CONSOLIDATED STATEMENTS OF OFERATIONS (Orlandiced	Three Mor	nths Ended e 30	Six Months Ended June 30				
(In thousands, except per share amounts)	2019	2018	2019	2018			
Revenues from continuing operations:							
Service revenues	\$238,003	\$ 245,708	\$ 467,523	\$ 489,918			
Product revenues	112,895	94,199	213,277	174,429			
Total revenues	350,898	339,907	680,800	664,347			
Costs and expenses from continuing operations:							
Cost of services sold	186,840	187,393	368,711	379,068			
Cost of products sold	79,355	64,849	148,664	123,802			
Selling, general and administrative expenses	67,501	49,609	123,907	98,208			
Research and development expenses	1,120	1,006	1,869	1,827			
Other (income) expenses, net	(1,717)	(1,014)		650			
Total costs and expenses	333,099	301,843	643,177	603,555			
Operating income from continuing operations	17,799	38,064	37,623	60,792			
Interest income	591	577	1,124	1,070			
Interest expense	(6,103)	(5,681)		(11,271)			
Unused debt commitment and amendment fees	(7,435)	_	(7,435)	_			
Loss on early extinguishment of debt	_	(1,034)		(1,034)			
Defined benefit pension income (expense)	(1,472)	904	(2,810)	1,743			
Income from continuing operations before income taxes and equity income	3,380	32,830	16,892	51,300			
Income tax (expense) benefit	(3,994)	502	(5,213)	(5,696)			
Equity income of unconsolidated entities, net	49	_	70	_			
Income (loss) from continuing operations	(565)	33,332	11,749	45,604			
Discontinued operations:	()						
Income from discontinued businesses	9,936	11,988	23,686	21,233			
Income tax (expense) benefit related to discontinued businesses	1,558	(2,609)		(4,549)			
Income from discontinued operations	11,494	9,379	21,717	16,684			
Net income	10,929	42,711	33,466	62,288			
Less: Net income attributable to noncontrolling interests	(2,287)	(2,222)	(4,127)	(3,991)			
Net income attributable to Harsco Corporation	\$ 8,642	\$ 40,489	\$ 29,339	\$ 58,297			
Amounts attributable to Harsco Corporation common st	ockholders:						
Income (loss) from continuing operations, net of tax	\$ (2,852)	\$ 31,110	\$ 7,622	\$ 41,613			
Loss from discontinued operations, net of tax	11,494	9,379	21,717	16,684			
Net income attributable to Harsco Corporation common stockholders	\$ 8,642	\$ 40,489	\$ 29,339	\$ 58,297			
Weighted-average shares of common stock outstanding	80,328	80,861	80,119	80,756			
Basic earnings (loss) per common share attributable to H	Harsco Corpo	•		· · · · · · · · · · · · · · · · · · ·			
Continuing operations	\$ (0.04)	\$ 0.38	\$ 0.10	\$ 0.52			
Discontinued operations	0.14	0.12	0.27	0.21			
Basic earnings per share attributable to Harsco Corporation common stockholders	\$ 0.11 _{(i}	\$ 0.50	\$ 0.37	\$ 0.72 _(a)			
Diluted weighted-average shares of common stock outstanding	80,328	83,643	82,074	83,594			
Diluted earnings (loss) per common share attributable to	o Harsco Cor	poration co	mmon stockh	iolders:			
Continuing operations	\$ (0.04)	\$ 0.37	\$ 0.09	\$ 0.50			
Discontinued operations	0.14	0.11	0.26	0.20			
Diluted earnings per share attributable to Harsco Corporation common stockholders (a) Does not total due to rounding	\$ 0.11 _{(i}	\$ 0.48	\$ 0.36	\$ 0.70			
TALLIOES NOT TOTAL ONE TO COUNCING							

