

**HARSCO CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS** (Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands, except per share amounts)	2019	2018	2019	2018
<b>Revenues from continuing operations:</b>				
Service revenues	\$ 316,667	\$ 224,196	\$ 784,190	\$ 714,114
Product revenues	106,488	127,367	319,765	301,796
<b>Total revenues</b>	<b>423,155</b>	<b>351,563</b>	<b>1,103,955</b>	<b>1,015,910</b>
<b>Costs and expenses from continuing operations:</b>				
Cost of services sold	239,519	174,937	608,230	554,005
Cost of products sold	71,970	82,139	220,634	205,941
Selling, general and administrative expenses	63,197	51,049	187,104	149,257
Research and development expenses	1,341	1,344	3,210	3,171
Other expenses, net	383	335	409	985
<b>Total costs and expenses</b>	<b>376,410</b>	<b>309,804</b>	<b>1,019,587</b>	<b>913,359</b>
<b>Operating income from continuing operations</b>	<b>46,745</b>	<b>41,759</b>	<b>84,368</b>	<b>102,551</b>
Interest income	445	575	1,569	1,645
Interest expense	(12,819)	(5,620)	(24,429)	(16,891)
Unused debt commitment and amendment fees; and loss on early extinguishment of debt	(158)	(125)	(7,593)	(1,159)
Defined benefit pension income (expense)	(1,356)	934	(4,166)	2,677
<b>Income from continuing operations before income taxes and equity income</b>	<b>32,857</b>	<b>37,523</b>	<b>49,749</b>	<b>88,823</b>
Income tax expense	(12,601)	(11,054)	(17,814)	(16,750)
Equity income of unconsolidated entities, net	81	—	151	—
<b>Income from continuing operations</b>	<b>20,337</b>	<b>26,469</b>	<b>32,086</b>	<b>72,073</b>
<b>Discontinued operations:</b>				
Gain on sale of discontinued business	527,980	—	527,980	—
Income from discontinued businesses	272	10,866	23,958	32,099
Income tax expense related to discontinued businesses	(110,732)	(2,684)	(112,701)	(7,233)
<b>Income from discontinued operations</b>	<b>417,520</b>	<b>8,182</b>	<b>439,237</b>	<b>24,866</b>
<b>Net income</b>	<b>437,857</b>	<b>34,651</b>	<b>471,323</b>	<b>96,939</b>
Less: Net income attributable to noncontrolling interests	(2,506)	(1,804)	(6,633)	(5,795)
<b>Net income attributable to Harsco Corporation</b>	<b>\$ 435,351</b>	<b>\$ 32,847</b>	<b>\$ 464,690</b>	<b>\$ 91,144</b>
<b>Amounts attributable to Harsco Corporation common stockholders:</b>				
Income from continuing operations, net of tax	\$ 17,831	\$ 24,665	\$ 25,453	\$ 66,278
Income from discontinued operations, net of tax	417,520	8,182	439,237	24,866
<b>Net income attributable to Harsco Corporation common stockholders</b>	<b>\$ 435,351</b>	<b>\$ 32,847</b>	<b>\$ 464,690</b>	<b>\$ 91,144</b>
Weighted-average shares of common stock outstanding	79,666	80,950	79,966	80,821
<b>Basic earnings per common share attributable to Harsco Corporation common stockholders:</b>				
Continuing operations	\$ 0.22	\$ 0.30	\$ 0.32	\$ 0.82
Discontinued operations	5.24	0.10	5.49	0.31
<b>Basic earnings per share attributable to Harsco Corporation common stockholders</b>	<b>\$ 5.46</b>	<b>\$ 0.41</b>	<b>\$ 5.81</b>	<b>\$ 1.13</b>
Diluted weighted-average shares of common stock outstanding	81,110	83,879	81,749	83,690
<b>Diluted earnings per common share attributable to Harsco Corporation common stockholders:</b>				
Continuing operations	\$ 0.22	\$ 0.29	\$ 0.31	\$ 0.79
Discontinued operations	5.15	0.10	5.37	0.30
<b>Diluted earnings per share attributable to Harsco Corporation common stockholders</b>	<b>\$ 5.37</b>	<b>\$ 0.39</b>	<b>\$ 5.68</b>	<b>\$ 1.09</b>

(a) Does not total due to rounding.

