



## Harsco Corporation Reports First Quarter 2023 Results

May 3, 2023

- *First Quarter Revenues from Continuing Operations Totaled \$496 Million, an Increase of 9 Percent Over the Prior-Year Quarter (or 12 Percent Excluding FX Translation Impacts)*
- *Q1 GAAP Operating Income from Continuing Operations of \$29 Million*
- *Adjusted EBITDA from Continuing Operations in Q1 Totaled \$63 million; an Increase of 28 Percent Over the Prior-Year Quarter*
- *Credit Agreement Net Leverage Ratio Declined to 4.9x at Quarter-End From 5.3x at the End of 2022 Due to Strong Operating Performance*
- *Full Year 2023 Adjusted EBITDA Guidance Range Increased to Between \$260 Million and \$275 Million*

PHILADELPHIA, May 03, 2023 (GLOBE NEWSWIRE) -- Harsco Corporation (NYSE: HSC) today reported first quarter 2023 results. On a U.S. GAAP ("GAAP") basis, the first quarter of 2023 diluted loss per share from continuing operations was \$0.12, after unusual items including a net gain on a lease to relocate a site. Adjusted diluted loss per share from continuing operations in the first quarter of 2023 was \$0.11. These figures compare with first quarter of 2022 GAAP diluted loss per share from continuing operations of \$0.09 and adjusted diluted loss per share from continuing operations of \$0.01.

GAAP operating income from continuing operations for the first quarter of 2023 was \$29 million. Adjusted EBITDA was \$63 million in the quarter, compared to the Company's previously provided guidance range of \$45 million to \$50 million.

"Harsco delivered another quarter of strong operating and financial performance, as we continued to benefit from steady demand for our environmental solutions and focused execution by our teams across the company," said Harsco Chairman and CEO Nick Grasberger. "Our results were supported by healthy underlying volumes and favorable cost performance relative to our earlier expectations, with operating costs aided by proactive internal initiatives. These positive financial results, coupled with our cash management, have led to a sequential decrease in our leverage, a trend we expect to continue in the coming quarters.

"Looking forward, demand within our key markets remains solid, and we anticipate continued positive momentum in both Clean Earth and Harsco Environmental. As a result, we are raising our outlook for the year. Business performance at Rail is also trending positively and our efforts to simplify and de-risk the business are ongoing, as we continue to position the business for a sale. Overall, we are encouraged by our progress and expect that continued execution of our key priorities will position Harsco well to create significant shareholder value in the coming years."

### Harsco Corporation—Selected First Quarter Results

| (\$ in millions, except per share amounts)                 | Q1 2023   | Q1 2022   |
|--|-----------|-----------|
| Revenues   | \$ 496    | \$ 453    |
| Operating income from continuing operations - GAAP         | \$ 29     | \$ 8      |
| Diluted EPS from continuing operations - GAAP              | \$ (0.12) | \$ (0.09) |
| Adjusted EBITDA - Non GAAP                                 | \$ 63     | \$ 49     |
| Adjusted EBITDA margin - Non GAAP                          | 12.7%     | 10.8%     |
| Adjusted diluted EPS from continuing operations - Non GAAP | \$ (0.11) | \$ (0.01) |

**Note:** Adjusted diluted earnings (loss) per share from continuing operations and adjusted EBITDA details presented throughout this release are adjusted for unusual items; in addition, adjusted diluted earnings per share from continuing operations is adjusted for acquisition-related amortization expense. See below for definition of these non-GAAP measures.

### Consolidated First Quarter Operating Results

Consolidated revenues from continuing operations were \$496 million, an increase of 9 percent compared with the prior-year quarter. Both Harsco Environmental and Clean Earth realized an increase in revenues compared to the first quarter of 2022 due to higher demand for environmental services and higher services pricing. Foreign currency translation negatively impacted first quarter 2023 revenues by approximately \$13 million (3 percent), compared with the prior-year period.

The Company's GAAP operating income from continuing operations was \$29 million for the first quarter of 2023, compared with GAAP operating income of \$8 million in the same quarter of 2022. Meanwhile, adjusted EBITDA totaled \$63 million in the first quarter of 2023 versus \$49 million in the first quarter of the prior year. Clean Earth achieved significantly higher adjusted EBITDA relative to the prior-year quarter, while Harsco Environmental's adjusted EBITDA was below the comparable quarter of 2022 as anticipated.