Restricted cash 2,985 2,86 Trade accounts receivable, net 333,357 246,42 Other receivables 53,019 53,77 Inventories 133,890 116,18 Current portion of contract assets 8,215 12,12 Current portion of assets held-for-sale 91,979 75,22 Other current assets 781,957 655,00 Property, plant and equipment, net 550,671 432,78 Right-of-use assets, net 44,145	(In thousands)		June 30 2019	De	cember 31 2018
Cash and cash equivalents \$ 106,094 \$ 64,26 Restricted cash 2,985 2,985 22,68 Trade accounts receivable, net 333,357 264,64 Other receivables 133,899 116,18 Inventories 133,899 116,18 Current portion of contract assets 8,215 12,13 Current portion of assets held-for-sale 91,979 752,21 Current assets 781,957 605,00 Property, plant and equipment, net 550,671 432,78 Right of-use assets, net 44,145 404,77 Intangible assets, net 16,764 445,27 Ober assets 16,764 445,25 Other assets 16,764 445,25 Other assets 116,764 445,25 Other assets 116,764 445,25 Other assets 116,764 445,25 Other assets 117,628 14,22 Other assets 117,628 14,22 Other assets 117,628 14,22 Current liabiliti	ASSETS				
Restricted cash 2,985 2,881 Trade accounts receivable, net 333,357 246,42 Other receivables 35,019 53,71 Inventories 133,890 116,18 Current portion of contract assets 8,215 121,12 Current portion of assets held-for-sale 91,979 75,22 Other current assets 781,957 605,03 Property, plant and equipment, net 550,671 432,78 Right-of-fuse assets, net 44,145	Current assets:				
Trade accounts receivable, net	Cash and cash equivalents	\$	106,094	\$	64,260
Other receivables \$3,019 \$3,71 Inventories \$33,099 \$16,18 Current portion of contract assets \$2,15 \$12,15 Current portion of assets held-for-sale \$19,797 \$75,25 Other current assets \$24,418 \$44,15 Total current assets \$50,671 \$432,78 Right-of-fuse assets, net \$41,45 \$44,45 Goodwill \$71,722 \$404,71 Intangible assets, net \$16,764 \$48,55 Deferred income tax assets \$6,20 \$6,20 Corberaseds \$1,47,43 \$5,33 Assets held-for-sale \$1,47,43 \$5,33 Other assets \$1,999 \$1,22 Total assets \$1,000 \$1,000 Current inaturities of long-term debt \$6,840 \$6,44 Accounts payable \$16,840 \$6,44 Accounts payable \$39,82 \$6,260 Accuraced compensation \$14,42 \$50,20 Insurance liabilities \$1,296 \$6,260 Current portion	Restricted cash		2,985		2,886
Inventories	Trade accounts receivable, net		333,357		246,427
Current portion of contract assets 8,215 12.15 Current portion of assets held-for-sale 91,979 75,225 Other current assets 781,957 605,00 Property, plant and equipment, net 550,671 432,73 Right-of-use assets, net 44,145 44,145 Goodwill 717,727 444,71 Intangible assets, net 226,688 69,20 Defered income tax assets 16,764 48,55 Assets held-for-sale 74,743 55,33 Other assets 21,999 17,22 Total assets 2,534,694 1,632,88 LIABILITES 1,005 1,005 Current mutrities of long-term debt 6,84 6,44 Acquisition consideration payable 39,182 1,005 Acquisition consideration payable 39,182 2,002 Income taxes payable 39,002 2,002 Insurance liabilities 40,664 40,77 Current portion of advances on contracts 45,787 29,40 Current portion of liabilities of assets held-for-sale	Other receivables		53,019		53,770
Current portion of assets held-for-sale 91,979 75,25 Other current assets 52,418 34,14 Total current assets 760,50 605,00 Property, plant and equipment, net 550,671 432,75 Right-of-use assets, net 44,145 500 Goodwill 717,727 404,71 Intengible assets, net 326,688 69,22 Deferred income tax assets 16,764 48,55 Assets held-for-sale 74,743 55,33 Other assets 2,199 71,22 Total assets 5,10,405 1,632,88 LIABILITIES 5 1,00 6,840 6,840 Current liabilities 5 1,045 1,00 6,840 6,84 6	Inventories		133,890		116,185
Other current assets 52,418 34,12 Total current assets 781,957 605,00 Property, plant and equipment, net 555,0671 432,78 Right-of-use assets, net 44,145 404,71 Goodwill 717,227 404,71 Intangible assets, net 326,688 69,20 Deferred income tax assets 16,764 48,55 Assets held-for-sale 71,723 55,33 Other assets 21,999 17,22 Total assets 21,999 17,22 Current liabilities 31,000 17,000 Current morrowings 51,000 64 Accounts payable 39,182 2,000 Accounts payable 39,182 2,000 Insurance liabilities 40,664 40,77 Current portion of operating lease liabilities 12,000	Current portion of contract assets		8,215		12,130
Total current assets 781,957 605,057 Property, plant and equipment, net 550,671 432,75 Right-of-use assets, net 44,145 717,727 404,77 Coodwill 717,727 404,77 60,20 Intangible assets, net 16,668 89,20 Deferred income tax assets 16,674 48,55 Assets held-for-sale 71,929 17,22 Total assets 21,999 17,22 INBLITIES Total assets 10,005 Current Ibabilities 810,005 6,48 Current maturities of long-term debt 6,840 6,44 Accounts payable 15,800 6,44 Accupilition consideration payable 39,182 10,20 Accurrent decompensation 41,442 50,20 Insurance liabilities 40,664 40,7 Current portion of advances on contracts 45,787 20,40 Current portion of advances on contracts 38,07 39,44 Current portion of liabilities of assets held-for-sale 38,07 39,41	Current portion of assets held-for-sale		91,979		75,232
Property, plant and equipment, net \$50,671 432,75 Right-of-use assets, net 44,145 40,475 Goodwill 717,727 404,77 Intangible assets, net 326,688 69,20 Deferred income tax assets 16,764 48,55 Assets held-for-sale 74,743 55,33 Other assets 21,999 17,22 Total assets 21,999 17,22 Total assets 21,999 17,22 Curset maturities \$ 10,005 \$ 1632,88 LIABILITIES S 1,005 \$ 10,005 \$ 1	Other current assets		52,418		34,144
Right-of-use assets, net 44,145 Goodwill 717,727 40,471 Intangible assets, net 326,688 69,20 Deferred income tax assets 16,764 48,55 Assets held-for-sale 74,743 55,33 Other assets 21,999 17,22 Total assets 21,999 17,22 LIABILITIES Total sets 5 10,00 5 10,00 Current maturities of long-term debt 6,840 6,44 Accounts payable 39,182	Total current assets		781,957		605,034
Right-of-use assets, net 44,145 Goodwill 717,727 40,471 Intangible assets, net 326,688 69,20 Deferred income tax assets 16,764 48,55 Assets held-for-sale 74,743 55,33 Other assets 21,999 17,22 Total assets 21,999 17,22 LIABILITIES Total sets 5 10,00 5 10,00 Current maturities of long-term debt 6,840 6,44 Accounts payable 39,182	Property, plant and equipment, net		550,671		432,793
Goodwill 717,727 404,77 Intangible assets, net 326,688 69,20 Deferred income tax assets 16,764 48,55 Assets held-for-sale 74,743 55,33 Other assets 21,999 17,23 Total assets 22,346,694 10,23 LABILITIES Total assets 510,005 \$ 10,00 Current liabilities: Short-term borrowings \$ 10,00 6,48 Accounts payable 16,840 6,48 Acquisition consideration payable 39,182 - Accrued compensation 41,442 50,20 Income taxes payable 890 2,62 Insurance liabilities 40,664 40,77 Current portion of advances on contracts 45,787 29,40 Current portion of iabilities of assets held-for-sale 38,077 39,44 Other current liabilities 120,051 113,01 Total current liabilities 13,034 155,54 Long-term debt 13,13,443 555,66 Insurance liabilities <t< td=""><td></td><td></td><td></td><td></td><td></td></t<>					
Intangible assets, net 326,688 69,20 Deferred income tax assets 16,74 48,55 Assets held-for-sale 74,743 55,33 Other assets 21,999 17,23 Total assets 22,534,694 5,032,80 LABILITIES Use a second of the se					404,713
Deferred income tax assets 16,764 48,55 Assets held-for-sale 71,793 55,33 Other assets 21,999 17,22 INBLITIES 2,534,694 \$ 16,328 Current liabilities: Short-term borrowings \$ 10,005 \$ 10,005 Current maturities of long-term debt 6,48 6,48 6,48 Accounts payable 39,182 7,202 6,202 Accquistion consideration payable 39,182 6,202 6,202 Acquisition consideration payable 890 2,662 6,202 Insurance liabilities 40,664 40,77 2,002 Insurance liabilities 40,664 40,77 2,002 Current portion of operating lease liabilities 12,960 2,002 Current portion of operating lease liabilities 12,960 2,002 Current portion of liabilities of assets held-for-sale 38,077 39,44 Object current liabilities 32,206 41,905 41,905 Insurance liabilities 13,31,343 585,60 41,905 41,905					69,207
Assets held-for-sale 74,743 55,33 Other assets 21,999 17,21 Total assets 2,534,694 5,032,80 LIABILITIES S 10,005 \$ 10,005 Short-term botrrowings \$ 10,005 \$ 10,005 \$ 10,005 Current maturities of long-term debt 6,840 6,44 6,44 Accounts payable 176,308 124,90 12,90					48,551
Other assets 21,999 17,22 Total assets \$ 2,534,694 \$ 1,632,802 LIABILITIES Urrent liabilities: Short-term borrowings \$ 10,405 \$ 10,005 Current maturities of long-term debt 6,840 6,44 Accounts payable 39,182 10,002 Accounts payable 39,182 2,002 Income taxes payable 890 2,603 Insurance liabilities 40,664 40,77 Current portion of advances on contracts 45,787 29,402 Current portion of poerating lease liabilities 12,900 40,604 40,77 Current portion of poerating lease liabilities 38,97 39,44 Other current liabilities of assests held-for-sale 38,000 41,39 41,39 Insurance liabilities 19,215 19,25 213,50 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41,39 41					55,331
Total assets \$ 1,632,864 LIABILITIES Current liabilities \$ 10,405 \$ 10,005 Current maturities of long-term debt 6,840 6,44 Accounts payable 176,308 124,96 Acquisition consideration payable 39,182 40,664 Acquisition consideration payable 890 2,66 Insurance liabilities 890 2,66 Insurance liabilities 40,664 40,77 Current portion of advances on contracts 45,787 29,44 Current portion of liabilities of assets held-for-sale 38,077 39,44 Other current liabilities 12,960 41,699 Current portion of poperating lease liabilities 12,960 41,699 Current portion of liabilities of assets held-for-sale 38,077 39,44 Other current liabilities 1313,433 855,66 416,99 Insurance liabilities 19,052 213,55 416,99 Retirement plan liabilities 19,052 213,55 416,99 Operating lease liabilities 19,052 213,55					
LABILITIES Current liabilities Short-term borrowings \$ 10,405 \$ 10,005 Current maturities of long-term debt 6,840 6,44 Accounts payable 176,308 124,98 Acquisition consideration payable 39,182		\$		\$	
Current liabilities: 5 10,405 \$ 10,005<			2,334,034	-	1,032,007
Short-term borrowings \$ 10,405 \$ 10,00 Current maturities of long-term debt 6,840 6,840 Accounts payable 176,308 124,98 Acquisition consideration payable 39,182					
Current maturities of long-term debt 6,840 6,44 Accounts payable 176,308 124,99 Acquisition consideration payable 39,182		¢	10 405	¢	10.079
Accounts payable 176,308 124,90 Acquisition consideration payable 39,182 39,182 Accrued compensation 41,442 50,20 Income taxes payable 890 2,63 Insurance liabilities 40,664 40,77 Current portion of advances on contracts 45,787 29,40 Current portion of operating lease liabilities 12,960 30,47 Current portion of liabilities of assets held-for-sale 38,077 39,47 Other current liabilities 32,066 416,98 Long-term debt 532,606 416,98 Insurance liabilities 532,606 416,95 Insurance liabilities 19,721 19,57 Retirement plan liabilities 19,525 213,57 Advances on contracts 9,642 37,67 Operating lease liabilities 31,440 31,440 Liabilities of assets held-for-sale 15,549 55 Other liabilities 31,440 31,440 31,440 Liabilities of assets held-for-sale 15,549 55		Þ	•	Ф	
Acquisition consideration payable 39,182 Accrued compensation 41,442 50,20 Income taxes payable 890 2,63 Insurance liabilities 40,664 40,77 Current portion of advances on contracts 45,787 29,40 Current portion of perating lease liabilities 12,960 38,077 39,41 Current portion of liabilities of assets held-for-sale 38,077 39,41 Other current liabilities 532,606 416,99 Long-term debt 1,313,843 585,61 Insurance liabilities 19,721 19,57 Retirement plan liabilities 190,525 213,57 Advances on contracts 9,642 37,67 Operating lease liabilities 31,440 55 Liabilities of assets held-for-sale 15,549 55 Other liabilities 72,254 45,45 Total liabilities 2,185,580 1,319,49 HARSCO CORPORATION STOCKHOLDERS' EQUITY 2,185,580 1,319,49 Common stock 143,394 141,84 Additional paid-in capital 195,034 190,55 Retai	_				
Accrued compensation 41,442 50,20 Income taxes payable 890 2,63 Insurance liabilities 40,664 40,77 Current portion of advances on contracts 45,787 29,40 Current portion of operating lease liabilities 12,960					124,984
Income taxes payable 890 2,65 Insurance liabilities 40,664 40,77 Current portion of advances on contracts 45,787 29,44 Current portion of poperating lease liabilities 12,960	, , ,				
Insurance liabilities 40,664 40,77 Current portion of advances on contracts 45,787 29,40 Current portion of operating lease liabilities 12,960	·				
Current portion of advances on contracts 45,787 29,40 Current portion of operating lease liabilities 12,960 20 Current portion of liabilities of assets held-for-sale 38,077 39,41 Other current liabilities 120,051 113,01 Total current liabilities 532,606 416,99 Long-term debt 1,313,843 585,60 Insurance liabilities 19,721 19,55 Retirement plan liabilities 190,525 213,57 Advances on contracts 9,642 37,67 Operating lease liabilities 31,440 31,440 Liabilities of assets held-for-sale 15,549 55 Other liabilities 72,254 45,45 Total liabilities 72,254 45,45 Total liabilities 143,394 141,84 Additional paid-in capital 195,034 190,55 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,75 Treasury stock (807,003) (795,82 Total Ha	, ē				2,634
Current portion of operating lease liabilities 12,960 Current portion of liabilities of assets held-for-sale 38,077 39,41 Other current liabilities 120,051 113,01 Total current liabilities 532,606 416,99 Long-term debt 1,313,843 585,60 Insurance liabilities 19,721 19,52 Retirement plan liabilities 190,525 213,57 Advances on contracts 9,642 37,67 Operating lease liabilities 31,440 50 Underliabilities of assets held-for-sale 15,549 50 Other liabilities 72,254 45,45 Total liabilities 2,185,580 1,319,45 HARSCO CORPORATION STOCKHOLDERS' EQUITY 50 143,394 141,88 Additional paid-in capital 195,034 190,50 195,50 Accumulated other comprehensive loss (580,229) (567,50 1,298,75 Treasury stock (807,003) 795,82 70 70 70 70 70 70 70 70 70					
Current portion of liabilities of assets held-for-sale 38,077 39,47 Other current liabilities 120,051 113,01 Total current liabilities 532,606 416,99 Long-term debt 1,313,843 585,60 Insurance liabilities 19,721 19,57 Retirement plan liabilities 190,525 213,57 Advances on contracts 9,642 37,67 Operating lease liabilities 31,440	·				29,407
Other current liabilities 120,051 113,001 Total current liabilities 532,606 416,99 Long-term debt 1,313,843 585,60 Insurance liabilities 19,721 19,52 Retirement plan liabilities 190,525 213,57 Advances on contracts 9,642 37,67 Operating lease liabilities 31,440 50 Liabilities of assets held-for-sale 15,549 50 Other liabilities 72,254 45,45 Total liabilities 2,185,580 1,319,45 HARSCO CORPORATION STOCKHOLDERS' EQUITY Common stock 143,394 141,84 Additional paid-in capital 195,034 190,55 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,75 Treasury stock 807,003 (795,82 Total Harsco Corporation stockholders' equity 300,716 268,20 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,33					_
Total current liabilities 532,606 416,99 Long-term debt 1,313,843 585,60 Insurance liabilities 19,721 19,52 Retirement plan liabilities 190,525 213,53 Advances on contracts 9,642 37,60 Operating lease liabilities 31,440 31,440 Liabilities of assets held-for-sale 15,549 55 Other liabilities 72,254 45,45 Total liabilities 2,185,580 1,319,49 HARSCO CORPORATION STOCKHOLDERS' EQUITY 4143,394 141,84 Additional paid-in capital 195,034 190,55 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,75 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	•		•		39,410
Long-term debt 1,313,843 585,66 Insurance liabilities 19,721 19,52 Retirement plan liabilities 190,525 213,57 Advances on contracts 9,642 37,67 Operating lease liabilities 31,440 Liabilities of assets held-for-sale 15,549 55 Other liabilities 72,254 45,45 Total liabilities 2,185,580 1,319,49 HARSCO CORPORATION STOCKHOLDERS' EQUITY Common stock 143,394 141,84 Additional paid-in capital 195,034 190,55 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,75 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37			120,051		113,019
Insurance liabilities 19,721 19,525 Retirement plan liabilities 190,525 213,52 Advances on contracts 9,642 37,67 Operating lease liabilities 31,440 50 Liabilities of assets held-for-sale 15,549 55 Other liabilities 72,254 45,45 Total liabilities 72,254 45,45 HARSCO CORPORATION STOCKHOLDERS' EQUITY 30 143,394 141,86 Additional paid-in capital 195,034 190,55 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,75 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,35					416,996
Retirement plan liabilities 190,525 213,57 Advances on contracts 9,642 37,67 Operating lease liabilities 31,440	<u> </u>				585,662
Advances on contracts 9,642 37,67 Operating lease liabilities 31,440 31,440 Liabilities of assets held-for-sale 15,549 55 Other liabilities 72,254 45,45 Total liabilities 2,185,580 1,319,45 HARSCO CORPORATION STOCKHOLDERS' EQUITY 314,394 141,84 Additional paid-in capital 195,034 190,59 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,75 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37			19,721		19,575
Operating lease liabilities 31,440 Liabilities of assets held-for-sale 15,549 55 Other liabilities 72,254 45,45 Total liabilities 2,185,580 1,319,49 HARSCO CORPORATION STOCKHOLDERS' EQUITY Common stock 143,394 141,84 Additional paid-in capital 195,034 190,59 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,79 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	·		190,525		213,578
Liabilities of assets held-for-sale 15,549 55 Other liabilities 72,254 45,45 Total liabilities 2,185,580 1,319,49 HARSCO CORPORATION STOCKHOLDERS' EQUITY Common stock 143,394 141,84 Additional paid-in capital 195,034 190,59 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,79 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	Advances on contracts		9,642		37,675
Other liabilities 72,254 45,45 Total liabilities 2,185,580 1,319,49 HARSCO CORPORATION STOCKHOLDERS' EQUITY Common stock 143,394 141,84 Additional paid-in capital 195,034 190,59 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,79 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	Operating lease liabilities		31,440		_
Total liabilities 2,185,580 1,319,49 HARSCO CORPORATION STOCKHOLDERS' EQUITY Common stock 143,394 141,84 Additional paid-in capital 195,034 190,59 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,79 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	Liabilities of assets held-for-sale		15,549		555
HARSCO CORPORATION STOCKHOLDERS' EQUITY Common stock 143,394 141,824 Additional paid-in capital 195,034 190,59 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,75 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	Other liabilities		72,254		45,450
Common stock 143,394 141,84 Additional paid-in capital 195,034 190,59 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,79 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	Total liabilities		2,185,580		1,319,491
Additional paid-in capital 195,034 190,59 Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,79 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	HARSCO CORPORATION STOCKHOLDERS' EQUITY				
Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,75 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	Common stock		143,394		141,842
Accumulated other comprehensive loss (580,229) (567,10 Retained earnings 1,349,520 1,298,75 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	Additional paid-in capital		195,034		190,597
Retained earnings 1,349,520 1,298,75 Treasury stock (807,003) (795,82 Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37			(580,229)		(567,107)
Treasury stock (807,003) (795,82) Total Harsco Corporation stockholders' equity 300,716 268,26 Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37					1,298,752
Total Harsco Corporation stockholders' equity300,716268,26Noncontrolling interests48,39845,11Total equity349,114313,37					(795,821)
Noncontrolling interests 48,398 45,11 Total equity 349,114 313,37	•				268,263
Total equity 349,114 313,37	· · · · · · · · · · · · · · · · · · ·				45,113
	•				313,376
10tal liabilities and edulty 5 2.534.694 \$ 1.637.80	Total liabilities and equity	\$		\$	1,632,867