**HARSCO CORPORATION**  
**CONSOLIDATED BALANCE SHEETS** (Unaudited)

(In thousands)	September 30 2019	December 31 2018
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 75,458	\$ 64,260
Restricted cash	2,461	2,886
Trade accounts receivable, net	310,662	246,427
Insurance claim receivable	195,000	30,000
Other receivables	24,343	23,770
Inventories	149,984	116,185
Current portion of contract assets	13,670	12,130
Current portion of assets held-for-sale	42,368	75,232
Other current assets	62,442	34,144
<b>Total current assets</b>	<b>876,388</b>	<b>605,034</b>
Property, plant and equipment, net	550,073	432,793
Right-of-use assets, net	47,662	—
Goodwill	725,106	404,713
Intangible assets, net	301,100	69,207
Deferred income tax assets	11,661	48,551
Assets held-for-sale	28,659	55,331
Other assets	17,842	17,238
<b>Total assets</b>	<b>\$ 2,558,491</b>	<b>\$ 1,632,867</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Short-term borrowings	\$ 7,417	\$ 10,078
Current maturities of long-term debt	2,540	6,489
Accounts payable	165,570	124,984
Accrued compensation	40,394	50,201
Income taxes payable	102,041	2,634
Insurance liabilities	205,721	40,774
Current portion of advances on contracts	46,813	29,407
Current portion of operating lease liabilities	12,145	—
Current portion of liabilities of assets held-for-sale	15,203	39,410
Other current liabilities	128,790	113,019
<b>Total current liabilities</b>	<b>726,634</b>	<b>416,996</b>
Long-term debt	764,254	585,662
Insurance liabilities	19,730	19,575
Retirement plan liabilities	176,791	213,578
Advances on contracts	344	37,675
Operating lease liabilities	32,772	—
Liabilities of assets held-for-sale	5,274	555
Other liabilities	81,432	45,450
<b>Total liabilities</b>	<b>1,807,231</b>	<b>1,319,491</b>
<b>HARSCO CORPORATION STOCKHOLDERS' EQUITY</b>		
Common stock	143,396	141,842
Additional paid-in capital	198,007	190,597
Accumulated other comprehensive loss	(587,759)	(567,107)
Retained earnings	1,784,871	1,298,752
Treasury stock	(832,775)	(795,821)
<b>Total Harsco Corporation stockholders' equity</b>	<b>705,740</b>	<b>268,263</b>
Noncontrolling interests	45,520	45,113
<b>Total equity</b>	<b>751,260</b>	<b>313,376</b>
<b>Total liabilities and equity</b>	<b>\$ 2,558,491</b>	<b>\$ 1,632,867</b>

