Investor Presentation

Q1 2019 Results & Outlook

May 9, 2019

SAFE HARBOR STATEMENT

Conference Call and Access to Information

More information on Harsco's quarterly earnings, including the Company's press release issued today and this presentation, is available on the Investor Relations portion of Harsco's website. Company management will discuss the Company's financial performance during a conference call today at 8:30 a.m. (ET). Both the presentation and access to the call are available at http://investors.harsco.com. A replay can also be accessed on the site for up to two weeks after the call.

Forward-Looking Statements

The Company's presentation contains forward-looking statements based on management's current expectations, estimates and projections. The nature of the Company's business and the many 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. This presentation contains forward-looking statements concerning the closing of the agreement to purchase Clean Earth, the financing that Harsco intends to obtain to finance the purchase price and the anticipated benefits of the acquisition as well as the closing of the agreement to sell Harsco Industrial Air-X-Changers and the anticipated benefits of the sale. In addition, 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 general economic 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; (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 integration of the Company's strategic acquisitions, including the acquisition of CEHI Acquisition Corporation and Subsidiaries ("Clean Earth"); (13) risks associated with the acquisition of Clean Earth and the sale of Harsco Industrial Air-X-Changers generally, such as the inability to obtain, or delays in obtaining, regulatory approval; (14) the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreements entered into for the acquisition of Clean Earth and the sale of Harsco Industrial Air-X-Changers; (15) potential severe volatility in the capital markets and the impact on the cost of the Company to obtain debt financing as may be necessary to consummate the acquisition of Clean Earth; (16) failure to retain key management and employees of Clean Earth and its subsidiaries; (17) the amount and timing of repurchases of the Company's common stock, if any; (18) the outcome of any disputes with customers, contractors and subcontractors; (19) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged and those with inadequate liquidity) to maintain their credit availability; (20) implementation of environmental remediation matters; (21) risk and uncertainty associated with intangible assets; and (22) 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, 2018. 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.

Explanatory Note Regarding Estimates

This presentation includes certain estimates. These estimates reflect management's best estimates based upon currently available information and certain assumptions we believe to be reasonable. These estimates are inherently uncertain, subject to risks and uncertainties, many of which are not within our control, have not been reviewed by our independent auditors and may be revised as a result of management's further review. In addition, these estimates are not a comprehensive statement of our financial results, and our actual results may differ materially from these estimates due to developments that may arise between now and the time the results are final. There can be no assurance that the estimates will be realized, and our results may vary significantly from the estimates, including as a result of unexpected issues in our business and operations. Accordingly, you should not place undue reliance on such information. See "Forward-Looking Statements"

Non-GAAP Measures

Throughout this presentation, the Company refers to certain non-GAAP measures, including without limitation, adjusted operating income (loss) from continuing operations, adjusted operating income margin, adjusted diluted earnings per share from continuing operations, adjusted return on invested capital, EBITDA, adjusted EBITDA, free cash flow and free cash flow before growth capital expenditures. For a reconciliation of non-GAAP measures to U.S. GAAP results and the Company's rationale for its usage of non-GAAP measures, see the Appendix in this presentation.

Q1 2019 FINANCIAL SUMMARY

KEY PERFORMANCE INDICATORS

- Q1 adjusted operating income at high-end of guidance range ($36-43 million)
- Industrial and Rail segments achieved strong earnings growth relative to prior-year quarter
- M&M adjusted income declined, as expected, given growth investments, FX and commodity prices
- Adjusted EPS exceeded guidance range of $0.20 to $0.26, mainly due to tax rate
- Q1 FCF improved due to higher cash earnings and working capital

		Change vs. 2018	
$ in millions except EPS	Q1 2019	$	% or bps
Revenues	447	39	10%
GAAP Operating Income	38	2	5%
% of Sales	*8.6%*		*(40)bps*
Adjusted Operating Income[1]	42	5	14%
% of Sales[1]	*9.3%*		30bps
GAAP Diluted Earnings Per Share	0.26	0.04	18%
Adjusted Diluted Earnings Per Share[1]	0.29	0.07	32%
Free Cash Flow[2]	(20)	15	nmf
ROIC (TTM)[1]	16.2%		370bps

nmf = not meaningful.
(1) Excludes unusual items. See tables at end of presentation for GAAP to non-GAAP reconciliations.
(2) See tables at end of presentation for GAAP to non-GAAP reconciliations.