		ree Mon June)	Six Mont Jun)
(In thousands)	20)19	 2018	 2019	 2018
Cash flows from operating activities:	_	40.000	40.744	22.466	62.200
Net income	\$ 	10,929	\$ 42,711	\$ 33,466	\$ 62,288
Adjustments to reconcile net income to net cash provided (used) by	operating		20 507	F0 0F7	62.005
Depreciation		29,653	30,587	59,857	62,005
Amortization		2,747	2,632	5,792	4,566
Deferred income tax expense (benefit)		(4,418)	(4,295)	(3,823)	340
Equity in income of unconsolidated entities, net		(50)	_	(70)	_
Other, net		2,840	1,093	2,561	3,037
Changes in assets and liabilities:					
Accounts receivable		(23,764)	(16,597)	(27,034)	(21,445
Inventories		(6,049)	315	(20,497)	(11,175
Contract assets		(6,839)	4,305	(69)	(1,393)
Right-of-use assets		3,333	_	7,228	_
Accounts payable		7,818	19	10,917	7,359
Accrued interest payable		196	(109)	285	(58)
Accrued compensation		5,399	10,086	(14,525)	(16,045)
Advances on contracts		(6,975)	(5,768)	(10,381)	(13,116
Operating lease liabilities		(2,981)	_	(6,894)	_
Retirement plan liabilities, net		(3,743)	(6,078)	(13,146)	(18,330)
Other assets and liabilities		(17,562)	(3,959)	(18,295)	(11,334)
Net cash provided (used) by operating activities		(9,466)	54,942	5,372	46,699
Cash flows from investing activities:					
Purchases of property, plant and equipment		(54,794)	(29,599)	(91,201)	(56,496)
Purchases of businesses, net of cash acquired		(585,165)	(56,389)	(584,485)	(56,389)
Proceeds from sales of assets		1,028	2,776	2,205	3,153
Purchase of intangible assets		(525)	_	(525)	_
Net payments from settlement of foreign currency forward exchange contracts		3,400	880	(691)	(2,942)
Payments for interest rate swap terminations		(2,758)	_	(2,758)	_
Net cash used by investing activities		(638,814)	(82,332)	(677,455)	(112,674
Cash flows from financing activities:					
Short-term borrowings, net		3,662	682	84	(2,977)
Current maturities and long-term debt:					
Additions		683,362	78,858	740,360	124,858
Reductions		(1,633)	(40,249)	(3,333)	(43,193)
Dividends paid to noncontrolling interests		(3,098)	(4,609)	(3,098)	(4,609)
Sale of noncontrolling interests		_	_	876	477
Stock-based compensation - Employee taxes paid		(2,930)	(2,905)	(11,167)	(3,614
Deferred financing costs		(9,464)	(354)	(9,464)	(354)
Net cash provided by financing activities		669,899	31,423	714,258	70,588
Effect of exchange rate changes on cash and cash equivalents, including restricted cash		(225)	(4,473)	(242)	(3,735
Net increase (decrease) in cash and cash equivalents, including restricted cash		21,394	(440)	 41,933	 878
Cash and cash equivalents, including restricted cash, at beginning of period		87,685	67,527	67,146	66,209
Cash and cash equivalents, including restricted cash, at end of period	\$	109,079	\$ 67,087	\$ 109,079	\$ 67,087

