



Target Hospitality Expands Strategic Diversification with Multi-Year Contract Supporting Growing Data Center End-Market

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THE WOODLANDS, Texas, Aug. 18, 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 multi-year lease and services agreement ("Data Center Community Contract") to construct and provide comprehensive facility services and hospitality solutions supporting the development of a regional data center campus located in the Southwestern United States ("Data Center Community" or the "Community").

Target will construct and provide full turnkey support for the Data Center Community, including premium culinary offerings, facilities management, and comprehensive support services. The purpose-built and highly customized Community will support an initial population of 250 individuals, with the capability to expand to approximately 1,500 individuals. Target anticipates first occupancy by late 2025 and potential Community expansions to meet growing customer demand in future years.

The Data Center Community Contract, which has an initial term through September 2027, is expected to generate approximately \$43 million of committed minimum revenue over its initial term. The Company anticipates approximately \$5 million of revenue will be realized in 2025.

The Company will utilize a portion of its existing asset portfolio to construct the premium Data Center Community, resulting in a minimal net capital investment of approximately \$6 to \$9 million in 2025. This decision will further enhance economic returns, while simultaneously supporting the Company's financial flexibility and capacity to quickly react to other value-enhancing growth opportunities as they arise.

This agreement highlights Target's capability to deliver comprehensive turnkey solutions across diverse commercial end-markets, and with over \$1 trillion in committed technology infrastructure investments announced since January 2025, the Company believes there are meaningful opportunities to capitalize on this historic domestic investment cycle.

"We are excited to announce this contract and the continued progress on our strategic initiatives. This contract broadens our customer reach and further illustrates our ability to deliver comprehensive hospitality solutions across diverse commercial end-markets. Our unique capabilities provide a critical solution supporting this growing end-market demand, and we believe there are additional opportunities to participate in the rapidly expanding technology infrastructure transformation," 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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