**HARSCO CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS** (Unaudited)

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
<b>Cash flows from operating activities:</b>				
Net income	\$ 437,857	\$ 34,651	\$ 471,323	\$ 96,939
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	29,824	30,319	89,681	92,324
Amortization	6,149	3,054	11,941	7,620
Deferred income tax expense	15,323	1,656	11,500	1,996
Equity in income of unconsolidated entities, net	(81)	—	(151)	—
Dividends from unconsolidated entities	125	88	125	88
Gain on sale from discontinued business	(527,980)	—	(527,980)	—
Loss on early extinguishment of debt	5,314	—	5,314	—
Other, net	(374)	(552)	2,187	2,485
Changes in assets and liabilities:				
Accounts receivable	14,639	(7,577)	(12,395)	(29,022)
Inventories	(22,980)	(7,677)	(43,477)	(18,852)
Contract assets	(5,200)	(9,034)	(5,269)	(10,427)
Right-of-use assets	3,976	—	11,204	—
Accounts payable	(5,302)	10,188	5,615	17,547
Accrued interest payable	7,113	43	7,398	(15)
Accrued compensation	1,723	5,607	(12,802)	(10,438)
Advances on contracts	(6,686)	777	(17,067)	(12,339)
Operating lease liabilities	(4,025)	—	(10,919)	—
Retirement plan liabilities, net	(5,654)	(10,413)	(18,800)	(28,743)
Income taxes payable - Gain on sale of discontinued business	102,940	—	102,940	—
Other assets and liabilities	(2,044)	(2,815)	(20,339)	(14,149)
<b>Net cash provided by operating activities</b>	<b>44,657</b>	<b>48,315</b>	<b>50,029</b>	<b>95,014</b>
<b>Cash flows from investing activities:</b>				
Purchases of property, plant and equipment	(55,870)	(34,806)	(147,071)	(91,302)
Purchases of businesses, net of cash acquired	(39,010)	—	(623,495)	(56,389)
Proceeds from sale of business	599,685	—	599,685	—
Proceeds from sales of assets	5,355	5,943	7,560	9,096
Purchase of intangible assets	(721)	—	(1,246)	—
Net payments from settlement of foreign currency forward exchange contracts	2,144	6,186	1,453	3,244
Payments for interest rate swap terminations	—	—	(2,758)	—
<b>Net cash provided (used) by investing activities</b>	<b>511,583</b>	<b>(22,677)</b>	<b>(165,872)</b>	<b>(135,351)</b>
<b>Cash flows from financing activities:</b>				
Short-term borrowings, net	(1,501)	2,434	(1,417)	(543)
Current maturities and long-term debt:				
Additions	41,627	3,300	781,987	128,158
Reductions	(601,283)	(31,911)	(604,616)	(75,104)
Dividends paid to noncontrolling interests	(5)	(837)	(3,103)	(5,446)
Sale of noncontrolling interests	3,150	—	4,026	477
Common stock acquired for treasury	(25,752)	—	(25,752)	—
Stock-based compensation - Employee taxes paid	(35)	(71)	(11,202)	(3,685)
Deferred financing costs	(1,609)	(183)	(11,073)	(537)
<b>Net cash provided (used) by financing activities</b>	<b>(585,408)</b>	<b>(27,268)</b>	<b>128,850</b>	<b>43,320</b>
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	(1,992)	(906)	(2,234)	(4,641)
Net increase (decrease) in cash and cash equivalents, including restricted cash	(31,160)	(2,536)	10,773	(1,658)
Cash and cash equivalents, including restricted cash, at beginning of period	109,079	67,087	67,146	66,209
<b>Cash and cash equivalents, including restricted cash, at end of period</b>	<b>\$ 77,919</b>	<b>\$ 64,551</b>	<b>\$ 77,919</b>	<b>\$ 64,551</b>

**HARSCO CORPORATION**  
**REVIEW OF OPERATIONS BY SEGMENT** (Unaudited)

(In thousands)	Three Months Ended September 30, 2019 (b)		Three Months Ended September 30, 2018 (b)	
	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
Harsco Environmental	\$ 260,883	\$ 32,794	\$ 268,881	\$ 29,338
Harsco Clean Earth (a)	87,639	11,308	—	—
Harsco Rail	74,633	12,115	82,682	19,000
Corporate	—	(9,472)	—	(6,579)
Consolidated Totals	\$ 423,155	\$ 46,745	\$ 351,563	\$ 41,759

(In thousands)	Nine Months Ended September 30, 2019 (b)		Nine Months Ended September 30, 2018 (b)	
	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
Harsco Environmental	\$ 791,533	\$ 84,868	\$ 805,924	\$ 92,734
Harsco Clean Earth (a)	87,639	11,308	—	—
Harsco Rail	224,783	26,947	209,912	29,570
Corporate	—	(38,755)	74	(19,753)
Consolidated Totals	\$ 1,103,955	\$ 84,368	\$ 1,015,910	\$ 102,551

(a) The Company's acquisition of Clean Earth closed on June 28, 2019.