		Three Mon June 30				Three Mon June 30		
(In thousands)	R	evenues	0	perating Income (Loss)	R	evenues	0	perating Income (Loss)
Harsco Environmental	\$	269,338	\$	27,577	\$	272,320	\$	35,661
Harsco Clean Earth (a)		_		_		_		_
Harsco Rail		81,560		9,443		67,552		8,618
Corporate		_		(19,221)		35		(6,215)
Consolidated Totals	\$	350,898	\$	17,799	\$	339,907	\$	38,064
		Six Mont June 30				Six Mont June 30		
(In thousands)			0, 2 O				0, 20 O	
(In thousands) Harsco Environmental		June 30	0, 2 O	019 Operating Income		June 30	0, 20 O	018 perating income
		June 30	0, 2 O	019 Pperating Income (Loss)		June 30	0, 20 O	perating Income (Loss)
Harsco Environmental		June 30	0, 2 O	019 Pperating Income (Loss)		June 30	0, 20 O	perating Income (Loss)
Harsco Environmental Harsco Clean Earth (a)		June 30 evenues 530,650	0, 2 O	019 perating Income (Loss) 52,074		June 30 evenues 537,043 —	0, 20 O	perating Income (Loss) 63,396

⁽a) The Company's acquisition of Clean Earth closed on June 28, 2019. Revenues and operating income for the three and six months ended June 30, 2019 are immaterial. The operating results of the former Harsco Industrial Segment has been reflected as discontinued operations in the Company's Condensed Consolidated Statement of Operations for all periods presented.