### First Quarter Business Review

#### Harsco Environmental

| (\$ in millions)        | Q1 2023 | Q1 2022 |
|-------------------------|---------|---------|
| Revenues                | \$ 273  | \$ 262  |
| Operating income - GAAP | \$ 22   | \$ 18   |

|                                   |    |       |    |       |
|-----------------------------------|----|-------|----|-------|
| Adjusted EBITDA - Non GAAP        | \$ | 44    | \$ | 48    |
| Adjusted EBITDA margin - Non GAAP |    | 16.1% |    | 18.4% |

Harsco Environmental revenues totaled \$273 million in the first quarter of 2023, an increase of 4 percent compared with the prior-year quarter. This change is attributable to increases in both volume and price, partially offset by the impact of FX translation. The segment's GAAP operating earnings and adjusted EBITDA totaled \$22 million and \$44 million, respectively, in the first quarter of 2023. These figures compare with GAAP operating income of \$18 million and adjusted EBITDA of \$48 million in the prior-year period. The year-on-year change in adjusted earnings reflects the above-mentioned items as well as the impact of select site exits, higher operating costs due to inflation, and certain items (i.e. recovery of Brazil sales taxes) in the prior-year quarter which were not repeated in 2023.

#### Clean Earth

| (\$ in millions)                  |    | Q1 2023 |    | Q1 2022 |
|-----------------------------------|----|---------|----|---------|
| Revenues                          | \$ | 222     | \$ | 191     |
| Operating income (loss) - GAAP    | \$ | 16      | \$ | (1)     |
| Adjusted EBITDA - Non GAAP        | \$ | 27      | \$ | 10      |
| Adjusted EBITDA margin - Non GAAP |    | 12.3%   |    | 5.3%    |

Clean Earth revenues totaled \$222 million in the first quarter of 2023, a 17 percent increase over the prior-year quarter as a result of higher volumes and services pricing. The segment's GAAP operating income was \$16 million and adjusted EBITDA was \$27 million in the first quarter of 2023. These figures compare with a GAAP operating loss of \$1 million and adjusted EBITDA of \$10 million in the prior-year period. The year-on-year improvement in adjusted earnings reflects higher volumes and price as well as cost reduction and efficiency initiatives, partially offset by inflationary pressures on certain expenditures such as labor and disposal. As a result, Clean Earth's adjusted EBITDA margin increased to 12.3 percent in the first quarter of 2023 versus 5.3 percent in the comparable quarter of 2022.

#### Cash Flow

Net cash provided by operating activities was \$37 million in the first quarter of 2023, compared with net cash used by operating activities of \$34 million in the prior-year period. Free cash flow (excluding Rail) was \$12 million in the first quarter of 2023, compared with \$(29) million in the prior-year period. The increase in free cash flow compared with the prior-year quarter is mainly attributable to higher cash earnings, the timing of certain payments and lower net capital spending.

#### 2023 Outlook

The Company has increased its 2023 guidance to reflect its positive business momentum and improved visibility in each of its businesses, relative to the outlook provided with the Company's fourth quarter 2022 results. Comments by business segments are as follows:

**Harsco Environmental** adjusted EBITDA is projected to be modestly above 2022 results. For the year, higher services pricing, restructuring benefits, site improvement initiatives and new contracts are expected to be partially offset by FX translation impacts and lower commodity prices.

**Clean Earth** adjusted EBITDA is expected to significantly increase versus 2022, as a result of higher services pricing as well as cost reduction and operational improvement actions, offsetting the impacts of continued labor-market and supply-chain (disposal) tightness.

**Corporate** spending is anticipated to be higher relative to the prior year due to the normalization of certain expenditures, including travel and higher planned incentive compensation.

Lastly, Harsco **Free Cash Flow** is now projected to be within a range of \$25 million to \$45 million for the year, which represents a significant improvement in underlying cash flows due to higher cash earnings and working capital (adjusted for the Accounts Receivable Securitization benefit in 2022).

#### 2023 Full Year Outlook (Continuing Operations)

|   | Current               | Prior                 |
|---|-----------------------|-----------------------|
| GAAP Operating Income/(Loss)  | \$101 - \$116 million | \$74 - \$94 million   |
| Adjusted EBITDA   | \$260 - \$275 million | \$240 - \$260 million |
| GAAP Diluted Earnings/(Loss) Per Share from Continuing Operations     | \$(0.33) - \$(0.54)   | \$(0.50) - \$(0.80)   |
| Adjusted Diluted Earnings/(Loss) Per Share from Continuing Operations | \$(0.12) - \$(0.33)   | \$(0.23) - \$(0.52)   |
| Free Cash Flow  | \$25 - \$45 million   | \$20 - \$40 million   |
| Net Interest Expense  | \$92 - \$95 million   | \$91 - \$95 million   |
| Account Receivable Securitization Fees                                | \$10 million          | \$9 - \$10 million    |
| Pension Expense (Non-Operating)                                       | \$20 - \$22 million   | \$20 - \$22 million   |
| Tax Expense, Excluding Any Unusual Items                              | \$12 - \$15 million   | \$8 - \$11 million    |
| Net Capital Expenditures  | \$125 - \$135 million | \$125 - \$135 million |

