

ENVIRI CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

Three Months Ended

March 31

(In thousands, except per share amounts)

	2024	2023
Revenues from continuing operations:		
Service revenues	\$ 499,154	\$ 461,560
Product revenues	101,163	99,145
Total revenues	600,317	560,705
Costs and expenses from continuing operations:		
Cost of services sold	392,852	369,508
Cost of products sold	85,410	82,549
Selling, general and administrative expenses	87,126	81,861
Research and development expenses	861	520
Remeasurement of long-lived assets	10,695	—
Other expense (income), net	(2,440)	(5,648)
Total costs and expenses	574,504	528,790
Operating income (loss) from continuing operations	25,813	31,915
Interest income	1,697	1,480
Interest expense	(28,122)	(24,995)
Facility fees and debt-related income (expense)	(2,789)	(2,363)
Defined benefit pension income (expense)	(4,176)	(5,329)
Income (loss) from continuing operations before income taxes and equity income	(7,577)	708
Income tax benefit (expense) from continuing operations	(7,915)	(8,017)
Equity income (loss) of unconsolidated entities, net	(249)	(133)
Income (loss) from continuing operations	(15,741)	(7,442)
Discontinued operations:		
Income (loss) from discontinued businesses	(1,492)	(1,655)
Income tax benefit (expense) from discontinued businesses	387	507
Income (loss) from discontinued operations, net of tax	(1,105)	(1,148)
Net income (loss)	(16,846)	(8,590)
Less: Net loss (income) attributable to noncontrolling interests	(1,116)	(935)
Net income (loss) attributable to Enviri Corporation	\$ (17,962)	\$ (9,525)
Amounts attributable to Enviri Corporation common stockholders:		
Income (loss) from continuing operations, net of tax	\$ (16,857)	\$ (8,377)
Income (loss) from discontinued operations, net of tax	(1,105)	(1,148)
Net income (loss) attributable to Enviri Corporation common stockholders	\$ (17,962)	\$ (9,525)
Weighted-average shares of common stock outstanding	79,945	79,633
Basic earnings (loss) per common share attributable to Enviri Corporation common stockholders:		
Continuing operations	\$ (0.21)	\$ (0.11)
Discontinued operations	(0.01)	(0.01)
Basic earnings (loss) per share attributable to Enviri Corporation common stockholders	\$ (0.22)	\$ (0.12)
Diluted weighted-average shares of common stock outstanding	79,945	79,633
Diluted earnings (loss) per common share attributable to Enviri Corporation common stockholders:		
Continuing operations	\$ (0.21)	\$ (0.11)
Discontinued operations	(0.01)	(0.01)
Diluted earnings (loss) per share attributable to Enviri Corporation common stockholders	\$ (0.22)	\$ (0.12)

**ENVIRI CORPORATION
CONSOLIDATED BALANCE SHEETS**

(In thousands)	March 31 2024	December 31 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 103,876	\$ 121,239
Restricted cash	3,532	3,375
Trade accounts receivable, net	308,213	338,187
Other receivables	33,693	40,565
Inventories	190,288	189,369
Current portion of contract assets	69,057	64,875
Prepaid expenses	53,081	58,723
Current portion of assets held-for-sale	8,282	195
Other current assets	13,627	10,828
Total current assets	783,649	827,356
Property, plant and equipment, net	688,638	707,397
Right-of-use assets, net	102,278	102,891
Goodwill	771,404	780,978
Intangible assets, net	319,522	327,983
Deferred income tax assets	15,884	16,295
Assets held-for-sale	8,873	—
Other assets	100,030	91,798
Total assets	\$ 2,790,278	\$ 2,854,698
LIABILITIES		
Current liabilities:		
Short-term borrowings	\$ 3,251	\$ 14,871
Current maturities of long-term debt	16,021	15,558
Accounts payable	224,509	243,279
Accrued compensation	52,947	79,609
Income taxes payable	5,172	7,567
Reserve for forward losses on contracts	46,592	52,919
Current portion of advances on contracts	35,965	38,313
Current portion of operating lease liabilities	28,569	28,775
Current portion of liabilities of assets held-for-sale	2,342	—
Other current liabilities	162,415	174,342
Total current liabilities	577,783	655,233
Long-term debt	1,444,883	1,401,437
Retirement plan liabilities	44,866	45,087
Operating lease liabilities	75,151	75,476
Environmental liabilities	25,253	25,682
Deferred tax liabilities	33,651	29,160
Other liabilities	42,567	47,215
Total liabilities	2,244,154	2,279,290
ENVIRI CORPORATION STOCKHOLDERS' EQUITY		
Common stock	146,548	146,105
Additional paid-in capital	241,833	238,416
Accumulated other comprehensive loss	(546,532)	(539,694)
Retained earnings	1,510,358	1,528,320
Treasury stock	(851,266)	(849,996)
Total Enviri Corporation stockholders' equity	500,941	523,151
Noncontrolling interests	45,183	52,257
Total equity	546,124	575,408
Total liabilities and equity	\$ 2,790,278	\$ 2,854,698