	т	hree Mor Jun		nded	Si Months June	End	ed
	- 2	2019	2	2018	2019		2018
Diluted earnings (loss) per share from continuing operations as reported	\$	(0.04)	\$	0.37	\$ 0.09	\$	0.50
Corporate strategic costs (a)		0.15		_	0.18		_
Corporate unused debt commitment and amendment fees (b)		0.09		_	0.09		_
Harsco Environmental Segment provision for doubtful accounts (c)		0.07		_	0.07		_
Harsco Environmental Segment change in fair value to contingent consideration liability (d)		(0.05)		_	(0.04)		_
Harsco Rail Segment improvement initiative costs (e)		0.01		_	0.05		_
Harsco Environmental Segment cumulative translation adjustment liquidation (f)		_		_	(0.03)		_
Harsco Environmental Segment adjustment to slag disposal accrual (g)		_		(0.04)	_		(0.04)
Altek acquisition costs (h)		_		0.01	_		0.01
Loss on early extinguishment of debt (i)		_		0.01	_		0.01
Deferred tax asset valuation allowance adjustment (j)		_		(0.10)	_		(0.10)
Taxes on above unusual items (k)		(0.03)		_	(0.04)		_
Adjusted diluted earnings per share from continuing operations	\$	0.21 (l)	\$	0.25	\$ 0.36 _(l)	\$	0.38
Adjusted diluted earnings per share from discontinued operations		0.16					
Adjusted diluted earnings per share including discontinued operations	\$	0.37					

- (a) Costs at Corporate associated with supporting and executing the Company's growth strategy (Q2 2019 \$12.4 million pre-tax; six months 2019 \$15.1 million pre-tax).
- (b) Costs at Corporate related to the unused bridge financing commitment and Term Loan B amendment (Q2 and six months 2019 \$7.4 million pre-tax).
- (c) Harsco Environmental Segment provision for doubtful accounts related to a customer in the U.K. entering administration (Q2 and six months 2019 \$5.4 million pre-tax).
- (d) Fair value adjustment to contingent consideration liability related to the acquisition of Altek (Q2 2019 \$3.9 million pretax; six months 2019 \$3.5 million pre-tax). The Company adjusts Operating income and Diluted earnings per share from continuing operations to exclude the impact of the change in fair value to the acquisition-related contingent consideration liability for the Altek acquisition because it believes that the adjustment for this item more closely correlates the reported financial measures with the ordinary and ongoing course of the Company's operations.
- (e) Costs associated with a productivity improvement initiative in the Harsco Rail Segment (Q2 2019 \$1.2 million pre-tax; six months 2019 \$3.8 million pre-tax).
- (f) Harsco Environmental Segment gain related to the liquidation of cumulative translation adjustment related to an exited country (six months 2019 \$2.3 million pre-tax).
- (g) Harsco Environmental Segment adjustment to previously accrued amounts related to the disposal of certain slag material in Latin America (Q2 and six months 2018 \$3.2 million pre-tax).
- (h) Costs associated with the acquisition of Altek recorded in the Harsco Environmental Segment (Q2 and six months 2018 \$0.8 million pretax) and at Corporate (Q2 and six months 2018 \$0.4 million pretax).
- (i) Loss on early extinguishment of debt associated with amending the Company's existing Senior Secured Credit Facility in order to reduce the interest rate applicable to the Term Loan Facility (Q2 and six months 2018 \$1.0 million pre-tax).
- (j) Adjustment of certain existing deferred tax asset valuation allowances as a result of the Altek acquisition (Q2 and six months 2018 \$8.3 million).
- (k) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded, except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
- (l) Does not total due to rounding.

The Company's management believes Adjusted diluted earnings per share including discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Inclusion of discontinued operations, which relate principally to the Harsco Industrial Segment, provides comparability to prior periods. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

	Me Ei Jui	hree onths nded ne 30, 2019
Diluted earnings per share from discontinued operations as reported	\$	0.14
Transaction related costs (a)		0.08
Taxes on above unusual items (b)		(0.02)
Deferred tax asset adjustment (c)		(0.04)
Adjusted diluted earnings per share from discontinued operations	\$	0.16

- (a) Costs directly related to the sale of Harsco Industrial including (i) directly attributable transaction costs (\$3.5 million pre-tax); and (ii) loss on termination of interest rate swaps directly attributable to the mandatory repayment of the Term Loan Facility (\$2.7 million pre-tax).
- (b) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded, except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
- (c) Adjustments to certain deferred tax asset values as a result of the disposal of the Industrial Segment (\$3.3 million).

The Company's management believes Adjusted diluted earnings per share from discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical operating results of the former Harsco Industrial Segment, which is now classified as discontinued operations. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE BEFORE ACQUISITION AMORTIZATION EXPENSE AND INCLUDING DISCONTINUED OPERATIONS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

	_	Three Months Ended	
	Se	ptember 30	
		2018	
Diluted earnings per share from continuing operations as reported (a)	\$	0.29	
Acquisition amortization expense, net of tax		0.02	
Adjusted diluted earnings per share from continuing operations before acquisition amortization expense		0.32	(b)
Diluted earnings per share principally from the former Harsco Industrial Segment, excluding acquisition amortization expense		0.10	
Adjusted diluted earnings per share before acquisition amortization expense and including discontinued operations	\$	0.42	
	_		

- (a) Prior period amounts have been updated to reflect the former Harsco Industrial Segment as discontinued operations.
- (b) Does not total due to rounding.

The Company's management believes Adjusted diluted earnings per share before acquisition amortization expense and including discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of acquisition-related intangible asset amortization expense, the amount of which can vary by the timing, size and nature of the Company's acquisitions, facilitates more consistent internal comparisons of operating results over time between the Company's newly acquired and long-held businesses, and comparisons with both acquisitive and non-acquisitive peer companies. It is important to note that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Inclusion of discontinued operations, which relate principally to the Harsco Industrial Segment, provides comparability to prior periods. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE BEFORE ACQUISITION AMORTIZATION EXPENSE AND INCLUDING DISCONTINUED OPERATIONS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

	N	โwelve Months Ended	
	De	ecember 31	
		2018	
Diluted earnings per share from continuing operations as reported (a)	\$	1.20	
Harsco Environmental adjustment to slag disposal accrual (b)		(0.04)	
Harsco Environmental Segment change in fair value to contingent consideration liability (c)		(0.04)	
Altek acquisition costs (d)		0.01	
Loss on early extinguishment of debt (e)		0.01	
Harsco Rail Segment improvement initiative costs (f)		0.01	
Taxes on above unusual items (g)		(0.01)	
Impact of U.S. tax reform on income tax benefit (expense) (h)		(0.18)	
Deferred tax asset valuation allowance adjustment (i)		(0.10)	
Adjusted diluted earnings per share from continuing operations		0.88	(j)
Acquisition amortization expense, net of tax		0.07	
Adjusted diluted earnings per share from continuing operations excluding acquisition amortization expense		0.94	(j)
Diluted earnings per share from the former Harsco Industrial Segment, includes acquisition amortization expense		0.45	
Adjusted diluted earnings per share before acquisition amortization expense and including discontinued operations	\$	1.40	(j)

- (a) Prior period amounts have been updated to reflect the former Harsco Industrial Segment as discontinued operations.
- (b) Harsco Environmental adjustment to previously accrued amounts related to the disposal of certain slag material in Latin America (\$3.2 million pre-tax).
- (c) Fair value adjustment to contingent consideration liability related to the acquisition of Altek (\$2.9 million pre-tax). The Company adjusts Operating income and Diluted earnings per share from continuing operations to exclude the impact of the change in fair value to the acquisition-related contingent consideration liability for the Altek acquisition because it believes that the adjustment for this item more closely correlates the reported financial measures with the ordinary and ongoing course of the Company's operations.
- (d) Costs associated with the acquisition of Altek recorded in the Harsco Environmental Segment (\$0.8 million pretax) and at Corporate (\$0.4 million pretax).
- (e) Loss on early extinguishment of debt associated with amending the Company's existing Senior Secured Credit Facility in order to reduce the interest rate applicable to the Term Loan Facility (\$1.0 million pre-tax).
- (f) Costs associated with a productivity improvement initiative in the Harsco Rail Segment (\$0.6 million pre-tax).
- (g) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded, except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
- (h) The Company recorded a benefit (expense) as a result of revaluing net deferred tax assets and liabilities as a result of U.S. tax reform (\$15.4 million benefit).
- (i) Adjustment of certain existing deferred tax asset valuation allowances as a result of the Altek acquisition (\$8.3 million).
- (i) Does not total due to rounding.