#### Q2 2023 Outlook (Continuing Operations)

|                       |                     |
|-----------------------|---------------------|
| GAAP Operating Income | \$24 - \$31 million |
| Adjusted EBITDA       | \$65 - \$72 million |

|   |                            |
|---|----------------------------|
| GAAP Diluted Earnings/(Loss) Per Share from Continuing Operations     | <b>\$(0.07) - \$(0.16)</b> |
| Adjusted Diluted Earnings/(Loss) Per Share from Continuing Operations | <b>\$(0.01) - \$(0.09)</b> |

## Conference Call

The Company will hold a conference call today at 10:00 a.m. Eastern Time to discuss its results and respond to questions from the investment community. Those who wish to listen to the conference call webcast should visit the Investor Relations section of the Company's website at [www.harsco.com](http://www.harsco.com). The live call also can be accessed by dialing (833) 634-5019, or (412) 902-4237 for international callers. Please ask to join the Harsco Corporation call. Listeners are advised to dial in approximately ten minutes prior to the call. If you are unable to listen to the live call, the webcast will be archived on the Company's website.

## Forward-Looking Statements

The nature of the Company's business, together with the number of countries in which it operates, subject it to changing economic, competitive, regulatory and technological conditions, risks and uncertainties. In accordance with the "safe harbor" provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, the Company provides the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the results contemplated by forward-looking statements, including the expectations and assumptions expressed or implied herein. Forward-looking statements contained herein could include, among other things, statements about management's confidence in and strategies for performance; expectations for new and existing products, technologies and opportunities; and expectations regarding growth, sales, cash flows, and earnings. Forward-looking statements can be identified by the use of such terms as "may," "could," "expect," "anticipate," "intend," "believe," "likely," "estimate," "outlook," "plan" or other comparable terms.

Factors that could cause actual results to differ, perhaps materially, from those implied by forward-looking statements include, but are not limited to: (1) changes in the worldwide business environment in which the Company operates, including changes in general economic conditions or health conditions; (2) changes in currency exchange rates, interest rates, commodity and fuel costs and capital costs; (3) changes in the performance of equity and bond markets that could affect, among other things, the valuation of the assets in the Company's pension plans and the accounting for pension assets, liabilities and expenses; (4) changes in governmental laws and regulations, including environmental, occupational health and safety, tax and import tariff standards and amounts; (5) market and competitive changes, including pricing pressures, market demand and acceptance for new products, services and technologies; (6) the Company's inability or failure to protect its intellectual property rights from infringement in one or more of the many countries in which the Company operates; (7) failure to effectively prevent, detect or recover from breaches in the Company's cybersecurity infrastructure; (8) unforeseen business disruptions in one or more of the many countries in which the Company operates due to political instability, civil disobedience, armed hostilities, public health issues or other calamities; (9) disruptions associated with labor disputes and increased operating costs associated with union organization; (10) the seasonal nature of the Company's business; (11) the Company's ability to successfully enter into new contracts and complete new acquisitions or strategic ventures in the time-frame contemplated, or at all; (12) the Company's ability to negotiate, complete, and integrate strategic transactions; (13) failure to complete a divestiture of the Rail segment, as announced on November 2, 2021 on satisfactory terms, or at all; (14) potential severe volatility in the capital or commodity markets; (15) failure to retain key management and employees; (16) the outcome of any disputes with customers, contractors and subcontractors; (17) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged, have inadequate liquidity or whose business has been significantly impacted by COVID-19) to maintain their credit availability; (18) implementation of environmental remediation matters; (19) risk and uncertainty associated with intangible assets; (20) the risk that the Company may be unable to implement fully and successfully the expected incremental actions at Clean Earth due to market conditions or otherwise and may fail to deliver the expected resulting benefits; and (21) other risk factors listed from time to time in the Company's SEC reports. A further discussion of these, along with other potential risk factors, can be found in Part I, Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended December 31, 2022. The Company cautions that these factors may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty to update forward-looking statements except as may be required by law.

## NON-GAAP MEASURES

Measurements of financial performance not calculated in accordance with GAAP should be considered as supplements to, and not substitutes for, performance measurements calculated or derived in accordance with GAAP. Any such measures are not necessarily comparable to other similarly-titled measurements employed by other companies. The most comparable GAAP measures are included within the definitions below.

**Adjusted diluted earnings per share from continuing operations:** Adjusted diluted earnings (loss) per share from continuing operations is a non-GAAP financial measure and consists of diluted earnings (loss) per share from continuing operations adjusted for unusual items and acquisition-related intangible asset amortization expense. 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. The Company's management believes Adjusted diluted earnings per share from continuing operations 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.

