HARSCO

Q3 2021

Quarterly Results and Outlook

Conference Call

November 2, 2021

ADMINISTRATIVE ITEMS

Conference Call and Access to Information
More information on Harsco's quarterly earnings, including the Company's earnings 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 9:00 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. 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 changes due to COVID-19 and governmental and market reactions to COVID-19; (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 conduct and complete a satisfactory process for the divestiture of the Rail division, as announced on November 2, 2021; (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 is significantly impacted by COVID-19) to maintain their credit availability; (18) implementation of environmental remediation matters; (19) risk and uncertainty associated with intangible assets and (20) 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, 2020. 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
Throughout this presentation, the Company refers to certain non-GAAP measures, including without limitation, adjusted EBITDA (Earnings Before Interest Taxes Depreciation and Amortization) from continuing operations, adjusted EBITDA margin, adjusted diluted earnings per share from continuing operations, free cash flow and free cash flow before growth capital. For a reconciliation of non-GAAP measures to GAAP results and the Company's rationale for its usage of non-GAAP measures, see the Appendix in this presentation.

CEO PERSPECTIVE

- Team executed well in Q3, although results were below guidance due to external factors and timing
  - Rail impacted by cost inflation, customer deferrals and a volatile end-market
  - Clean Earth headwinds included container and transportation inflation as well as end-disposal bottlenecks
  - Environmental had strong quarter

- Price increases implemented to offset cost inflation; incineration market pressures beginning to abate

- Announced exploration of strategic alternatives for Rail; continues evolution to environmental solutions company and potentially strengthens Harsco financial profile

- Positive Q4 outlook and optimistic on growth potential in 2022

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Q3 2021 FINANCIAL SUMMARY

KEY PERFORMANCE INDICATORS

- Q3 2021 Adjusted EBITDA increased 22% YoY
- EBITDA increase attributable to Environmental segment as well as Clean Earth synergies and hazardous-waste volume growth
- Quarterly results below guidance mainly due to Rail; also Clean Earth modestly below expectations due to inflation and Soil-Dredge business
- Adjusted diluted EPS of $0.20, excluding unusual items
- Free cash flow performance impacted by timing of Rail projects

$ in millions except EPS; Continuing Operations	Q3 2021	Q3 2020	Change
Revenues, as reported	544	509	7%
Operating Income - GAAP	30	5	nmf
Adjusted EBITDA[1]	72	59	22%
% of Sales[1]	*13.2%*	*11.6%*	*160bps*
GAAP Diluted Earnings (Loss) Per Share	0.11	(0.10)	nmf
Adjusted Diluted Earnings Per Share[1]	0.20	0.08	150%
Free Cash Flow[2]	—	18	nmf

nmf= not meaningful.
(1) Excludes unusual items. Adjusted diluted earnings per share also excludes acquisition amortization. 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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Q3 2021 ENVIRONMENTAL

SUMMARY RESULTS

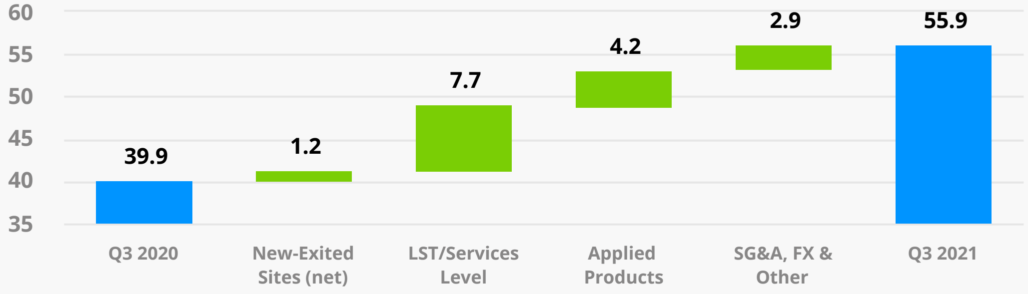
$ in millions

	Q3 2021	Q3 2020	%
Revenues, as reported	270	223	21%
Operating Income – GAAP	28	12	124%
Adjusted EBITDA[1]	56	40	40%
Adjusted EBITDA Margin[1]	20.7%	17.9%	
Free Cash Flow (YTD)	52	64	(19)%