The Company's management believes Adjusted diluted earnings per share before acquisition amortization expense and including discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of acquisition-related intangible asset amortization expense, the amount of which can vary by the timing, size and nature of the Company's acquisitions, facilitates more consistent internal comparisons of operating results over time between the Company's newly acquired and long-held businesses, and comparisons with both acquisitive and non-acquisitive peer companies. It is important to note that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Inclusion of discontinued operations, which relate principally to the Harsco Industrial Segment, provides comparability to prior periods. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

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HARSCO CORPORATION RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE BEFORE ACQUISITION AMORTIZATION EXPENSE AND INCLUDING DISCONTINUED OPERATIONS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Unaudited)

	End	Jonths	Proje Twelve End Decem	Months ling
	20	19	20	19
	Low	High	Low	High
Diluted earnings per share from continuing operations (a)(b)	\$ 0.24	\$ 0.30	\$ 0.63	\$ 0.76
Corporate strategic and transaction related costs	_	_	0.19	0.19
Corporate unused debt commitment and amendment fees	_	_	0.09	0.09
Harsco Environmental Segment provision for doubtful accounts	_	_	0.07	0.07
Loss on early extinguishment of debt	0.06	0.06	0.06	0.06
Harsco Rail Segment improvement initiative costs	0.01	0.01	0.05	0.05
Harsco Environmental Segment change in fair value to contingent consideration liability	_	_	(0.04)	(0.04)
Harsco Environmental Segment cumulative translation adjustment liquidation	_	_	(0.03)	(0.03)
Taxes on above unusual items	_	_	(0.04)	(0.04)
Adjusted diluted earnings per share from continuing operations	0.31	0.37	0.98	1.11
Estimated acquisition amortization expense, net of tax	0.04	0.04	0.14	0.14
Diluted earnings per share from continuing operations, before acquisition related amortization expense	0.35	0.41	1.12	1.25
Diluted earnings per share from discontinued operations before acquisition amortization expense (c)			0.26	0.26
Adjusted diluted earnings per share before acquisition amortization expense and including discontinued operations	\$ 0.35	\$ 0.41	\$ 1.38	\$ 1.51

- (a) Includes results for the Harsco Clean Earth Segment for the period from July 1, 2019 to December 31, 2019.
- (b) Excludes results for the former Harsco Industrial Segment.
- (c) Includes results for the former Harsco Industrial Segment for the period from January 1, 2019 to June 30, 2019.

The Company's management believes Adjusted diluted earnings per share before acquisition amortization expense and including discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of acquisition-related intangible asset amortization expense, the amount of which can vary by the timing, size and nature of the Company's acquisitions, facilitates more consistent internal comparisons of operating results over time between the Company's newly acquired and long-held businesses, and comparisons with both acquisitive and non-acquisitive peer companies. It is important to note that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Inclusion of discontinued operations, which relate principally to the Harsco Industrial Segment, provides comparability to prior periods. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) INCLUDING DISCONTINUED OPERATIONS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)		Harsco ironmental		arsco Clean Earth (a)	Inc	Harsco dustrial (a)		Harsco Rail		Corporate	Co	nsolidated Totals
Three Months Ended June 30, 2	019 <u>:</u>											
Operating income (loss) as reported	\$	27,577	\$	_	\$	_	\$	9,443	\$	(19,221)	\$	17,799
Corporate strategic costs		_		_		_		_		12,390		12,390
Harsco Environmental Segment provision for doubtful accounts		5,359		_		_		_		_		5,359
Harsco Environmental Segment change in fair value to contingent consideration liability		(3,879)		_		_		_		_		(3,879)
Harsco Rail Segment improvement initiative costs		_		_		_		1,152		-		1,152
Adjusted operating income (loss)		29,057		_		_		10,595		(6,831)		32,821
Operating income in discontinued operations		_		_		20,413		_		_		20,413
Adjusted operating income (loss) including discontinued operations	\$	29,057	\$		\$	20,413	\$	10,595	\$	(6,831)	\$	53,234
Revenues as reported	\$	269.338	\$	_	\$	_	\$	81,560	\$	<u> </u>	\$	350,898
Revenues in discontinued operations			•	_		116,796	•	_	•	_	•	116,796
Revenues including discontinued operations	\$	269,338	\$	_	\$	116,796	\$	81,560	\$	_	\$	467,694
Adjusted operating margin (%)		10.8%						13.0%				9.4%
Adjusted operating margin (%) including discontinued operations		10.8%				17.5%		13.0%				11.4%

Three Months Ended June 30, 2018:

Operating income (loss) as reported	\$ 35,661	\$ _	\$ _	\$ 8,618	\$ (6,215)	\$ 38,064
Harsco Environmental adjustment to slag disposal accrual	(3,223)	_	_	_	_	(3,223)
Altek acquisition costs	753	_	_	_	431	1,184
Adjusted operating income (loss)	33,191		_	8,618	(5,784)	36,025
Operating income in discontinued operations	_	_	15,561	_	_	15,561
Adjusted operating income (loss) including discontinued operations	\$ 33,191	\$ 	\$ 15,561	\$ 8,618	\$ (5,784)	\$ 51,586
Revenues as reported	\$ 272,320	\$ _	\$ _	\$ 67,552	\$ 35	\$ 339,907
Revenues in discontinued operations	_	_	92,065	_	_	92,065
Revenues including discontinued operations	\$ 272,320	\$ 	\$ 92,065	\$ 67,552	\$ 35	\$ 431,972
Adjusted operating margin (%)	12.2%			12.8%		10.6%
Adjusted operating margin (%) including discontinued operations	12.2%		16.9%	12.8%		11.9%

⁽a) The Company's acquisition of Clean Earth closed on June 28, 2019. Revenues and operating income for the three and six months ended June 30, 2019 are immaterial. The operating results of the former Harsco Industrial Segment has been reflected as discontinued operations in the Company's Condensed Consolidated Statement of Operations for all periods presented.

The Company's management believes Adjusted operating income (loss) including discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Inclusion of discontinued operations, which relates principally to the Harsco Industrial Segment, provides comparability to prior periods. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) INCLUDING DISCONTINUED OPERATIONS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Env	Harsco ironmental	rsco Clean Earth (a)	Inc	Harsco dustrial (a)	Harsco Rail		Corporate		Co	Consolidated Totals	
Six Months Ended June 30, 2019	:											
Operating income (loss) as reported	\$	52,074	\$ _	\$	_	\$	14,832	\$	(29,283)	\$	37,623	
Corporate strategic costs		_	_		_		_		15,129		15,129	
Harsco Environmental provision for doubtful accounts		5,359	_		_		_		_		5,359	
Harsco Rail Segment improvement initiative costs		_	_		_		3,800		_		3,800	
Harsco Environmental Segment change in fair value to contingent consideration liability		(3,510)	_		_		_		_		(3,510)	
Harsco Environmental cumulative translation adjustment liquidation		(2,271)	_		_		_		_		(2,271)	
Adjusted operating income (loss)		51,652	_		_		18,632		(14,154)		56,130	
Operating income in discontinued operations		_			38,834				_		38,834	
Adjusted operating income (loss) including discontinued operations	\$	51,652	\$ _	\$	38,834	\$	18,632	\$	(14,154)	\$	94,964	
Revenues as reported	\$	530,650	\$ _	\$	_	\$	150,150	\$	_	\$	680,800	
Revenues in discontinued operations					234,181						234,181	
Revenues including discontinued operations	\$	530,650	\$ _	\$	234,181	\$	150,150	\$	_	\$	914,981	
Adjusted operating margin (%)		9.7%					12.4%				8.2%	
Adjusted operating margin (%) including discontinued operations		9.7%			16.6%		12.4%				10.4%	