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2019 OUTLOOK - CONSOLIDATED

	2019 Outlook	2019 Prior	2018 Actual
OPERATING INCOME - GAAP	$192 to $207M	$192 to $212M	$191M
ADJUSTED OPERATING INCOME[1]	$207 to $222M	$200 to $220M	$187M
ADJUSTED OPERATING INCOME MARGIN[1]	11.0% to 11.5%	10.5% to 11.5%	10.8%
DILUTED EARNINGS PER SHARE - GAAP	$1.15 to $1.33	$1.22 to $1.40	$1.64
ADJUSTED DILUTED EARNINGS PER SHARE[1]	$1.35 to $1.53	$1.29 to $1.47	$1.31
FREE CASH FLOW BEFORE GROWTH CAPITAL[1]	$135 to $150M	$130 to $150M	$104M
FREE CASH FLOW[2]	$55 to $70M	$50 to $70M	$73M
ROIC[1]	16.0% to 17.0%	16.0% to 17.0%	16.1%

(1) Excludes unusual items. See tables at end of presentation for GAAP to non-GAAP reconciliations.
(2) See tables at end of presentation for GAAP to non-GAAP reconciliations.

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Q2 2019 OUTLOOK

Adjusted operating income[1] is expected to be betweenn

$53M –$58M versus $52M in Q2 2018

Adjusted diluted earnings per share of

$0.35 –$0.40 compared to $0.36 in Q2 2018

Corporate costs

higher than the prior-year quarter

YEAR-OVER-YEAR CONSIDERATIONS INCLUDE:

METALS & MINERALS

Increased services demand and site growth, offset by SG&A investments, FX translation, exits and commodity prices

INDUSTRIAL

Increased demand across business, partially offset by product mix and SG&A costs

RAIL

Higher equipment, after-market and Protran contributions, partially offset by R&D and SG&A investments and lower Contracting services

(1) Adjusted operating income and adjusted diluted earnings per share are non-GAAP numbers. See tables at end of presentation for GAAP to non-GAAP reconciliations.

Appendix

Q1 2019

METALS & MINERALS

SUMMARY RESULTS

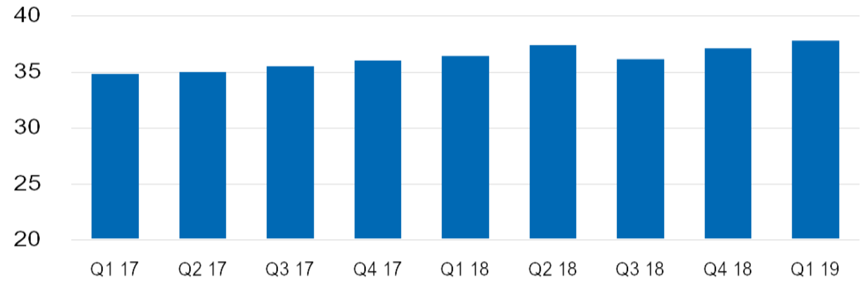
$ in millions

	Q1 2019	Q1 2018	% or bps
Revenues, as reported	261	265	(1)%
Operating Income – GAAP	24	28	(12)%
Adjusted operating income[1]	23	28	(19)%
Adjusted operating margin[1]	8.6%	10.5%	
Free Cash Flow (YTD)	8	(7)	nmf
ROIC (TTM)[1]	11.8%	12.7%	(90)bps

nmf = not meaningful.
(1) Excludes unusual items; see tables at end of presentation for GAAP to non-GAAP reconciliations.

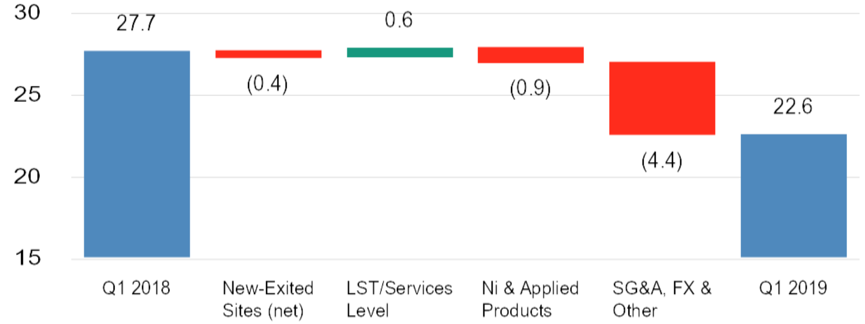
LST CONTINUING SITES

Million tons



ADJUSTED OPERATING INCOME BRIDGE[1]