ENVIRI CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Three Months Ended March 31	
	2024	2023
Cash flows from operating activities:		
Net income (loss)	\$ (16,846)	\$ (8,590)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	36,920	33,039
Amortization	8,174	7,965
Deferred income tax (benefit) expense	3,445	(56)
Equity (income) loss of unconsolidated entities, net	249	133
Remeasurement of long-lived assets	10,695	—
Other, net	772	1,009
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:		
Accounts receivable	24,426	(14,533)
Inventories	(5,297)	(8,534)
Contract assets	(9,199)	11,698
Right-of-use assets	8,599	7,842
Accounts payable	(13,751)	17,735
Accrued interest payable	(6,820)	(6,998)
Accrued compensation	(25,531)	7,343
Advances on contracts	(1,618)	(5,591)
Operating lease liabilities	(8,212)	(7,202)
Retirement plan liabilities, net	(340)	814
Other assets and liabilities	(4,318)	838
Net cash (used) provided by operating activities	1,348	36,912
Cash flows from investing activities:		
Purchases of property, plant and equipment	(26,881)	(22,146)
Proceeds from sales of assets	4,313	823
Expenditures for intangible assets	(77)	(36)
Net proceeds (payments) from settlement of foreign currency forward exchange contracts	(602)	(1,212)
Other investing activities, net	1	32
Net cash used by investing activities	(23,246)	(22,539)
Cash flows from financing activities:		
Short-term borrowings, net	(9,003)	(3,029)
Current maturities and long-term debt:		
Additions	35,323	59,000
Reductions	(4,967)	(57,200)
Contributions from noncontrolling interests	874	—
Dividends paid to noncontrolling interests	(8,243)	—
Stock-based compensation - Employee taxes paid	(1,040)	(930)
Other financing activities, net	(1)	—
Net cash (used) provided by financing activities	12,943	(2,159)
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	(8,251)	(1,072)
Net increase (decrease) in cash and cash equivalents, including restricted cash	(17,206)	11,142
Cash and cash equivalents, including restricted cash, at beginning of period	124,614	85,094
Cash and cash equivalents, including restricted cash, at end of period	\$ 107,408	\$ 96,236

ENVIRI CORPORATION
REVIEW OF OPERATIONS BY SEGMENT (Unaudited)

(In thousands)	Three Months Ended			
	March 31, 2024		March 31, 2023	
	Revenues	Operating Income (Loss)	Revenues	Operating Income (Loss)
Harsco Environmental	\$ 299,119	\$ 19,588	\$ 273,189	\$ 22,285
Clean Earth	226,030	20,593	222,464	16,471
Harsco Rail	75,168	(9,061)	65,052	2,345
Corporate	—	(5,307)	—	(9,186)
Consolidated Totals	\$ 600,317	\$ 25,813	\$ 560,705	\$ 31,915

ENVIRI CORPORATION
RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS TO
DILUTED EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

	Three Months Ended	
	March 31	
	2024	2023
Diluted earnings (loss) per share from continuing operations, as reported	\$ (0.21)	\$ (0.11)
Corporate strategic costs (a)	0.01	0.01
Corporate net gain on sale of assets (b)	(0.04)	—
Harsco Environmental segment net gain on lease incentive (c)	—	(0.09)
Harsco Rail segment remeasurement of long-lived assets (d)	0.13	—
Harsco Rail segment severance cost adjustment (e)	—	(0.01)
Taxes on above unusual items (f)	0.01	0.02
Adjusted diluted earnings (loss) per share from continuing operations, including acquisition amortization expense	(0.10)	(0.17) (h)
Acquisition amortization expense, net of tax (g)	0.07	0.07
Adjusted diluted earnings (loss) per share from continuing operations	\$ (0.03)	\$ (0.10)