Six Months Ended June 30, 2018	<u>:</u>						
Operating income (loss) as reported	\$	63,396	\$ _	\$ _	\$ 10,570	\$ (13,174)	\$ 60,792
Harsco Environmental adjustment to slag disposal accrual		(3,223)	_	_	_	_	(3,223)
Altek acquisition costs		753	_	_	_	431	1,184
Adjusted operating income (loss)		60,926	_	_	10,570	(12,743)	58,753
Operating income in discontinued operations		_	_	29,373	_	_	29,373
Adjusted operating income (loss) including discontinued operations	\$	60,926	\$ _	\$ 29,373	\$ 10,570	\$ (12,743)	\$ 88,126
Revenues as reported	\$	537,043	\$ _	\$ _	\$ 127,230	\$ 74	\$ 664,347
Revenues in discontinued operations		_	_	175,663	_	_	175,663
Revenues including discontinued operations	\$	537,043	\$ 	\$ 175,663	\$ 127,230	\$ 74	\$ 840,010
Adjusted operating margin (%)		11.3%			8.3%		8.8%
Adjusted operating margin (%) including discontinued operations		11.3%	_	16.7%	8.3%		10.5%
			-		 		

⁽a) The Company's acquisition of Clean Earth closed on June 28, 2019. Revenues and operating income for the three and six months ended June 30, 2019 are immaterial. The operating results of the former Harsco Industrial Segment has been reflected as discontinued operations in the Company's Condensed Consolidated Statement of Operations for all periods presented.

The Company's management believes Adjusted operating income (loss) including discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Inclusion of discontinued operations, which relates principally to the Harsco Industrial Segment, provides comparability to prior periods. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) BEFORE ACQUISITION AMORTIZATION EXPENSE AND INCLUDING DISCONTINUED OPERATIONS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Harsco Environmental		Harsco Industrial (a)		Harsco Rail		Corporate		nsolidated Totals
Three Months Ended September 30, 2018:									
Operating income (loss) as reported (b)	\$ 29,338	\$	_	\$	19,000	\$	(6,579)	\$	41,759
Harsco Environmental Segment change in fair value to contingent consideration liability	412		_		_		_		412
Adjusted operating income (loss)	29,750		_		19,000		(6,579)		42,171
Acquisition amortization expense	1,872		_		71		_		1,943
Adjusted operating income (loss) before acquisition amortization expense	31,622		_		19,071		(6,579)		44,114
Discontinued operations - Harsco Industrial including acquisition amortization expense	_		15,802		_		_		15,802
Adjusted operating income (loss) before acquisition amortization expense and including discontinued operations	\$ 31,622	\$	15,802	\$	19,071	\$	(6,579)	\$	59,916

⁽a) The operating results of the former Harsco Industrial Segment has been reflected as discontinued operations in the Company's Condensed Consolidated Statement of Operations for all periods presented.

The Company's management believes Adjusted operating income (loss) before acquisition amortization expense and including discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of acquisition-related intangible asset amortization expense, the amount of which can vary by the timing, size and nature of the Company's acquisitions, facilitates more consistent internal comparisons of operating results over time between the Company's newly acquired and long-held businesses, and comparisons with both acquisitive and non-acquisitive peer companies. It is important to note that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Inclusion of discontinued operations, which relate principally to the Harsco Industrial Segment, provides comparability to prior periods. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) BEFORE ACQUISITION AMORTIZATION EXPENSE AND INCLUDING DISCONTINUED OPERATIONS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Harsco Environmental		Harsco Industrial (a)		Harsco Rail		Corporate		Co	nsolidated Totals
Twelve Months Ended December 31, 2018:										
Operating income (loss) as reported	\$	121,195	\$	_	\$	37,341	\$	(27,839)	\$	130,697
Harsco Environmental adjustment to slag disposal accrual		(3,223)		_		_		_		(3,223)
Harsco Environmental Segment change in fair value to contingent consideration liability		(2,939)		_		_		_		(2,939)
Altek acquisition costs		753		_		_		431		1,184
Harsco Rail Segment improvement initiative costs		_		_		640		_		640
Adjusted operating income (loss)		115,786		_		37,981		(27,408)		126,359
Acquisition amortization expense		5,553		_		306		_		5,859
Adjusted operating income (loss) before acquisition amortization expense		121,339		_		38,287		(27,408)		132,218
Discontinued operations - Harsco Industrial before acquisition amortization expense		_		62,036		_		_		62,036
Adjusted operating income (loss) before acquisition amortization expense and including discontinued operations	\$	121,339	\$	62,036	\$	38,287	\$	(27,408)	\$	194,254

⁽a) The operating results of the former Harsco Industrial Segment has been reflected as discontinued operations in the Company's Condensed Consolidated Statement of Operations for all periods presented.

The Company's management believes Adjusted operating income (loss) before acquisition amortization expense and including discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of acquisition-related intangible asset amortization expense, the amount of which can vary by the timing, size and nature of the Company's acquisitions, facilitates more consistent internal comparisons of operating results over time between the Company's newly acquired and long-held businesses, and comparisons with both acquisitive and non-acquisitive peer companies. It is important to note that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Inclusion of discontinued operations, which relates principally to the Harsco Industrial Segment, provides comparability to prior periods. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

	Projected Three Months Ended			Projected Twelve Months Ended					
	Sep	otembe	r 30, 2	2019	December 31, 20°				
(In millions)	L	-ow	Hig	gh	L	.ow	H	ligh	
Operating income (a) (b)	\$	50	\$	55	\$	142	\$	152	
Corporate strategic and transaction related costs		_		_		15		15	
Harsco Environmental Segment provision for doubtful accounts		_		_		5		5	
Harsco Rail Segment improvement initiative costs		1		1		5		5	
Harsco Environmental Segment change in fair value to contingent consideration liability		_		_		(4)		(4)	
Harsco Environmental Segment cumulative translation adjustment liquidation		_		_		(2)		(2)	
Adjusted operating income		51		56		161		171	
Estimated acquisition amortization expense		5		5		15		15	
Adjusted operating income before acquisition amortization expense		56		61		176		186	
Operating income from the former Harsco Industrial Segment before acquisition amortization (c)		_		_		39		39	
Adjusted operating income before acquisition amortization expense and including discontinued operations	\$	56	\$	61	\$	215	\$	225	

- (a) Includes results for the Harsco Clean Earth Segment for the period from July 1, 2019 to December 31, 2019.
- (b) Excludes results for the former Harsco Industrial Segment.
- (c) Includes results for the former Harsco Industrial Segment for the period from January 1, 2019 to June 30, 2019.

The Company's management believes Adjusted operating income before acquisition amortization expense and including discontinued operations, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of acquisition-related intangible asset amortization expense, the amount of which can vary by the timing, size and nature of the Company's acquisitions, facilitates more consistent internal comparisons of operating results over time between the Company's newly acquired and long-held businesses, and comparisons with both acquisitive and non-acquisitive peer companies. It is important to note that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Inclusive of discontinued operations, which relate principally to the Harsco Industrial Segment, provides comparability to prior periods. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF ADJUSTED HARSCO CLEAN EARTH SEGMENT OPERATING INCOME BEFORE ACQUISITION AMORTIZATION EXPENSE TO HARSCO CLEAN EARTH SEGMENT OPERATING INCOME (Unaudited)

	Six Months Ended December 31						
	2019						
(In millions)	L	ow		High			
Harsco Clean Earth Segment operating income	\$	25	\$	28			
Add: Acquisition amortization expense		7		7			
Adjusted Harsco Clean Earth Segment operating income before acquisition amortization expense	\$	32	\$	35			

The Company's management believes Adjusted Harsco Clean Earth Segment operating income before acquisition amortization expense, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Clean Earth Segment's future prospects. Exclusion of acquisition related amortization expense permits evaluation of comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance.