$ in millions



Business Highlights

- Revenue change reflects FX translation impacts, offset by higher services demand and Altek contributions
- Operating income change attributable to SG&A growth investments, FX and lower Applied Product contributions
- Free cash flow increase resulted from working capital management

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INDUSTRIAL

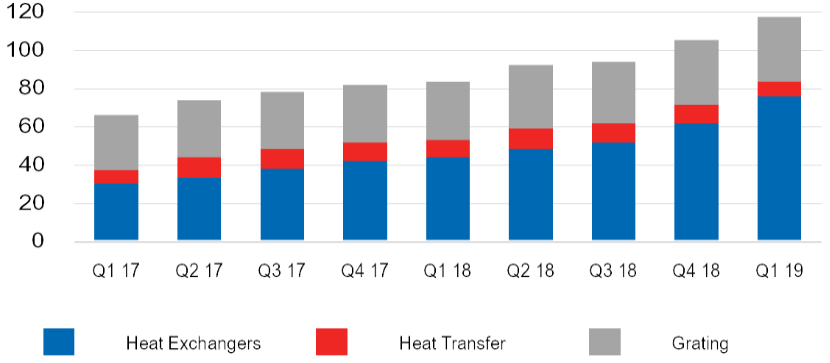
SUMMARY RESULTS

$ in millions

	Q1 2019	Q1 2018	% or bps
Revenues, as reported	117	84	40%
Operating Income – GAAP	17	12	37%
Operating Margin – GAAP	14.5%	14.9%	
Free Cash Flow (YTD)	10	4	136%
ROIC (TTM)	41.6%	36.4%	520bps

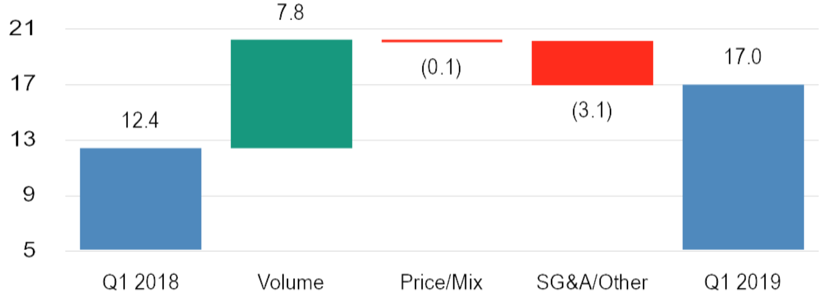
REVENUE MIX

$ in millions



OPERATING INCOME BRIDGE

$ in millions



Business Highlights

- Revenue increase reflects continued strong demand and higher product prices
- Operating income increase as a result of improved demand, partially offset by related SG&A expenses
- Free cash flow higher compared to prior-year period due mainly to cash earnings

nmf = not meaningful.
See tables at end of presentation for GAAP to non-GAAP reconciliations.

Q1 2019

RAIL

SUMMARY RESULTS

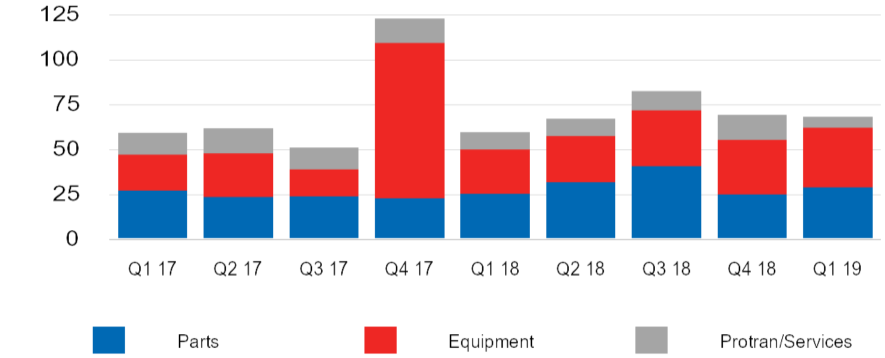
$ in millions

	Q1 2019	Q1 2018	% or bps
Revenues, as reported	69	60	15%
Operating Income – GAAP	5.4	2.0	176%
Adjusted operating income[1]	8.0	2.0	312%
Adjusted operating margin[1]	11.7%	3.3%	
Free Cash Flow (YTD)	(12)	(5)	nmf
ROIC (TTM)[1]	43.9%	27.9%	nmf

nmf = not meaningful.
(1) Excludes unusual items; see tables at end of presentation for GAAP to non-GAAP reconciliations.