- (a) Certain strategic costs incurred at Corporate associated with supporting and executing the Company's long-term strategies (three months ended March 31, 2024 \$0.7 million pre-tax expense; three months ended March 31, 2023 \$1.0 million pre-tax expense).
- (b) Net gain recognized for the sale of certain assets by Corporate (three months ended March 31, 2024 \$3.3 million pre-tax income).
- (c) Gain, net of exit costs, recognized for a lease modification that resulted in a lease incentive for the Company for a site relocation prior the end of the expected lease term (three months ended March 31, 2023 \$6.8 million pre-tax income)
- (d) During the three months ended March 31, 2024, the Company determined that the held-for-sale criteria was no longer met for the Harsco Rail segment and a charge was recorded for the depreciation and amortization expense that would have been recognized during the periods that Rail's long-lived assets were classified as held-for-sale, had the assets been continuously classified as held-for-use (three months ended March 31, 2024 \$10.7 million pre-tax expense).
- (e) Adjustment to severance and related costs incurred in the prior period in the Harsco Rail segment (three months ended March 31, 2023 \$0.5 million pre-tax income).
- (f) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded.
- (g) Pre-tax acquisition amortization expense was \$7.2 million and \$7.0 million for the three months ended March 31, 2024 and 2023, respectively, and after-tax was \$5.6 million and \$5.4 million for the three months ended March 31, 2024 and 2023, respectively.
- (h) Does not total due to rounding.

ENVIRI CORPORATION
RECONCILIATION OF PROJECTED ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE FROM
CONTINUING OPERATIONS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS
(Unaudited)

	Projected			
	Three Months Ending		Twelve Months Ending	
	June 30		December 31	
	2024		2024	
	Low	High	Low	High
Diluted earnings (loss) per share from continuing operations	\$ (0.11)	\$ (0.04)	\$ (0.47)	\$ (0.26)
Corporate strategic costs	—	—	0.01	0.01
Corporate net gain on sale of assets	—	—	(0.04)	(0.04)
Harsco Rail segment remeasurement of long-lived assets	—	—	0.13	0.13
Taxes on above unusual items	—	—	0.01	0.01
Adjusted diluted earnings (loss) per share from continuing operations, including acquisition amortization expense	(0.11)	(0.04)	(0.36)	(0.15)
Estimated acquisition amortization expense, net of tax	0.07	0.07	0.27	0.27
Adjusted diluted earnings (loss) per share from continuing operations	\$ (0.05) ^(a)	\$ 0.03	\$ (0.09)	\$ 0.12

(a) Does not total due to rounding.

ENVIRI CORPORATION
RECONCILIATION OF ADJUSTED EBITDA BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY
SEGMENT (Unaudited)

(In thousands)	Harsco Environmental	Clean Earth	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended March 31, 2024:					
Operating income (loss), as reported	\$ 19,588	\$ 20,593	\$ (9,061)	\$ (5,307)	\$ 25,813
Corporate strategic costs	—	—	—	681	681
Corporate net gain on sale of assets	—	—	—	(3,281)	(3,281)
Harsco Rail segment remeasurement of long-lived assets	—	—	10,695	—	10,695
Operating income (loss), excluding unusual items	19,588	20,593	1,634	(7,907)	33,908
Depreciation	28,789	7,413	361	357	36,920
Amortization	1,018	6,167	22	—	7,207
Adjusted EBITDA	49,395	34,173	2,017	(7,550)	78,035
Revenues, as reported	\$ 299,119	\$ 226,030	\$ 75,168	—	\$ 600,317
Adjusted EBITDA margin (%)	16.5 %	15.1 %	2.7 %	—	13.0 %
Three Months Ended March 31, 2023:					
Operating income (loss), as reported	\$ 22,285	\$ 16,471	2,345	\$ (9,186)	\$ 31,915
Corporate strategic costs	—	—	—	1,046	1,046
Segment severance costs	—	—	(537)	—	(537)
Harsco Environmental net gain on lease incentive	(6,782)	—	—	—	(6,782)
Operating income (loss), excluding unusual items	15,503	16,471	1,808	(8,140)	25,642
Depreciation	27,560	4,927	—	552	33,039
Amortization	999	6,029	—	—	7,028
Adjusted EBITDA	44,062	27,427	1,808	(7,588)	65,709
Revenues, as reported	\$ 273,189	\$ 222,464	\$ 65,052	—	\$ 560,705
Adjusted EBITDA margin (%)	16.1 %	12.3 %	2.8 %	—	11.7 %

ENVIRI CORPORATION
RECONCILIATION OF ADJUSTED EBITDA TO CONSOLIDATED INCOME (LOSS) FROM
CONTINUING OPERATIONS AS REPORTED (Unaudited)