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

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
Diluted earnings per share from continuing operations as reported	\$ 0.22	\$ 0.29	\$ 0.31	\$ 0.79
Corporate strategic costs (a)	0.03	—	0.22	—
Corporate unused debt commitment and amendment fees (b)	—	—	0.09	0.01
Harsco Environmental Segment provision for doubtful accounts (c)	0.01	—	0.08	—
Harsco Rail Segment improvement initiative costs (d)	0.01	—	0.06	—
Harsco Environmental Segment change in fair value to contingent consideration liability (e)	(0.01)	—	(0.05)	—
Harsco Environmental Segment site exit related (f)	—	—	(0.03)	—
Harsco Clean Earth Segment severance costs (g)	0.02	—	0.02	—
Harsco Environmental Segment adjustment to slag disposal accrual (h)	—	—	—	(0.04)
Altek acquisition costs (i)	—	—	—	0.01
Deferred tax asset valuation allowance adjustment (j)	0.03	—	0.03	(0.10)
Taxes on above unusual items (k)	—	—	(0.04)	—
<b>Adjusted diluted earnings per share from continuing operations</b>	<b>\$ 0.31</b>	<b>\$ 0.30</b> <sup>(l)</sup>	<b>\$ 0.67</b> <sup>(l)</sup>	<b>\$ 0.68</b> <sup>(l)</sup>
Acquisition amortization expense, net of tax	0.06	0.02	0.10	0.05
<b>Adjusted diluted earnings per share before acquisition amortization expense</b>	<b>\$ 0.36</b> <sup>(l)</sup>	<b>\$ 0.32</b>	<b>\$ 0.78</b> <sup>(l)</sup>	<b>\$ 0.73</b>

- (a) Consultant costs at Corporate associated with supporting and executing the Company's growth strategy (Q3 2019 \$2.7 million pre-tax; nine months 2019 \$17.9 million pre-tax).
- (b) Costs at Corporate related to the unused bridge financing commitment and Term Loan B amendment (nine months 2019 \$7.4 million pre-tax) and the amendment of the Company's existing Senior Secured Credit Facility in order to reduce the interest rate applicable to the Term Loan Facility (nine months 2018 \$1.0 million pre-tax).
- (c) Harsco Environmental Segment provision for doubtful accounts related to a customer in the U.K. entering administration (Q3 \$0.8 million pre-tax; nine months 2019 \$6.2 million pre-tax).
- (d) Costs associated with a productivity improvement initiative in the Harsco Rail Segment (Q3 2019 \$0.8 million pre-tax; nine months 2019 \$4.6 million pre-tax).
- (e) Fair value adjustment to contingent consideration liability related to the acquisition of Altek (Q3 2019 \$0.9 million pre-tax; nine months 2019 \$4.4 million pre-tax; Q3 2018 and nine months 2018 \$0.4 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.
- (f) Harsco Environmental Segment site exit related (Q3 2019 \$0.2 million pre-tax; nine months 2019 \$2.4 million pre-tax).
- (g) Harsco Clean Earth Segment severance recognized (Q3 and nine months 2019 \$1.3 million pre-tax).
- (h) Harsco Environmental Segment adjustment to previously accrued amounts related to the disposal of certain slag material in Latin America (nine months 2018 \$3.2 million pre-tax).
- (i) Costs associated with the acquisition of Altek recorded in the Harsco Environmental Segment (nine months 2018 \$0.8 million pre-tax) and at Corporate (nine months 2018 \$0.4 million pre-tax).
- (j) Adjustment of certain existing deferred tax asset valuation allowances as a result of a site exit in a certain jurisdiction in 2019 and the Altek acquisition in 2018 (Q3 and nine months 2019 \$2.8 million; nine 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 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 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. 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 December 31 2018
Diluted earnings per share from continuing operations as reported (a)	\$ 0.41
Harsco Environmental Segment change in fair value to contingent consideration liability (b)	(0.04)
Harsco Rail Segment improvement initiative costs (c)	0.01
Impact of U.S. Tax reform on income tax expense (d)	(0.18)
Adjusted diluted earnings per share from continuing operations before acquisition amortization expense	0.20
Acquisition amortization expense, net of tax	0.02
Adjusted diluted earnings per share from continuing operations before acquisition amortization expense	0.22
Diluted earnings per share principally from the former Harsco Industrial Segment, excluding acquisition amortization expense	0.14
Adjusted diluted earnings per share before acquisition amortization expense and including discontinued operations	\$ 0.36