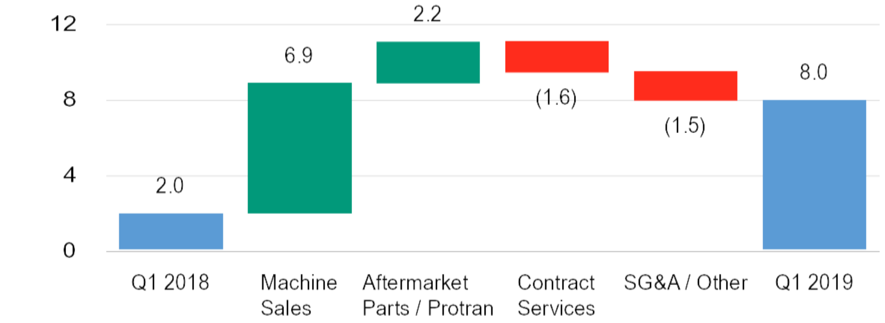
REVENUE MIX

$ in millions



ADJUSTED OPERATING INCOME BRIDGE[1]

$ in millions



Business Highlights

- Revenues increased due to higher domestic equipment sales and international after-market parts demand
- Operating income change attributable to above factors and a more favorable product-sales mix
- Free cash flow change attributable to working capital changes

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2019 SEGMENT OUTLOOK

Excluding unusual items			2019 VERSUS 2018
Metals & Minerals	**Revenues**	▲	Mid-single to high-single digits %
	Operating Income	▲	High-single digits % at mid-point, excluding unusual items
	Drivers	+	LST/services demand, new contracts, operational savings, Altek integration
		-	Exited sites, investments, FX translation
Industrial	**Revenues**	▲	~20%
	Operating Income	▲	20% to 25%
	Drivers	+	Backlog, demand across product portfolio, market / product expansions
		-	Less favorable product mix, SG&A costs
Rail	**Revenues**	▲	30% to 35%
	Operating Income	▲	30% to 35%, excluding unusual items
	Drivers	+	Backlog, global demand for MOW equipment and after-market parts, Protran Technology growth, productivity initiatives
		-	R&D and SG&A investments, less favorable product mix, Contracting services
Corporate Costs			Higher due to professional fees and investments

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RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS EXCLUDING UNUSUAL ITEMS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

	Three Months Ended Mar 31				
	2019			**2018 (a)**	
Diluted earnings per share from continuing operations as reported	**$**	**0.26**		$	0.22
Harsco Rail Segment improvement initiative costs (b)		**0.03**			—
Corporate strategic costs (c)		**0.03**			—
Harsco Metals & Minerals Segment cumulative translation adjustment liquidation (d)		**(0.03)**			—
Harsco Metals & Minerals Segment change in fair value to contingent consideration liability (e)		**—**			—
Taxes on above unusual items (f)		**(0.01)**			—
Adjusted diluted earnings per share from continuing operations excluding unusual items	**$**	**0.29**	(g)	$	0.22

(a) No unusual items were excluded in the three months ended March 31, 2018.
(b) Costs associated with a productivity improvement initiative in the Harsco Rail Segment (Q1 2019 $2.6 million pre-tax).
(c) Costs at Corporate associated with supporting and executing the Company's growth strategy (Q1 2019 $2.7 million pre-tax).
(d) Harsco Metals & Minerals Segment gain related to the liquidation of cumulated translation adjustment related to an exited country (Q1 2019 $2.3 million pre-tax).
(e) Fair value adjustment to contingent consideration liability related to the acquisition of Altek (Q1 2019 $0.4 million pretax). 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) 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.
(g) Does not total due to rounding.