(In thousands)	Three Months Ended March 31	
	2024	2023
Consolidated income (loss) from continuing operations	\$ (15,741)	\$ (7,442)
Add back (deduct):		
Equity in (income) loss of unconsolidated entities, net	249	133
Income tax (benefit) expense	7,915	8,017
Defined benefit pension expense	4,176	5,329
Facility fee and debt-related expense	2,789	2,363
Interest expense	28,122	24,995
Interest income	(1,697)	(1,480)
Depreciation	36,920	33,039
Amortization	7,207	7,028
Unusual items:		
Corporate strategic costs	681	1,046
Corporate net gain on sale of assets	(3,281)	—
Harsco Environmental segment net gain on lease incentive	—	(6,782)
Harsco Rail segment severance costs	—	(537)
Harsco Rail segment remeasurement of long-lived assets	10,695	—
Adjusted EBITDA	\$ 78,035	\$ 65,709

ENVIRI CORPORATION
RECONCILIATION OF PROJECTED CONSOLIDATED ADJUSTED EBITDA TO PROJECTED CONSOLIDATED INCOME
FROM CONTINUING OPERATIONS (Unaudited)

(In millions)	Projected Three Months Ending June 30 2024		Projected Twelve Months December 31 2024	
	Low	High	Low	High
	Consolidated loss from continuing operations	\$ (7)	\$ (1)	\$ (32)
Add back (deduct):				
Income tax (income) expense	6	8	28	33
Facility fees and debt-related (income) expense	3	2	11	11
Net interest	27	26	111	106
Defined benefit pension (income) expense	5	4	17	17
Depreciation and amortization	45	45	181	181
Unusual items:				
Corporate strategic costs	—	—	1	1
Corporate net gain on sale of assets	—	—	(3)	(3)
Harsco Rail segment remeasurement of long-lived assets	—	—	11	11
Consolidated Adjusted EBITDA	<u>\$ 78</u> ^(a)	<u>\$ 85</u> ^(a)	<u>\$ 325</u>	<u>\$ 342</u>

(a) Does not total due to rounding.

ENVIRI CORPORATION
RECONCILIATION OF ADJUSTED FREE CASH FLOW TO NET CASH PROVIDED BY OPERATING ACTIVITIES
(Unaudited)

(In thousands)	Three Months Ended	
	March 31	
	2024	2023
Net cash provided (used) by operating activities	\$ 1,348	\$ 36,912
Less capital expenditures	(26,881)	(22,146)
Less expenditures for intangible assets	(77)	(36)
Plus capital expenditures for strategic ventures (a)	1,153	486
Plus total proceeds from sales of assets (b)	4,313	823
Plus transaction-related expenditures (c)	3,500	—
Adjusted free cash flow	\$ (16,644)	\$ 16,039

- (a) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's condensed consolidated financial statements.
- (b) Asset sales are a normal part of the business model, primarily for the Harsco Environmental segment. The three months ended March 31, 2024 included asset sales primarily by Corporate.
- (c) Expenditures directly related to the Company's divestiture transactions and other strategic costs incurred at Corporate.

ENVIRI CORPORATION
RECONCILIATION OF PROJECTED ADJUSTED FREE CASH FLOW TO PROJECTED NET CASH PROVIDED BY
OPERATING ACTIVITIES (Unaudited)

(In millions)	Projected Twelve Months Ending December 31	
	2024	
	Low	High
Net cash provided by operating activities	\$ 132	\$ 162
Less net capital / intangible asset expenditures	(130)	(140)
Plus capital expenditures for strategic ventures	4	4
Plus transaction-related expenditures	4	4
Adjusted free cash flow	\$ 10	\$ 30

ENVIRI CORPORATION
RECONCILIATION OF ADJUSTED EBITDA BY SEGMENT TO OPERATING INCOME (LOSS) BY SEGMENT (Unaudited)