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

ADJUSTED EBITDA BRIDGE[1]

$ in millions



- Revenues increase compared with prior-year quarter as a result of improved demand for environmental services and applied products
- Adjusted EBITDA change YoY attributable to improved services and products demand along with lower SG&A spending
- Free cash flow year-to-date totaled $52 million; YoY change reflects higher capital investments (including deferred spending from 2020)

Q3 2021 CLEAN EARTH

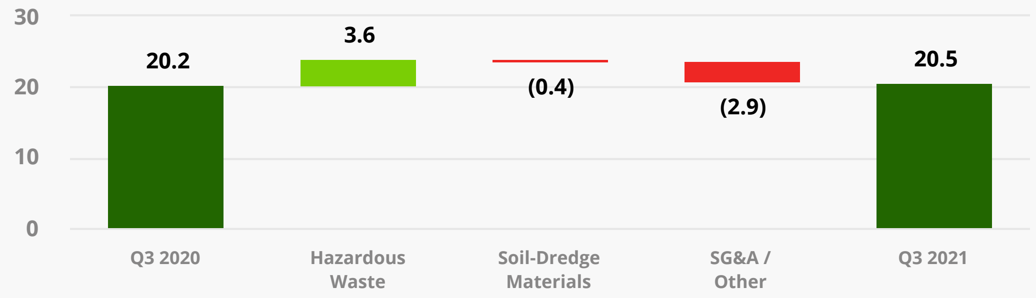
SUMMARY RESULTS

$ in millions

	Q3 2021	Q3 2020	%
Revenues, as reported	200	194	3%
Operating Income – GAAP	10	9	11%
Adjusted EBITDA[1]	21	20	1%
Adjusted EBITDA Margin[1]	10.2%	10.4%	
Free Cash Flow (YTD)	39	38	3%

ADJUSTED EBITDA BRIDGE[1]

$ in millions



- Revenues increase compared with prior-year quarter attributable to increased demand for hazardous waste services
- Adjusted EBITDA increase YoY driven by volume growth and integration synergies partially offset by container and transportation cost inflation and personnel investments to support Clean Earth platform
- Free cash flow strong YTD: translates to 73% of adjusted EBITDA

Note: 2020 Free Cash Flow (YTD) results include ESOL contributions since acquisition on April 6, 2020.
(1) Excludes unusual items; see tables at end of presentation for GAAP to non-GAAP reconciliations.

Q3 2021 RAIL

SUMMARY RESULTS

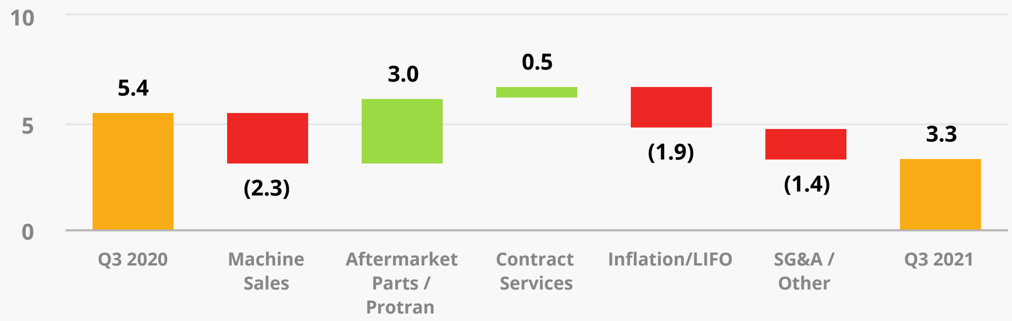
$ in millions

	Q3 2021	Q3 2020	%
Revenues, as reported	74	93	(20)%
Operating Income – GAAP	2	4	(52)%
Adjusted EBITDA[1]	3	5	(39)%
Adjusted EBITDA Margin[1]	4.4%	5.8%	
Free Cash Flow (YTD)	(35)	(22)	(59)%

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

ADJUSTED EBITDA BRIDGE[1]