The Company’s management believes Adjusted diluted earnings per share from continuing operations excluding unusual items, 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. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS EXCLUDING UNUSUAL ITEMS TO DILUTED LOSS PER SHARE FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

	Three Months Ended June 30 2018
Diluted earnings per share from continuing operations as reported	$ 0.48
Harsco Metals & Minerals adjustment to slag disposal accrual (a)	(0.04)
Altek acquisition costs (b)	0.01
Loss on early extinguishment of debt (c)	0.01
Taxes on above unusual items (e)	—
Deferred tax asset valuation allowance adjustment (e)	(0.10)
Adjusted diluted earnings per share from continuing operations excluding unusual items	$ 0.36

(a) Harsco Metals & Minerals adjustment to previously accrued amounts related to the disposal of certain slag material in Latin America ($3.2 million pre-tax).
(b) Costs associated with the acquisition of Altek Europe Holdings Limited and its affiliated entities recorded in the Harsco Metals & Minerals Segment ($0.8 million pretax) and at Corporate ($0.4 million pretax).
(c) Loss on early extinguishment of debt associated with the amending of 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).
(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 except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
(e) Adjustment of certain existing deferred tax asset valuation allowances as a result of the Altek acquisition ($8.3 million).

The Company’s management believes Adjusted diluted earnings per share from continuing operations excluding unusual items, 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. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION

RECONCILIATION OF ADJUSTED DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS EXCLUDING UNUSUAL ITEMS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS AS REPORTED (Unaudited)

	Twelve Months Ended December 31 2018	
Diluted earnings per share from continuing operations as reported	$ 1.64	
Harsco Metals & Minerals adjustment to slag disposal accrual (a)	(0.04)	
Harsco Metals & Minerals Segment change in fair value to contingent consideration liability (b)	(0.04)	
Altek acquisition costs (c)	0.01	
Loss on early extinguishment of debt (d)	0.01	
Harsco Rail Segment improvement initiative costs (e)	0.01	
Taxes on above unusual items (f)	(0.01)	
Impact of U.S. tax reform on income tax benefit (expense) (g)	(0.18)	
Deferred tax asset valuation allowance adjustment (h)	(0.10)	
Adjusted diluted earnings per share from continuing operations excluding unusual items	$ 1.31	(j)

(a) Harsco Metals & Minerals adjustment to previously accrued amounts related to the disposal of certain slag material in Latin America ($3.2 million pre-tax).

(b) 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.

(c) Costs associated with the acquisition of Altek Europe Holdings Limited and its affiliated entities ("Altek") recorded in the Harsco Metals & Minerals Segment ($0.8 million pretax) and at Corporate ($0.4 million pretax).

(d) Loss on early extinguishment of debt associated with the amending of 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).

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

(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 except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.

(g) 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).

(h) Adjustment of certain existing deferred tax asset valuation allowances as a result of the Altek acquisition ($8.3 million).

(i) Does not total due to rounding.

The Company's management believes Adjusted diluted earnings per share from continuing operations excluding unusual items, 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. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF PROJECTED ADJUSTED DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS EXCLUDING UNUSUAL ITEMS TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (Unaudited)

	Projected Three Months Ending June 30	
	2019	
	Low	High
Diluted earnings per share from continuing operations	$ 0.23	$ 0.29
Corporate strategic and transaction related costs	0.12	0.12
Harsco Rail Segment improvement initiative costs	0.02	0.02
Taxes on above unusual items	(0.03)	(0.03)
Adjusted diluted earnings per share from continuing operations, excluding unusual items	$ 0.35 (a)	$ 0.40

	Projected Twelve Months Ending December 31	
	2019	
	Low	High
Diluted earnings per share from continuing operations	$ 1.15	$ 1.33
Corporate strategic and transaction related costs	0.15	0.15
Loss on early extinguishment of debt	0.09	0.09
Harsco Rail Segment improvement initiative costs	0.06	0.06
Harsco Metals & Minerals Segment cumulative translation adjustment liquidation	(0.03)	(0.03)
Harsco Metals & Minerals Segment change in fair value to contingent consideration liability	—	—
Taxes on above unusual items	(0.07)	(0.07)
Adjusted diluted earnings per share from continuing operations, excluding unusual items	$ 1.35	$ 1.53

(a) Does not total due to rounding.