(In thousands)	Harsco Environmental	Clean Earth	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended March 31, 2023:					
Operating income (loss)	\$ 22,285	\$ 16,471	\$ 2,345	\$ (9,186)	\$ 31,915
Corporate strategic costs	—	—	—	1,046	1,046
Segment severance costs	—	—	(537)	—	(537)
Harsco Environmental segment net gain on lease incentive	(6,782)	—	—	—	(6,782)
Operating income (loss), excluding unusual items	15,503	16,471	1,808	(8,140)	25,642
Depreciation	27,560	4,927	—	552	33,039
Amortization	999	6,029	—	—	7,028
Adjusted EBITDA	44,062	27,427	1,808	(7,588)	65,709
Revenues	\$ 273,189	\$ 222,464	\$ 65,052	—	\$ 560,705
Adjusted EBITDA margin (%)	16.1 %	12.3 %	2.8 %	—	11.7 %
Three Months Ended June 30, 2023:					
Operating income (loss)	\$ 12,733	\$ 23,034	\$ 8,924	\$ (11,004)	\$ 33,687
Corporate strategic costs	—	—	—	1,291	1,291
Harsco Environmental segment net gain on lease incentive	(3,000)	—	—	—	(3,000)
Harsco Environmental segment property, plant and equipment impairment	14,099	—	—	—	14,099
Harsco Rail segment provision for forward losses on contracts (a)	—	—	(7,032)	—	(7,032)
Operating income (loss), excluding unusual items	23,832	23,034	1,892	(9,713)	39,045
Depreciation	28,354	5,547	—	556	34,457
Amortization	1,008	6,113	—	—	7,121
Adjusted EBITDA	53,194	34,694	1,892	(9,157)	80,623
Revenues	\$ 289,593	\$ 230,575	\$ 88,848	—	\$ 609,016
Adjusted EBITDA margin (%)	18.4 %	15.0 %	2.1 %	—	13.2 %
Three Months Ended September 30, 2023:					
Operating income (loss)	\$ 17,867	\$ 21,497	\$ (1,000)	\$ (9,604)	\$ 28,760
Corporate strategic costs	—	—	—	2,044	2,044
Corporate contingent consideration adjustment	—	—	—	(828)	(828)
Segment severance costs	1,146	—	—	—	1,146
Harsco Environmental segment accounts receivable provision	5,284	—	—	—	5,284
Harsco Rail segment provision for forward losses on contracts (a)	—	—	2,857	—	2,857
Operating income (loss), excluding unusual items	24,297	21,497	1,857	(8,388)	39,263
Depreciation	28,793	6,054	—	550	35,397
Amortization	1,013	6,330	—	—	7,343
Adjusted EBITDA	54,103	33,881	1,857	(7,838)	82,003
Revenues	\$ 285,877	\$ 238,711	\$ 72,380	—	\$ 596,968
Adjusted EBITDA margin (%)	18.9 %	14.2 %	2.6 %	—	13.7 %
Three Months Ended December 31, 2023:					
Operating income (loss)	\$ 24,750	\$ 15,972	\$ (41,940)	\$ (13,206)	\$ (14,424)
Corporate strategic costs	—	—	—	1,979	1,979
Harsco Environmental segment net gain on lease incentive	1,729	—	—	—	1,729
Harsco Rail segment provision for forward losses on contracts and contract-related costs (a)	—	—	47,024	—	47,024
Harsco Rail segment net gain on sale of asset	—	—	(2,374)	—	(2,374)
Operating income (loss), excluding unusual items	26,479	15,972	2,710	(11,227)	33,934
Depreciation	28,865	6,724	—	474	36,063
Amortization	1,009	6,112	—	—	7,121
Adjusted EBITDA	56,353	28,808	2,710	(10,753)	77,118
Revenues	\$ 292,245	\$ 236,571	\$ 70,515	—	\$ 599,331
Adjusted EBITDA margin (%)	19.3 %	12.2 %	3.8 %	—	12.9 %

ENVIRI CORPORATION
RECONCILIATION OF ADJUSTED EBITDA BY SEGMENT TO OPERATING INCOME (LOSS) BY SEGMENT
(Unaudited)

(In thousands)	Harsco Environmental	Clean Earth	Harsco Rail	Corporate	Consolidated Totals
Twelve Months Ended December 31, 2023:					
Operating income (loss)	\$ 77,635	\$ 76,974	\$ (31,671)	\$ (43,000)	\$ 79,938
Corporate strategic costs	—	—	—	6,360	6,360
Corporate contingent consideration adjustment	—	—	—	(828)	(828)
Segment severance costs	1,146	—	(537)	—	609
Harsco Environmental segment net gain on lease incentive	(8,053)	—	—	—	(8,053)
Harsco Environmental segment property, plant and equipment impairment	14,099	—	—	—	14,099
Harsco Environmental segment accounts receivable provision	5,284	—	—	—	5,284
Harsco Rail segment provision for forward losses on contracts and contract-related costs (a)	—	—	42,849	—	42,849
Harsco Rail segment net gain on sale of asset	—	—	(2,374)	—	(2,374)
Operating income (loss), excluding unusual items	90,111	76,974	8,267	(37,468)	137,884
Depreciation	113,572	23,252	—	2,132	138,956
Amortization	4,029	24,584	—	—	28,613
Adjusted EBITDA	207,712	124,810	8,267	(35,336)	305,453
Revenues	\$ 1,140,904	\$ 928,321	\$ 296,795	\$ —	\$ 2,366,020
Adjusted EBITDA margin (%)	18.2 %	13.4 %	2.8 %	— %	12.9 %

(a) Relates principally to the SBB, Deutsche Bahn and Network Rail contracts.