**Adjusted EBITDA:** Adjusted EBITDA is a non-GAAP financial measure and consists of income (loss) from continuing operations adjusted to add back income tax expense; equity income of unconsolidated entities, net; net interest expense; defined benefit pension income (expense); facility fees and debt-related income (expense); and depreciation and amortization (excluding amortization of deferred financing costs); and excludes unusual items. Segment Adjusted EBITDA consists of operating income from continuing operations adjusted to exclude unusual items and add back depreciation and amortization (excluding amortization of deferred financing costs). The sum of the Segments' Adjusted EBITDA and Corporate Adjusted EBITDA equals consolidated Adjusted EBITDA. The Company's management believes Adjusted EBITDA is meaningful to investors because management reviews Adjusted EBITDA in assessing and evaluating performance.

**Free cash flow:** Free cash flow is a non-GAAP financial measure and consists of net cash provided (used) by operating activities less capital expenditures and expenditures for intangible assets; and plus capital expenditures for strategic ventures, total proceeds from sales of assets and

certain transaction-related / debt-refinancing expenditures. The Company's management believes that Free cash flow is meaningful to investors because management reviews Free cash flow for planning and performance evaluation purposes. It is important to note that Free cash flow does 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 this measure. Free cash flow excludes the former Harsco Rail Segment since the segment is reported as discontinued operations. This presentation provides a basis for comparison of ongoing operations and prospects.

#### About Harsco

Harsco Corporation is a global market leader providing environmental solutions for industrial and specialty waste streams. Based in Philadelphia, PA, the 12,000-employee company operates in more than 30 countries. Harsco's common stock is a component of the S&P SmallCap 600 Index and the Russell 2000 Index. Additional information can be found at [www.harsco.com](http://www.harsco.com).

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

| (In thousands, except per share amounts)   | Three Months Ended |                    |
|--|--------------------|--------------------|
|  | March 31           |                    |
|  | 2023               | 2022               |
| <b>Revenues from continuing operations:</b>  |                    |                    |
| Revenues   | \$ 495,653         | \$ 452,797         |
| <b>Costs and expenses from continuing operations:</b>  |                    |                    |
| Cost of sales  | 400,688            | 377,019            |
| Selling, general and administrative expenses   | 71,935             | 69,153             |
| Research and development expenses  | 176                | 56                 |
| Other (income) expenses, net   | (6,151)            | (1,179)            |
| <b>Total costs and expenses</b>  | <b>466,648</b>     | <b>445,049</b>     |
| <b>Operating income (loss) from continuing operations</b>  | <b>29,005</b>      | <b>7,748</b>       |
| Interest income  | 1,455              | 644                |
| Interest expense   | (24,328)           | (15,092)           |
| Facility fees and debt-related income (expense)  | (2,363)            | (532)              |
| Defined benefit pension income (expense)   | (5,335)            | 2,410              |
| <b>Income (loss) from continuing operations before income taxes and equity income</b>            | <b>(1,566)</b>     | <b>(4,822)</b>     |
| Income tax benefit (expense) from continuing operations  | (6,923)            | (1,221)            |
| Equity income (loss) of unconsolidated entities, net   | (133)              | (131)              |
| <b>Income (loss) from continuing operations</b>  | <b>(8,622)</b>     | <b>(6,174)</b>     |
| <b>Discontinued operations:</b>  |                    |                    |
| Income (loss) from discontinued businesses   | 619                | (39,097)           |
| Income tax benefit (expense) from discontinued businesses  | (587)              | 6,591              |
| <b>Income (loss) from discontinued operations, net of tax</b>                                    | <b>32</b>          | <b>(32,506)</b>    |
| <b>Net income (loss)</b>   | <b>(8,590)</b>     | <b>(38,680)</b>    |
| Less: Net (income) loss attributable to noncontrolling interests                                 | (935)              | (1,159)            |
| <b>Net income (loss) attributable to Harsco Corporation</b>                                      | <b>\$ (9,525)</b>  | <b>\$ (39,839)</b> |
| <b>Amounts attributable to Harsco Corporation common stockholders:</b>                           |                    |                    |
| Income (loss) from continuing operations, net of tax   | \$ (9,557)         | \$ (7,333)         |
| Income (loss) from discontinued operations, net of tax   | 32                 | (32,506)           |
| <b>Net income (loss) attributable to Harsco Corporation common stockholders</b>                  | <b>\$ (9,525)</b>  | <b>\$ (39,839)</b> |
| Weighted-average shares of common stock outstanding  | 79,633             | 79,363             |
| Basic earnings (loss) per common share attributable to Harsco Corporation common stockholders:   |                    |                    |
| Continuing operations  | \$ (0.12)          | \$ (0.09)          |
| Discontinued operations  | 0.00               | (0.41)             |
| <b>Basic earnings (loss) per share attributable to Harsco Corporation common stockholders</b>    | <b>\$ (0.12)</b>   | <b>\$ (0.50)</b>   |
| Diluted weighted-average shares of common stock outstanding                                      | 79,633             | 79,363             |
| Diluted earnings (loss) per common share attributable to Harsco Corporation common stockholders: |                    |                    |
| Continuing operations  | \$ (0.12)          | \$ (0.09)          |
| Discontinued operations  | 0.00               | (0.41)             |
| <b>Diluted earnings (loss) per share attributable to Harsco Corporation common stockholders</b>  | <b>\$ (0.12)</b>   | <b>\$ (0.50)</b>   |