(a) Prior period amounts have been updated to reflect the former Harsco Industrial Segment as discontinued operations.

(b) Fair value adjustment to contingent consideration liability related to the acquisition of Altek (Q4 2018 \$3.4 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.

(c) Costs associated with a productivity improvement initiative in the Harsco Rail Segment (Q4 2018 \$0.6 million pre-tax).

(d) 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 (Q4 2018 \$15.4 million benefit).

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)**

	Twelve Months Ended December 31 <u>2018</u>	
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, excluding 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 pre-tax) and at Corporate (\$0.4 million pre-tax).
- (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).
- (j) 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 PROJECTED DILUTED EARNINGS PER SHARE AND ADJUSTED DILUTED EARNINGS PER SHARE BEFORE ESTIMATED ACQUISITION AMORTIZATION EXPENSE TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS** (Unaudited)

	Projected Three Months Ending December 31		Projected Twelve Months Ending December 31	
	2019		2019	
	Low	High	Low	High
Diluted earnings per share from continuing operations (a)(b)	\$ 0.25	\$ 0.31	\$ 0.60	0.66
Diluted earnings per share from discontinued operations before acquisition amortization expense (c)	—	—	0.26	0.26
Project diluted earnings per share	0.25	0.31	0.86	0.92
Corporate strategic and transaction related costs	—	—	0.22	0.22
Corporate unused debt commitment and amendment fees	—	—	0.09	0.09
Harsco Environmental Segment provision for doubtful accounts	—	—	0.08	0.08
Harsco Environmental Segment site exit cost related	—	—	(0.03)	(0.03)
Harsco Clean Earth Segment severance costs	—	—	0.02	0.02
Deferred tax asset valuation allowance adjustment	—	—	0.03	0.03
Harsco Rail Segment improvement initiative costs	—	—	0.06	0.06
Harsco Environmental Segment change in fair value to contingent consideration liability	—	—	(0.05)	(0.05)
Taxes on above unusual items	—	—	(0.04)	(0.04)
Adjusted diluted earnings per share	0.25	0.31	1.23 <sup>(d)</sup>	1.29 <sup>(d)</sup>
Estimated acquisition amortization expense, net of tax	0.05	0.05	0.13	0.13
Adjusted diluted earnings per share before estimated acquisition amortization expense	\$ 0.30	\$ 0.36	\$ 1.36	1.42

(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.

(d) Does not total due to rounding.