$ in millions



- Revenues change compared with prior-year quarter due to lower equipment volumes and shipment timing driven by market weakness partially offset by an increase in aftermarket parts volumes
- Adjusted EBITDA change reflects above items along with the impact of materials cost inflation and higher SG&A spending
- Free cash flow change attributable to fewer contract advances
- Rail to be reported as Discontinued Operations beginning in Q4 2021

2021 OUTLOOK - CONSOLIDATED (PRO FORMA)

	2021 Outlook[3]
GAAP OPERATING INCOME	$85 - 92M
ADJUSTED EBITDA[1]	$248 - 256M
GAAP DILUTED EARNINGS PER SHARE	$0.12- $0.14
ADJUSTED DILUTED EARNINGS PER SHARE[1]	$0.51- $0.54
FREE CASH FLOW BEFORE GROWTH CAPITAL[1]	$55M - 65M
FREE CASH FLOW[2]	$5M - 15M

(1) Excludes unusual items. Adjusted diluted earnings per share exclude acquisition amortization expense. 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.
(3) Pro Forma figures exclude Rail which will be reported as Discontinued Operations beginning in Q4 2021

Q4 2021 OUTLOOK (PRO FORMA[2])

- Adjusted EBITDA[1] is expected to be between
  $55M-$62M

- Adjusted diluted earnings per share[1] is expected to be between
  $0.06-$0.09

- Corporate costs of approximately
  $11 million (including $1M of Stranded costs)

(1) Adjusted operating income and adjusted diluted earnings per share are non-GAAP numbers. Adjusted diluted earnings per share exclude acquisition amortization. See tables at end of presentation for GAAP to non-GAAP reconciliations.
(2) Pro Forma figures exclude Rail which will be reported as Discontinued Operations beginning in Q4 2021.

YEAR-OVER-YEAR CONSIDERATIONS INCLUDE:

HARSCO ENVIRONMENTAL

Higher environmental service levels and commodity prices offset by less favorable services mix, contract exits and FX translation

CleanEarth™

Higher volumes and integration improvements partially offset by the impacts of investments, inflation and integration costs

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Q&A

Appendix

2021 SEGMENT OUTLOOK

Excluding unusual items			2021 VERSUS 2020
HARSCO ENVIRONMENTAL	REVENUES	▲	Low double-digit growth, excluding FX translation impacts
	ADJUSTED EBITDA[1]	▲	Approximately up 25% at mid-point YoY
	DRIVERS	+	Services and applied products demand growth, new contracts / sites, higher commodities
		-	Exited contracts / sites
CleanEarth	REVENUES	▲	2% to 4% proforma; ~$780 million at mid-point
	ADJUSTED EBITDA[1]	▲	$71 to $75 million, net of $3 million additional Corporate allocation
	DRIVERS	+	Full-year impact of ESOL, integration benefits, hazardous material volumes
		-	Inflation (container-transportation), Soil-Dredge volumes, SG&A investments, one-time integration costs, Corporate allocation
CORPORATE COSTS			~$38 million for the full-year, including $4 million previously allocated to Rail

(1) Excludes unusual items.

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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.

Adjusted diluted earnings per share: Adjusted diluted earnings per share 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.

Consolidated Adjusted EBITDA: Consolidated Adjusted EBITDA is a non-GAAP financial measure and consists of income from continuing operations adjusted to add back income tax expense; equity income of unconsolidated entities, net; net interest expense; defined benefit pension income (expense); unused debt commitment fees, amendment fees and loss on extinguishment of debt; 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 transaction-related expenditures. Growth capital expenditures are added back to arrive at Free cash flow before growth capital expenditures. The Company's management believes that Free cash flow and Free cash flow before growth capital expenditures are meaningful to investors because management reviews Free cash flow and Free cash flow before growth capital expenditures for planning and performance evaluation 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 this measure. The projected twelve months ending December 31, 2021 Free cash flow and Free cash flow before growth capital expenditures excludes the Harsco Rail Segment since the segment will be reported as discontinued operations in the fourth quarter of 2021. This presentation provides a basis for comparison of ongoing operations and prospects.