#### HARSCO CORPORATION CONSOLIDATED BALANCE SHEETS

| (In thousands) | March 31<br>2023 | December 31<br>2022 |
|----------------|------------------|---------------------|
|----------------|------------------|---------------------|

**ASSETS****Current assets:**

|   |    |                  |    |                  |
|---|----|------------------|----|------------------|
| Cash and cash equivalents               | \$ | 91,759           | \$ | 81,332           |
| Restricted cash                         |    | 4,477            |    | 3,762            |
| Trade accounts receivable, net          |    | 281,777          |    | 264,428          |
| Other receivables                       |    | 25,832           |    | 25,379           |
| Inventories                             |    | 84,705           |    | 81,375           |
| Prepaid expenses                        |    | 24,878           |    | 30,583           |
| Current portion of assets held-for-sale |    | 264,051          |    | 266,335          |
| Other current assets                    |    | 15,181           |    | 14,541           |
| <b>Total current assets</b>             |    | <b>792,660</b>   |    | <b>767,735</b>   |
| Property, plant and equipment, net      |    | 665,191          |    | 656,875          |
| Right-of-use assets, net                |    | 100,199          |    | 101,253          |
| Goodwill                                |    | 763,013          |    | 759,253          |
| Intangible assets, net                  |    | 345,595          |    | 352,160          |
| Deferred income tax assets              |    | 18,422           |    | 17,489           |
| Assets held-for-sale                    |    | 69,554           |    | 70,105           |
| Other assets                            |    | 70,360           |    | 65,984           |
| <b>Total assets</b>                     | \$ | <b>2,824,994</b> | \$ | <b>2,790,854</b> |

**LIABILITIES****Current liabilities:**

|  |    |                  |    |                  |
|--|----|------------------|----|------------------|
| Short-term borrowings                                  | \$ | 2,142            | \$ | 7,751            |
| Current maturities of long-term debt                   |    | 13,245           |    | 11,994           |
| Accounts payable                                       |    | 225,314          |    | 205,577          |
| Accrued compensation                                   |    | 50,193           |    | 43,595           |
| Income taxes payable                                   |    | 3,987            |    | 3,640            |
| Current portion of operating lease liabilities         |    | 26,104           |    | 25,521           |
| Current portion of liabilities of assets held-for-sale |    | 159,069          |    | 159,004          |
| Other current liabilities                              |    | 138,224          |    | 140,199          |
| <b>Total current liabilities</b>                       |    | <b>618,278</b>   |    | <b>597,281</b>   |
| Long-term debt   |    | 1,346,206        |    | 1,336,995        |
| Retirement plan liabilities                            |    | 48,013           |    | 46,601           |
| Operating lease liabilities                            |    | 74,149           |    | 75,246           |
| Liabilities of assets held-for-sale                    |    | 8,942            |    | 9,463            |
| Environmental liabilities                              |    | 26,481           |    | 26,880           |
| Deferred tax liabilities                               |    | 28,426           |    | 30,069           |
| Other liabilities                                      |    | 50,547           |    | 45,277           |
| <b>Total liabilities</b>                               |    | <b>2,201,042</b> |    | <b>2,167,812</b> |

**HARSCO CORPORATION STOCKHOLDERS' EQUITY**

|  |    |                  |    |                  |
|--|----|------------------|----|------------------|
| Common stock   |    | 145,843          |    | 145,448          |
| Additional paid-in capital                           |    | 229,218          |    | 225,759          |
| Accumulated other comprehensive loss                 |    | (560,842)        |    | (567,636)        |
| Retained earnings                                    |    | 1,604,916        |    | 1,614,441        |
| Treasury stock                                       |    | (849,678)        |    | (848,570)        |
| <b>Total Harsco Corporation stockholders' equity</b> |    | <b>569,457</b>   |    | <b>569,442</b>   |
| Noncontrolling interests                             |    | 54,495           |    | 53,600           |
| <b>Total equity</b>                                  |    | <b>623,952</b>   |    | <b>623,042</b>   |
| <b>Total liabilities and equity</b>                  | \$ | <b>2,824,994</b> | \$ | <b>2,790,854</b> |