The Company's management believes Adjusted diluted earnings per share before estimated acquisition amortization expense, 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**  
**BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)**

(In thousands)	Harsco Environmental	Harsco Clean Earth	Harsco Rail	Corporate	Consolidated Totals
<b>Three Months Ended September 30, 2019:</b>					
Operating income (loss) as reported	\$ 32,794	\$ 11,308	\$ 12,115	\$ (9,472)	\$ 46,745
Corporate strategic costs	—	—	—	2,743	2,743
Harsco Clean Earth Segment severance costs	—	1,254	—	—	1,254
Harsco Environmental Segment change in fair value to contingent consideration liability	(906)	—	—	—	(906)
Harsco Rail Segment improvement initiative costs	—	—	845	—	845
Harsco Environmental Segment provision for doubtful accounts	815	—	—	—	815
Harsco Environmental Segment site exit related	(156)	—	—	—	(156)
Adjusted operating income (loss)	32,547	12,562	12,960	(6,729)	51,340
Acquisition amortization expense	1,751	3,834	84	—	5,669
Adjusted operating income (loss) before acquisition amortization expense	\$ 34,298	\$ 16,396	\$ 13,044	\$ (6,729)	\$ 57,009
Revenues as reported	\$ 260,883	\$ 87,639	\$ 74,633	\$ —	\$ 423,155
Adjusted operating margin (%)	13.1%	18.7%	17.5%		13.5%

**Three Months Ended September 30, 2018:**

Operating income (loss) as reported	\$ 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
Revenues as reported	\$ 268,881	\$ —	\$ 82,682	\$ —	\$ 351,563
Adjusted operating margin (%)	11.8%		23.1%		12.5%

The Company's management believes Adjusted operating income (loss) 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 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. 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**  
**BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)**

(In thousands)	Harsco Environmental	Harsco Clean Earth	Harsco Rail	Corporate	Consolidated Totals
<b>Nine Months Ended September 30, 2019:</b>					
Operating income (loss) as reported	\$ 84,868	\$ 11,308	\$ 26,947	\$ (38,755)	\$ 84,368
Corporate strategic costs	—	—	—	17,872	17,872
Harsco Environmental provision for doubtful accounts	6,174	—	—	—	6,174
Harsco Rail Segment improvement initiative costs	—	—	4,645	—	4,645
Harsco Environmental Segment change in fair value to contingent consideration liability	(4,416)	—	—	—	(4,416)
Harsco Environmental Segment site exit related	(2,427)	—	—	—	(2,427)
Harsco Clean Earth Segment severance costs	—	1,254	—	—	1,254
Adjusted operating income (loss)	84,199	12,562	31,592	(20,883)	107,470
Acquisition amortization expense	5,436	3,834	238	—	9,508
Adjusted operating income (loss) before acquisition amortization expense	\$ 89,635	\$ 16,396	\$ 31,830	\$ (20,883)	\$ 116,978
Revenues as reported	\$ 791,533	\$ 87,639	\$ 224,783	\$ —	\$ 1,103,955
Adjusted operating margin (%)	11.3%	18.7%	14.2%		10.6%
<b>Nine Months Ended September 30, 2018:</b>					
Operating income (loss) as reported	\$ 92,734	\$ —	\$ 29,570	\$ (19,753)	\$ 102,551
Harsco Environmental adjustment to slag disposal accrual	(3,223)	—	—	—	(3,223)
Altek acquisition costs	753	—	—	431	1,184
Harsco Environmental Segment change in fair value to contingent consideration liability	412	—	—	—	412
Adjusted operating income (loss)	90,676	—	29,570	(19,322)	100,924
Acquisition amortization expense	3,734	—	235	—	3,969
Adjusted operating income (loss) before acquisition amortization expense	\$ 94,410	\$ —	\$ 29,805	\$ (19,322)	\$ 104,893
Revenues as reported	\$ 805,924	\$ —	\$ 209,912	\$ 74	\$ 1,015,910
Adjusted operating margin (%)	11.7%		14.2%		10.3%