The Company's management believes Adjusted diluted earnings per share from continuing operations, excluding unusual items, 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. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) EXCLUDING UNUSUAL ITEMS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended March 31, 2019:					
Operating income (loss) as reported	**$ 24,497**	**$ 17,030**	**$ 5,389**	**$ (8,670)**	**$ 38,246**
Harsco Rail Segment improvement initiative costs	**—**	**—**	**2,648**	**—**	**2,648**
Corporate strategic costs	**—**	**—**	**—**	**2,739**	**2,739**
Harsco Metals & Minerals Segment cumulative translation adjustment liquidation	**(2,271)**	**—**	**—**	**—**	**(2,271)**
Harsco Metals & Minerals Segment change in fair value to contingent consideration liability	**369**	**—**	**—**	**—**	**369**
Adjusted operating income (loss), excluding unusual items	**$ 22,595**	**$ 17,030**	**$ 8,037**	**$ (5,931)**	**$ 41,731**
Revenues as reported	**$ 261,312**	**$ 117,385**	**$ 68,591**	**$ —**	**$ 447,288**
Adjusted operating margin (%) excluding unusual items	**8.6%**	**14.5%**	**11.7%**		**9.3%**
Three Months Ended March 31, 2018:					
Operating income (loss) as reported (a)	$ 27,735	$ 12,421	$ 1,952	$ (5,567)	$ 36,541
Revenues as reported	$ 264,723	$ 83,598	$ 59,678	$ 39	$ 408,038
Adjusted operating margin (%) excluding unusual items	10.5%	14.9%	3.3%		9.0%

(a) No unusual items were excluded in the three months ended March 31, 2018.

The Company's management believes Adjusted operating income (loss) excluding unusual items, 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. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) EXCLUDING UNUSUAL ITEMS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended June 30, 2018:					
Operating income (loss) as reported	$ 35,661	$ 14,170	$ 8,618	$ (4,824)	$ 53,625
Harsco Metals & Minerals adjustment to slag disposal accrual	(3,223)	—	—	—	(3,223)
Altek acquisition costs	753	—	—	431	1,184
Adjusted operating income (loss), excluding unusual items	$ 33,191	$ 14,170	$ 8,618	$ (4,393)	$ 51,586
Revenues as reported	$ 272,320	$ 92,065	$ 67,552	$ 35	$ 431,972
Adjusted operating margin (%) excluding unusual items	12.2%	15.4%	12.8%		11.9%

The Company's management believes Adjusted operating income (loss) excluding unusual items, 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. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS), EXCLUDING UNUSUAL ITEMS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Twelve Months Ended December 31, 2018:					
Operating income (loss) as reported	$ 121,195	$ 54,665	$ 37,341	$ (22,274)	$ 190,927
Harsco Metals & Minerals adjustment to slag disposal accrual	(3,223)	—	—	—	(3,223)
Harsco Metals & Minerals 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), excluding unusual items	115,786	54,665	37,981	(21,843)	186,589
Revenues as reported	1,068,304	374,708	279,294	74	1,722,380
Adjusted operating margin (%) excluding unusual items	10.8%	14.6%	13.6%		10.8%

The Company's management believes Adjusted operating income (loss) excluding unusual items, 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. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF PROJECTED ADJUSTED OPERATING INCOME, EXCLUDING UNUSUAL ITEMS TO OPERATING INCOME (Unaudited)

	Projected Three Months Ending June 30	
	2019	
(In millions)	**Low**	**High**
Operating income	$ 41	$ 46
Corporate strategic and transaction related costs	10	10
Harsco Rail Segment improvement initiative costs	2	2
Adjusted operating income, excluding unusual items	$ 53	$ 58

	Projected Twelve Months Ending December 31	
	2019	
(In millions)	**Low**	**High**
Operating income	192	207
Corporate strategic and transaction related costs	13	13
Harsco Rail Segment improvement initiative costs	5	5
Harsco Metals & Minerals Segment cumulative translation adjustment liquidation	(2)	(2)
Harsco Metals & Minerals Segment change in fair value to contingent consideration liability	—	—
Adjusted operating income, excluding unusual items	207 (a)	222 (a)

(a) Does not total due to rounding.

The Company's management believes Adjusted operating income, excluding unusual items, 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. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

RECONCILIATION OF NON-GAAP MEASURES

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

	Three Months Ended Mar 31	
(In thousands)	**2019**	**2018**
Net cash used by operating activities	**$ 14,838**	$ (8,243)
Less capital expenditures	**(36,407)**	(26,897)
Plus capital expenditures for strategic ventures (a)	**843**	240
Plus total proceeds from sales of assets (b)	**1,177**	377
Free cash flow	**(19,549)**	(34,523)
Add growth capital expenditures	**12,517**	7,684
Free cash flow before growth capital expenditures	**$ (7,032)**	**$ (26,839)**

(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 Metals & Minerals Segment.