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

| (In thousands)   | Three Months Ended March 31 |         |
|--|-----------------------------|---------|
|  | 2023                        | 2022    |
| <b>Cash flows from operating activities:</b>   |                             |         |
| Net income (loss)  | \$                          | (8,590) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                             |         |
| Depreciation   |                             | 33,039  |
| Amortization   |                             | 7,965   |
| Deferred income tax (benefit) expense  |                             | (56)    |

|   |                  |                  |
|---|------------------|------------------|
| Equity (income) loss of unconsolidated entities, net                                    | 133              | 131              |
| Dividends from unconsolidated entities  | —                | 178              |
| Other, net  | 1,009            | 259              |
| Changes in assets and liabilities, net of acquisitions and dispositions of businesses:  |                  |                  |
| Accounts receivable   | (14,533)         | (15,364)         |
| Income tax refunds receivable, reimbursable to seller                                   | —                | 7,687            |
| Inventories   | (8,534)          | (4,610)          |
| Contract assets   | 11,698           | 4,843            |
| Right-of-use assets   | 7,842            | 7,076            |
| Accounts payable  | 17,735           | 1,655            |
| Accrued interest payable  | (6,998)          | (7,393)          |
| Accrued compensation  | 7,343            | (5,692)          |
| Advances on contracts   | (5,591)          | (7,808)          |
| Operating lease liabilities   | (7,202)          | (7,063)          |
| Retirement plan liabilities, net  | 814              | (14,519)         |
| Other assets and liabilities  | 838              | 7,070            |
| <b>Net cash provided (used) by operating activities</b>                                 | <b>36,912</b>    | <b>(34,315)</b>  |
| <b>Cash flows from investing activities:</b>  |                  |                  |
| Purchases of property, plant and equipment  | (22,146)         | (32,958)         |
| Proceeds from sales of assets   | 823              | 5,976            |
| Expenditures for intangible assets  | (36)             | (54)             |
| Net proceeds from settlement of foreign currency forward exchange contracts             | (1,212)          | 1,061            |
| Payments for settlements of interest rate swaps   | —                | (1,062)          |
| Other investing activities, net   | 32               | 124              |
| <b>Net cash used by investing activities</b>  | <b>(22,539)</b>  | <b>(26,913)</b>  |
| <b>Cash flows from financing activities:</b>  |                  |                  |
| Short-term borrowings, net  | (3,029)          | 2,051            |
| Current maturities and long-term debt:  |                  |                  |
| Additions   | 59,000           | 72,005           |
| Reductions  | (57,200)         | (2,566)          |
| Stock-based compensation - Employee taxes paid  | (930)            | (1,377)          |
| Payment of contingent consideration   | —                | (6,915)          |
| <b>Net cash (used) provided by financing activities</b>                                 | <b>(2,159)</b>   | <b>63,198</b>    |
| Effect of exchange rate changes on cash and cash equivalents, including restricted cash | (1,072)          | 455              |
| Net increase (decrease) in cash and cash equivalents, including restricted cash         | 11,142           | 2,425            |
| Cash and cash equivalents, including restricted cash, at beginning of period            | 85,094           | 87,128           |
| <b>Cash and cash equivalents, including restricted cash, at end of period</b>           | <b>\$ 96,236</b> | <b>\$ 89,553</b> |

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

| (In thousands)       | Three Months Ended<br>March 31, 2023 |                            | Three Months Ended<br>March 31, 2022 |                            |
|----------------------|--------------------------------------|----------------------------|--------------------------------------|----------------------------|
|                      | Revenues                             | Operating<br>Income (Loss) | Revenues                             | Operating Income<br>(Loss) |
| Harsco Environmental | \$ 273,189                           | \$ 22,285                  | \$ 262,051                           | \$ 18,267                  |
| Harsco Clean Earth   | 222,464                              | 16,471                     | 190,746                              | (1,297)                    |
| Corporate            | —                                    | (9,751)                    | —                                    | (9,222)                    |
| Consolidated Totals  | \$ 495,653                           | \$ 29,005                  | \$ 452,797                           | \$ 7,748                   |

**HARSCO 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<br>March 31 |           |
|---|--------------------------------|-----------|
|   | 2023                           | 2022      |
| Diluted earnings (loss) per share from continuing operations, as reported | \$ (0.12)                      | \$ (0.09) |
| Facility fees and debt-related expense (income) (a)                       | —                              | 0.01      |

|  |                  |                  |
|--|------------------|------------------|
| Corporate strategic costs (b)  | 0.01             | (0.01)           |
| Harsco Environmental net gain on lease incentive (c)   | (0.09)           | —                |
| Taxes on above unusual items (d)   | 0.02             | —                |
| <b>Adjusted diluted earnings (loss) per share from continuing operations, including acquisition amortization expense</b> | <b>(0.18)</b>    | <b>(0.09)</b>    |
| Acquisition amortization expense, net of tax (e)   | 0.07             | 0.08             |
| <b>Adjusted diluted earnings (loss) per share from continuing operations</b>   | <b>\$ (0.11)</b> | <b>\$ (0.01)</b> |

- (a) Costs incurred at Corporate to amend the Company's Senior Secured Credit Facilities (three months 2022 \$0.5 million pre-tax expense).  
(b) Certain strategic costs incurred at Corporate associated with supporting and executing the Company's long-term strategies (three months 2023 \$0.6 million pre-tax expense). 2022 included the relocation of the Company's headquarters (three months 2022 \$0.4 million pre-tax income).  
(c) Net gain 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 2023 \$6.8 million pre-tax).  
(d) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded.  
(e) Acquisition amortization expense was \$7.0 million pre-tax and \$7.9 million pre-tax for the three months ended 2023 and 2022, respectively, and after-tax was \$5.4 million and \$6.2 million for the three months ended 2023 and 2022, respectively.