The Company's management believes Adjusted operating income (loss) 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 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. 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	Consolidated Totals
<b>Three Months Ended December 31, 2018:</b>					
Operating income (loss) as reported (b)	\$ 28,461	\$ —	\$ 7,771	\$ (8,086)	\$ 28,146
Harsco Environmental Segment change in fair value to contingent consideration liability	(3,351)	—	—	—	(3,351)
Harsco Rail Segment improvement initiative costs	—	—	640	—	640
Adjusted operating income (loss)	25,110	—	8,411	(8,086)	25,435
Acquisition amortization expense	1,819	—	71	—	1,890
Adjusted operating income (loss) before acquisition amortization expense	26,929	—	8,482	(8,086)	27,325
Discontinued operations - Harsco Industrial including acquisition amortization expense	—	15,956	—	—	15,956
Adjusted operating income (loss) before acquisition amortization expense and including discontinued operations	\$ 26,929	\$ 15,956	\$ 8,482	\$ (8,086)	\$ 43,281

(a) The operating results of the former Harsco Industrial Segment have 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	Consolidated Totals
<b>Twelve Months Ended December 31, 2018:</b>					
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 have 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.

**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)	For the Three Months Ended				For the Year Ended
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	December 31, 2018
Operating income (a)	\$ 22,728	\$ 38,064	\$ 41,759	\$ 28,146	\$ 130,697
Harsco Environmental adjustment to slag disposal accrual	—	(3,223)	—	—	(3,223)
Harsco Environmental Segment change in fair value to contingent consideration liability	—	—	412	(3,351)	(2,939)
Altek acquisition costs	—	1,184	—	—	1,184
Harsco Rail Segment improvement initiative costs	—	—	—	640	640
Adjusted operating income	22,728	36,025	42,171	25,435	126,359
Acquisition amortization expense	829	1,197	1,943	1,890	5,859
Adjusted operating income before acquisition amortization expense	23,557	37,222	44,114	27,325	132,218
Discontinued operations - Harsco Industrial before acquisition amortization expense	14,265	16,013	15,802	15,956	62,036
Adjusted operating income before acquisition amortization expense and including discontinued operations	\$ 37,822	\$ 53,235	\$ 59,916	\$ 43,281	\$ 194,254

(a) The operating results of the former Harsco Industrial Segment have 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.

**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)**

	For the Three Months Ended		For the Six Months Ended
	March 31, 2019	June 30, 2019	June 30, 2019
<b>(In thousands)</b>			
Operating income (a)	\$ 19,824	\$ 17,799	\$ 37,623
Corporate strategic costs	2,739	12,390	15,129
Harsco Environmental Segment provision for doubtful accounts	—	5,359	5,359
Harsco Rail Segment improvement initiative costs	2,648	1,152	3,800
Harsco Environmental Segment change in fair value to contingent consideration liability	369	(3,879)	(3,510)
Harsco Environmental site exit related	(2,271)	—	(2,271)
Adjusted operating income	23,309	32,821	56,130
Acquisition amortization expense	1,939	1,900	3,839
Adjusted operating income before acquisition amortization expense	25,248	34,721	59,969
Discontinued operations - Harsco Industrial before acquisition amortization expense	18,834	20,560	39,394
Adjusted operating income before acquisition amortization expense and including discontinued operations	\$ 44,082	\$ 55,281	\$ 99,363

(a) The operating results of the former Harsco Industrial Segment have 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.

**HARSCO CORPORATION**  
**RECONCILIATION OF PROJECTED OPEARTING INCOME AND ADJUSTED OPERATING INCOME BEFORE**  
**ACQUISITION AMORTIZATION EXPENSE TO OPERATING INCOME (Unaudited)**

(In millions)	Projected Three Months Ended		Projected Twelve Months Ended	
	December 31, 2019		December 31, 2019	
	Low	High	Low	High
Operating income from continuing operations (a) (b)	\$ 47	\$ 52	\$ 132	\$ 137
Operating income from the former Harsco Industrial Segment before acquisition amortization (c)	—	—	39	39
Project operating income	47	52	171	176
Corporate strategic and transaction related costs	—	—	18	18
Harsco Environmental Segment provision for doubtful accounts	—	—	6	6
Harsco Rail Segment improvement initiative costs	—	—	5	5
Harsco Environmental Segment change in fair value to contingent consideration liability	—	—	(4)	(4)
Harsco Environmental Segment site exit related	—	—	(2)	(2)
Adjusted operating income	47	52	194	199
Estimated acquisition amortization expense	6	6	15	15
Adjusted operating income before acquisition amortization expense	\$ 53	\$ 58	\$ 209	\$ 214

