Expansion in the fourth quarter of 2025, with anticipated completion in the first quarter of 2026. This decision illustrates Target's ability to utilize existing assets to service a range of end-market demand while simultaneously high-grading its contract portfolio.

The pace of Target's customer activity underscores the growing demand for purpose-built, highly customized hospitality solutions, which are crucial to the development of AI and data center infrastructure. With this increased focus on workforce accommodations, Target is in advanced discussions regarding other potential commercial opportunities to support this accelerating industry demand. Target's ability to deliver tailored communities focused on speed-to-market solutions positions the Company as a critical part of the data center value chain, creating a key strategic growth vertical.

"We are excited to support the rapid growth in our customers' demand and provide vital solutions that contribute to the success of this data center project. The development activity is remarkable, with the community size increasing by 160% in three months, exceeding our expectations. Target's ability to respond to this accelerated demand demonstrates the advantages of our vertically integrated accommodations platform and the unique

capabilities of our Target Hyper/Scale brand. We believe these qualities establish Target as an essential partner in this industry and a leading provider of customized hospitality solutions that support this rapidly expanding AI and data center end market," 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, Government and Workforce Hospitality Solutions 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; our ability to refinance debt on favorable terms and meet our debt service requirements and obligations; and risks related to our outstanding debt 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.

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