#### HARSCO CORPORATION

#### RECONCILIATION OF PROJECTED ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (a)

(Unaudited)

|  | Projected<br>Three Months Ending<br>June 30 |                      | Projected<br>Twelve Months Ending<br>December 31 |                  |
|--|---|----------------------|--|------------------|
|  | 2023  |                      | 2023   |                  |
|  | Low   | High                 | Low  | High             |
| Diluted earnings (loss) per share from continuing operations   | \$ (0.16)                                   | \$ (0.07)            | \$ (0.54)  | \$ (0.33)        |
| Corporate strategic costs  | —   | —                    | 0.01   | 0.01             |
| Harsco Environmental segment net gain on lease incentive   | —   | —                    | (0.09)   | (0.09)           |
| Taxes on above unusual items   | —   | —                    | 0.02   | 0.02             |
| <b>Adjusted diluted earnings (loss) per share from continuing operations, including acquisition amortization expense</b> | <b>(0.16)</b>                               | <b>(0.07)</b>        | <b>(0.60)</b>                                    | <b>(0.39)</b>    |
| Estimated acquisition amortization expense, net of tax   | 0.07  | 0.07                 | 0.27   | 0.27             |
| <b>Adjusted diluted earnings (loss) per share from continuing operations</b>   | <b>\$ (0.09)</b>                            | <b>\$ (0.01) (b)</b> | <b>\$ (0.33)</b>                                 | <b>\$ (0.12)</b> |

(a) Excludes Harsco Rail Segment.

(b) Does not total due to rounding.

#### HARSCO CORPORATION

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

| (In thousands)   | Harsco<br>Environmental | Harsco<br>Clean Earth | Corporate  | Consolidated<br>Totals |
|--|-------------------------|-----------------------|------------|------------------------|
| <b>Three Months Ended March 31, 2023:</b>                |                         |                       |            |                        |
| Operating income (loss), as reported                     | \$ 22,285               | \$ 16,471             | \$ (9,751) | \$ 29,005              |
| Corporate strategic costs                                | —                       | —                     | 569        | 569                    |
| Harsco Environmental segment net gain on lease incentive | (6,782)                 | —                     | —          | (6,782)                |
| Operating income (loss) excluding unusual items          | 15,503                  | 16,471                | (9,182)    | 22,792                 |
| Depreciation   | 27,560                  | 4,927                 | 552        | 33,039                 |
| Amortization   | 999                     | 6,029                 | —          | 7,028                  |
| Adjusted EBITDA  | 44,062                  | 27,427                | (8,630)    | 62,859                 |
| Revenues as reported                                     | \$ 273,189              | \$ 222,464            |            | \$ 495,653             |
| Adjusted EBITDA margin (%)                               | 16.1%                   | 12.3%                 |            | 12.7%                  |
| <b>Three Months Ended March 31, 2022:</b>                |                         |                       |            |                        |
| Operating income (loss), as reported                     | \$ 18,267               | \$ (1,297)            | \$ (9,222) | \$ 7,748               |
| Corporate strategic costs                                | —                       | —                     | (448)      | (448)                  |
| Harsco Clean Earth segment severance costs               | —                       | 300                   | —          | 300                    |
| Operating income (loss) excluding unusual items          | 18,267                  | (997)                 | (9,670)    | 7,600                  |
| Depreciation   | 28,072                  | 5,101                 | 431        | 33,604                 |
| Amortization   | 1,828                   | 6,075                 | —          | 7,903                  |

|                            |    |         |    |         |  |         |    |         |
|----------------------------|----|---------|----|---------|--|---------|----|---------|
| Adjusted EBITDA            |    | 48,167  |    | 10,179  |  | (9,239) |    | 49,107  |
| Revenues as reported       | \$ | 262,051 | \$ | 190,746 |  |         | \$ | 452,797 |
| Adjusted EBITDA margin (%) |    | 18.4%   |    | 5.3%    |  |         |    | 10.8%   |