(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, 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 FREE CASH FLOW BEFORE GROWTH CAPITAL EXPENDITURES TO NET CASH PROVIDED BY**  
**OPERATING ACTIVITIES (Unaudited)**

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2019	2018	2019	2018
Net cash provided by operating activities	\$ 44,657	\$ 48,315	\$ 50,029	\$ 95,014
Less capital expenditures	(55,870)	(34,806)	(147,071)	(91,302)
Less purchase of intangible assets	(721)	—	(1,246)	—
Plus capital expenditures for strategic ventures (a)	1,461	437	4,831	972
Plus total proceeds from sales of assets (b)	5,355	5,943	7,560	9,096
Plus transaction-related expenditures (c)	10,390	—	26,380	—
Free cash flow	5,272	19,889	(59,517)	13,780
Add growth capital expenditures	25,587	6,875	56,190	19,017
Free cash flow before growth capital expenditures	\$ 30,859	\$ 26,764	\$ (3,327)	\$ 32,797

- (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)**

	<b>Twelve Months Ended December 31</b>
<b>(In thousands)</b>	<b>2018</b>
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	<u>\$ 103,991</u>

- (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)**

(In millions)	Projected Twelve Months Ending December 31	
	2019	
	Low	High
Net cash provided by operating activities	\$ 184	\$ 204
Less capital expenditures	(186)	(194)
Plus total proceeds from asset sales and capital expenditures for strategic ventures	16	14
Transaction related expenses	26	26
Free cash flow	40	50
Add growth capital expenditures	80	80
Free cash flow before growth capital expenditures	\$ 120	\$ 130

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 RETURN ON INVESTED CAPITAL TO NET INCOME AS REPORTED (a)**  
(Unaudited)

(In thousands)	Trailing Twelve Months for Period Ended
	September 30, 2019
Net income as reported	\$ 519,397
Gain on sale of discontinued business	(527,980)
Corporate strategic costs	17,872
Transaction-related costs for discontinued operations	8,263
Harsco Environmental Segment change in fair value to contingent consideration liability	(7,767)
Unused debt commitment and amendment fees; and loss on early extinguishment of debt	7,435
Harsco Environmental Segment provision for doubtful accounts	6,174
Loss on extinguishment of debt in discontinued operations	5,314
Harsco Rail Segment improvement initiative costs	5,285
Harsco Environmental Segment site exit related	(2,427)
Harsco Clean Earth Segment severance costs	1,254
Taxes on above unusual items (b)	102,899
Impact of U.S. tax reform on income tax benefit	(15,409)
Deferred tax asset valuation allowance adjustment	(465)
Net income from continuing operations, as adjusted	119,845
After-tax interest expense (c)	25,669
Net operating profit after tax as adjusted	\$ 145,514
Average equity	\$ 431,499
Plus average debt	733,341
Average capital	\$ 1,164,840
<b>Return on invested capital</b>	<b>12.5%</b>

- (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 September 30, 2019.

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 ADJUSTED HARSCO CLEAN EARTH SEGMENT OPERATING INCOME BEFORE ACQUISITION**  
**AMORTIZATION EXPENSE TO HARSCO CLEAN EARTH SEGMENT OPERATING INCOME (Unaudited)**

	<b>Three Months Ended September 30 2018</b>
<b>(In millions)</b>	
Operating income	\$ 4,278
Acquisition amortization expense	3,649
Adjusted operating income before acquisition amortization expense	\$ 7,927
Revenues as reported	\$ 71,117
Adjusted operating margin (%)	11.1%

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 for comparative purposes. 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.