



# Target Hospitality Reiterates Strong Capital Structure and Operational Flexibility

3/10/2020

THE WOODLANDS, Texas--(BUSINESS WIRE)-- Target Hospitality Corp. ("Target Hospitality", "Target" or the "Company") (NASDAQ: TH), the largest provider of vertically-integrated specialty hospitality accommodations with premium catering and value-added hospitality services in the U.S., today provided that Target has significant flexibility to quickly adapt operationally to changing market conditions in order to maintain its strong capital structure and cash flow generating capabilities.

"In addition to our strong balance sheet, we have significant cash flow generating capabilities that will serve to further enhance our already solid financial position. Further, our highly discretionary capital expenditures and meaningful variable costs allow us to maintain our cash flow generating capabilities in current market conditions. We are focused on taking decisive action to defend our cash flow generation in this environment and over the long-term," stated Brad Archer, President and Chief Executive Officer.

## Balance Sheet and Liquidity:

- The company's \$125 million asset-based credit facility, maturing in September 2023, has no immediate covenants, liquidity, or minimum credit rating requirements. The facility is based on annual appraised book value only.
- As of September 30, 2019, the Company had liquidity of approximately \$59 million, with net leverage ratio of 2.4 times as defined by its credit facility.
- The Company's long-term debt has no near-term maturities and primarily consists of \$340 million in Senior Secured Notes due 2024.
- The Company has significant cash flow generating capabilities and may adjust or defer its capital spending to ensure it continues to produce substantial discretionary cash flow through 2020 and over the long-term.

## Fourth Quarter and Full Year 2019 Earnings:

As previously [announced](#), the Company will release its fourth quarter and full year 2019 financial results after the market closes on Wednesday, March 11, 2020. The Company has also scheduled a conference call for Thursday, March 12, 2020 at 8:00 a.m. Central Time (9:00 am Eastern Time) to discuss the results.

## 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.

### **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, including pandemics 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.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20200310005903/en/): <https://www.businesswire.com/news/home/20200310005903/en/>

### **Investor Contact**

Mark Schuck  
(832) 702 – 8009  
[ir@targethospitality.com](mailto:ir@targethospitality.com)

Source: Target Hospitality Corp.