#### HARSCO CORPORATION

#### RECONCILIATION OF ADJUSTED EBITDA TO CONSOLIDATED INCOME (LOSS) FROM CONTINUING OPERATIONS AS REPORTED

(Unaudited)

| (In thousands)   | Three Months Ended<br>March 31 |                  |
|--|--------------------------------|------------------|
|  | 2023                           | 2022             |
| Consolidated income (loss) from continuing operations    | \$ (8,622)                     | \$ (6,174)       |
| <b>Add back (deduct):</b>                                |                                |                  |
| Equity in (income) loss of unconsolidated entities, net  | 133                            | 131              |
| Income tax (benefit) expense                             | 6,923                          | 1,221            |
| Defined benefit pension income                           | 5,335                          | (2,410)          |
| Facility fees and debt-related expense (income)          | 2,363                          | 532              |
| Interest expense   | 24,328                         | 15,092           |
| Interest income  | (1,455)                        | (644)            |
| Depreciation   | 33,039                         | 33,604           |
| Amortization   | 7,028                          | 7,903            |
| Unusual items:   |                                |                  |
| Corporate strategic costs                                | 569                            | (448)            |
| Harsco Environmental segment net gain on lease incentive | (6,782)                        | —                |
| Harsco Clean Earth segment severance costs               | —                              | 300              |
| <b>Adjusted EBITDA</b>                                   | <b>\$ 62,859</b>               | <b>\$ 49,107</b> |

#### HARSCO CORPORATION

#### RECONCILIATION OF PROJECTED CONSOLIDATED ADJUSTED EBITDA TO PROJECTED CONSOLIDATED INCOME FROM CONTINUING OPERATIONS (a)

(Unaudited)

| (In millions)                                    | Projected<br>Three Months Ending<br>June 30 |                  | Projected<br>Twelve Months Ending<br>December 31 |               |
|--|---|------------------|--|---------------|
|  | 2023  |                  | 2023   |               |
|  | Low   | High             | Low  | High          |
| Consolidated loss from continuing operations     | \$ (12)                                     | \$ (5)           | \$ (40)  | \$ (22)       |
| <b>Add back (deduct):</b>                        |   |                  |  |               |
| Income tax (income) expense                      | 4   | 5                | 14   | 16            |
| Facility fees and debt-related (income) expense  | 3   | 2                | 10   | 10            |
| Net interest                                     | 24  | 23               | 95   | 92            |
| Defined benefit pension (income) expense         | 5   | 5                | 22   | 20            |
| Depreciation and amortization                    | 41  | 41               | 165  | 165           |
| Unusual items:                                   |   |                  |  |               |
| Corporate strategic costs                        | —   | —                | 1  | 1             |
| Harsco Environmental net gain on lease incentive | —   | —                | (7)  | (7)           |
| <b>Consolidated Adjusted EBITDA</b>              | <b>\$ 65</b>                                | <b>\$ 72 (b)</b> | <b>\$ 260</b>                                    | <b>\$ 275</b> |

(a) Excludes former Harsco Rail Segment

(b) Does not total due to rounding.

#### HARSCO CORPORATION

#### RECONCILIATION OF FREE CASH FLOW TO NET CASH PROVIDED BY OPERATING ACTIVITIES (Unaudited)

Three Months Ended  
March 31



| <b>(In thousands)</b>                                | <b>2023</b>      | <b>2022</b> |
|--|------------------|-------------|
| Net cash provided by operating activities            | <b>36,912</b>    | \$ (34,315) |
| Less capital expenditures                            | <b>(22,146)</b>  | (32,958)    |
| Less expenditures for intangible assets              | <b>(36)</b>      | (54)        |
| Plus capital expenditures for strategic ventures (a) | <b>486</b>       | 328         |
| Plus total proceeds from sales of assets (b)         | <b>823</b>       | 5,976       |
| Plus transaction-related expenditures (c)            | <b>—</b>         | 878         |
| Harsco Rail free cash flow deficit/(benefit)         | <b>(3,945)</b>   | 31,321      |
| Free cash flow                                       | <b>\$ 12,094</b> | \$ (28,824) |

(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.

(c) Expenditures directly related to the Company's acquisition and divestiture transactions and costs at Corporate associated with certain debt refinancing transactions.

## **HARSCO CORPORATION**

### **RECONCILIATION OF PROJECTED FREE CASH FLOW TO PROJECTED NET CASH PROVIDED BY OPERATING ACTIVITIES (Unaudited) (a)**

| <b>(In millions)</b>                             | <b>Projected<br/>Twelve Months Ending<br/>December 31</b> |              |
|--|---|--------------|
|  | <b>2023</b>   |              |
|  | <b>Low</b>  | <b>High</b>  |
| Net cash provided by operating activities        | \$ 145  | \$ 175       |
| Less net capital / intangible asset expenditures | (125)   | (135)        |
| Plus capital expenditures for strategic ventures | 5   | 5            |
| Free cash flow                                   | <b>\$ 25</b>  | <b>\$ 45</b> |

(a) Excludes former Harsco Rail Segment

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Source: Harsco Corporation