The Company's management believes that free cash flow, 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 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.

RECONCILIATION OF NON-GAAP MEASURES

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

	Projected Twelve Months Ending December 31	
	2019	
(In millions)	**Low**	**High**
Net cash provided by operating activities	$ 225	$ 260
Less capital expenditures	(176)	(194)
Plus total proceeds from asset sales and capital expenditures for strategic ventures	6	4
Free cash flow	55	70
Add growth capital expenditures	80	80
Free cash flow before growth capital expenditures	$ 135	$ 150

The Company's management believes that free cash flow, 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 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.

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RECONCILIATION OF NON-GAAP MEASURES

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

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

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

The Company's management believes that free cash flow, 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 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.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF RETURN ON INVESTED CAPITAL EXCLUDING UNUSUAL ITEMS TO NET INCOME (LOSS) FROM CONTINUING OPERATIONS AS REPORTED (a) (Unaudited)

	Trailing Twelve Months for Period Ended March 31	
(In thousands)	**2019**	**2018**
Income from continuing operations	**$ 147,579**	$ 21,163
Unusual items:		
Harsco Rail Segment improvement initiative costs	**3,288**	—
Harsco Metals & Minerals Segment adjustment to slag disposal accrual	**(3,223)**	—
Corporate strategic costs	**2,739**	—
Harsco Metals & Minerals Segment change in fair value to contingent consideration liability	**(2,570)**	—
Harsco Metals & Minerals Segment cumulative translation adjustment liquidation	**(2,271)**	—
Altek acquisition costs	**1,184**	—
Harsco Metals & Minerals Segment bad debt expense	**—**	4,589
Loss on early extinguishment of debt	**1,034**	2,265
Taxes on above unusual items (b)	**(1,525)**	(2,052)
Impact of U.S. tax reform on income tax benefit	**(15,409)**	48,680
Deferred tax asset valuation allowance adjustment	**(8,292)**	—
Net income from continuing operations, as adjusted	**122,534**	74,645
After-tax interest expense (c)	**29,494**	29,995
Net operating profit after tax as adjusted	**$ 152,028**	$ 104,640
Average equity	**$ 296,468**	$ 209,938
Plus average debt	**643,816**	625,337
Average capital	**$ 940,284**	$ 835,275
Return on invested capital excluding unusual items	**16.2%**	12.5%

(a) Return on invested capital excluding unusual items is net income (loss) from continuing operations 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)

(c) The Company's effective tax rate approximated 23% for the trailing twelve months for the period ended March 31, 2019 and for the trailing twelve months for the period ended March 31, 2018, 37% was used for April 1, 2017 through December 31, 2017 and 23% was used for January 1, 2018 through March 31, 2018, on an adjusted basis, for interest expense.

The Company's management believes Return on invested capital excluding unusual items, 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.

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RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF RETURN ON INVESTED CAPITAL EXCLUDING UNUSUAL ITEMS TO NET INCOME (LOSS) FROM CONTINUING OPERATIONS AS REPORTED (a) (Unaudited)

	Year Ended December 31	
(In thousands)		**2018**
Income from continuing operations	$	144,739
Unusual items:		
Harsco Metals & Minerals Segment adjustment to slag disposal accrual		(3,223)
Harsco Metals & Minerals Segment change in fair value to contingent consideration liability		(2,939)
Altek acquisition costs		1,184
Loss on early extinguishment of debt		1,034
Harsco Rail Segment improvement initiative costs		640
Taxes on above unusual items (b)		(361)
Impact of U.S. tax reform on income tax benefit		(15,409)
Deferred tax asset valuation allowance adjustment		(8,292)
Net income from continuing operations, as adjusted		117,373
After-tax interest expense (c)		29,374
Net operating profit after tax as adjusted	$	146,747
Average equity	$	274,164
Plus average debt		635,491
Average capital	$	909,655
Return on invested capital excluding unusual items		16.1%

(a) Return on invested capital excluding unusual items is net income from continuing operations excluding unusual items, and after-tax interest expense, divided by average capital for the year. The Company uses a trailing twelve month average for computing average capital.

(b) Unusual items are tax effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.

(c) The Company's effective tax rate approximated 23% for the year ended December 31, 2018 on an adjusted basis, for interest expense.

The Company's management believes Return on invested capital excluding unusual items, 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.

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