Projected

	Three Months Ended June 30					inded		
(In thousands)		2019		2018		2019		2018
Net cash provided (used) by operating activities	\$	(9,466)	\$	54,942	\$	5,372	\$	46,699
Less capital expenditures		(54,794)		(29,599)		(91,201)		(56,496)
Less purchase of intangible assets		(525)		_		(525)		_
Plus capital expenditures for strategic ventures (a)		2,527		295		3,370		535
Plus total proceeds from sales of assets (b)		1,028		2,776		2,205		3,153
Plus transaction-related expenditures (c)		15,990		_		15,990		_
Free cash flow		(45,240)		28,414		(64,789)		(6,109)
Add growth capital expenditures		18,086		4,458		30,603		12,142
Free cash flow before growth capital expenditures	\$	(27,154)	\$	32,872	\$	(34,186)	\$	6,033

- (a) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's financial statements.
- (b) Asset sales are a normal part of the business model, primarily for the Harsco Environmental Segment.
- (c) Expenditures directly related to the Company's acquisition and divestiture transactions.

The Company's management believes that Free cash flow before growth capital expenditures, which is a non-U.S. GAAP financial measure, is meaningful to investors because management reviews cash flows generated from operations less capital expenditures net of asset sales proceeds and transaction-related expenditures for planning and performance evaluation purposes. The Company's management also believes that free cash flow before growth capital expenditures, which is a non-U.S. GAAP financial measure, is meaningful to investors because management uses this as a key factor in the deployment of capital for strategic planning purposes. It is important to note that free cash flow and free cash flow before growth capital expenditures do not represent the total residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements and settlements of foreign currency forward exchange contracts, are not deducted from these measures. These measures should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF FREE CASH FLOW BEFORE GROWTH CAPITAL EXPENDITURES TO NET CASH PROVIDED BY OPERATING ACTIVITIES (Unaudited)

	1	Twelve Months Ended
	D	ecember 31
(In thousands)		2018
Net cash provided by operating activities	\$	192,022
Less capital expenditures		(132,168)
Plus capital expenditures for strategic ventures (a)		1,595
Plus total proceeds from sales of assets (b)		11,887
Free cash flow		73,336
Add growth capital expenditures		30,655
Free cash flow before growth capital expenditures	\$	103,991

- (a) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's financial statements.
- (b) Asset sales are a normal part of the business model, primarily for the Harsco Environmental Segment.

The Company's management believes that Free cash flow before growth capital expenditures, which is a non-U.S. GAAP financial measure, is meaningful to investors because management reviews cash flows generated from operations less capital expenditures net of asset sales proceeds and transaction-related expenditures for planning and performance evaluation purposes. The Company's management also believes that free cash flow before growth capital expenditures, which is a non-U.S. GAAP financial measure, is meaningful to investors because management uses this as a key factor in the deployment of capital for strategic planning purposes. It is important to note that free cash flow and free cash flow before growth capital expenditures do not represent the total residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements and settlements of foreign currency forward exchange contracts, are not deducted from these measures. These measures should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF CASH FLOW BEFORE GROWTH CAPITAL EXPENDITURES TO NET CASH PROVIDED BY OPERATING ACTIVITIES (Unaudited)

	Twelve Months Ending December 31						
		20	19				
(In millions)		Low		High			
Net cash provided by operating activities	\$	187	\$	207			
Less capital expenditures		(161)		(169)			
Plus total proceeds from asset sales and capital expenditures for strategic ventures		6		4			
Transaction related expenses		23		23			
Free cash flow		55		65			
Add growth capital expenditures		70		70			
Free cash flow before growth capital expenditures	\$	125	\$	135			

The Company's management believes that Free cash flow before growth capital expenditures, which is a non-U.S. GAAP financial measure, is meaningful to investors because management reviews cash flows generated from operations less capital expenditures net of asset sales proceeds and transaction-related expenditures for planning and performance evaluation purposes. The Company's management also believes that free cash flow before growth capital expenditures, which is a non-U.S. GAAP financial measure, is meaningful to investors because management uses this as a key factor in the deployment of capital for strategic planning purposes. It is important to note that free cash flow and free cash flow before growth capital expenditures do not represent the total residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements and settlements of foreign currency forward exchange contracts, are not deducted from these measures. These measures should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

Projected

	Trailing Tw for Period E	elve Months nded June 30
(In thousands)	2019	2018
Net income as reported	\$ 116,191	\$ 44,264
Corporate strategic costs	15,129	_
Unused debt commitment and amendment fees	7,435	_
Transaction-related costs for discontinued operations	6,268	_
Harsco Rail Segment improvement initiative costs	4,440	_
Harsco Environmental Segment change in fair value to contingent consideration liability	(6,449)	_
Harsco Environmental Segment provision for doubtful accounts	5,359	_
Harsco Environmental Segment cumulative translation adjustment liquidation	(2,271)	_
Harsco Environmental Segment bad debt expense	_	4,589
Loss on early extinguishment of debt	_	3,299
Harsco Environmental Segment adjustment to slag disposal accrual	_	(3,223)
Altek acquisition costs	_	1,184
Taxes on above unusual items (b)	(4,920)	(2,272)
Impact of U.S. tax reform on income tax benefit	(15,409)	48,680
Deferred tax asset valuation allowance adjustment	(3,252)	(8,292)
Net income from continuing operations, as adjusted	122,521	88,229
After-tax interest expense (c)	29,781	29,875
Net operating profit after tax as adjusted	\$ 152,302	\$ 118,104
Average equity	\$ 317,987	\$ 230,115
Plus average debt	701,088	626,590
Average capital	\$1,019,075	\$ 856,705
Return on invested capital	14.9%	13.8%

- (a) Return on invested capital excluding unusual items is net income (loss) excluding unusual items, and after-tax interest expense, divided by average capital for the year. The Company uses a trailing twelve month average for computing average capital.
- (b) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
- (c) The Company's effective tax rate approximated 23% for the trailing twelve months for the period ended June 30, 2019 and for the trailing twelve months for the period ended June 30, 2018, 37% was used for June 1, 2017 through December 31, 2017 and 23% was used for January 1, 2018 through June 30, 2018, on an adjusted basis, for interest expense.

The Company's management believes Return on invested capital, which is a non-U.S. GAAP financial measure, is meaningful in evaluating the efficiency and effectiveness of the capital invested in the Company's business. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, net income or other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION RECONCILIATION OF RETURN ON INVESTED CAPITAL TO NET INCOME AS REPORTED (a) (Unaudited)

	Year Ended December 31
(In thousands)	2018
Net income as reported	\$ 145,013
Harsco Environmental Segment adjustment to slag disposal accrual	(3,223)
Harsco Environmental Segment change in fair value to contingent consideration liability	(2,939)
Altek acquisition costs	1,184
Loss on early extinguishment of debt	1,034
Harsco Rail Segment improvement initiative costs	640
Taxes on above unusual items (b)	(361)
Impact of U.S. tax reform on income tax benefit	(15,409)
Deferred tax asset valuation allowance adjustment	(8,292)
Net income from continuing operations, as adjusted	117,647
After-tax interest expense (c)	29,374
Net operating profit after tax as adjusted	\$ 147,021
Average equity	\$ 274,164
Plus average debt	635,491
Average capital	\$ 909,655
Return on invested capital	16.2%

- (a) Return on invested capital excluding unusual items is net income excluding unusual items, and after-tax interest expense, divided by average capital for the year. The Company uses a trailing twelve month average for computing average capital.
- (b) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
- (c) The Company's effective tax rate approximated 23% for the year ended December 31, 2018 on an adjusted basis, for interest expense.

The Company's management believes Return on invested capital, which is a non-U.S. GAAP financial measure, is meaningful in evaluating the efficiency and effectiveness of the capital invested in the Company's business. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, net income or other information provided in accordance with U.S. GAAP.