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RECONCILIATION OF NON-GAAP MEASURES

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 September 30			Nine Months Ended September 30	
	2021	**2020**		**2021**	**2020**
Diluted earnings (loss) per share from continuing operations as reported	**$ 0.11**	$ (0.10)		**$ 0.31**	$ (0.35)
Corporate unused debt commitment fees, amendment fees and loss on extinguishment of debt (a)	**—**	—		**0.07**	0.02
Corporate strategic costs (b)	**0.02**	—		**0.04**	—
Harsco Environmental Segment severance costs (c)	**(0.01)**	—		**(0.01)**	0.07
Corporate acquisition and integration costs (d)	**—**	0.13		**—**	0.53
Corporate contingent consideration adjustments (e)	**—**	0.03		**—**	0.03
Corporate acquisition related tax benefit (f)	**—**	(0.04)		**—**	(0.04)
Taxes on above unusual items (g)	**—**	(0.03)		**(0.02)**	(0.11)
Adjusted diluted earnings per share from continuing operations, including acquisition amortization expense	**0.12**	—	(i)	**0.38**	0.15
Acquisition amortization expense, net of tax (h)	**0.08**	0.08		**0.24**	0.22
Adjusted diluted earnings per share from continuing operations	**$ 0.20**	$ 0.08		**$ 0.62**	$ 0.37

RECONCILIATION OF NON-GAAP MEASURES

(a) Costs at Corporate associated with amending the Company's existing Senior Secured Credit Facilities to establish a New Term Loan the proceeds of which were used to repay in full the outstanding Term Loan A and Term Loan B, to extend the maturity date of the Revolving Credit Facility and to increase certain levels set forth in the total net leverage ratio covenant (Q3 2021 $0.2 million pre-tax; nine months 2021 $5.5 million pre-tax) and costs associated with amending the Company's existing Senior secured Credit Facilities, to increase the net debt to consolidated adjusted EBITDA covenant ratio (nine months 2020 $1.9 million pre-tax).
(b) Certain strategic costs incurred at Corporate associated with supporting and executing the Company's long-term strategies including the divestiture of the Harsco Rail Segment (Q3 2021 $1.5 million pre-tax; nine months 2021 $3.2 million pre-tax).
(c) Adjustment to Harsco Environmental Segment severance costs (Q3 and nine months 2021 $0.9 million pre-tax) and Harsco Environmental Segment severance costs (nine months 2020 $5.2 million pre-tax).
(d) Acquisition and integration costs at Corporate (Q3 2020 $10.6 million pre-tax; nine months 2020 $41.6 million pre-tax).
(e) Adjustment to contingent consideration related to the acquisition of Clean Earth recorded on Corporation (Q3 and nine months 2020 $2.4 million pre-tax). The Company adjusts operating income and Diluted earnings per share from continuing operations to exclude the impact of the change in fair value to the acquisition-related contingent consideration liability for acquisitions 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) Acquisition related tax benefit recorded on Corporate assumed as part of the Clean Earth Acquisition (Q3 and nine months 2020 $2.8 million).
(g) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded, except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
(h) Acquisition amortization expense was $8.1 million pre-tax and $24.5 million pre-tax for Q3 and nine months 2021, respectively; and $8.3 million pre-tax and $22.5 million pre-tax for Q3 and nine months 2020, respectively.
(i) Does not total due to rounding.

RECONCILIATION OF NON-GAAP MEASURES

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 Three Months Ending December 31		Projected Twelve Months Ending December 31		
	2021		2021		
	Low	High	Low		High
Diluted earnings per share from continuing operations	$ (0.02)	$ 0.01	$ 0.12		$ 0.14
Corporate unused debt commitment fees, amendment fees and loss on extinguishment of debt	—	—	0.07		0.07
Corporate strategic costs	—	—	0.04		0.04
Harsco Environmental Segment severance costs	—	—	(0.01)		(0.01)
Taxes on above unusual items	—	—	(0.02)		(0.02)
Adjusted diluted earnings per share from continuing operations, including acquisition amortization expense	(0.02)	0.01	0.20		0.22
Estimated acquisition amortization expense, net of tax	0.08	0.08	0.32		0.32
Adjusted diluted earnings per share from continuing operations	$ 0.06	$ 0.09	$ 0.51	(b)	$ 0.54

(a) Excludes Harsco Rail Segment.
(b) Does not total due to rounding.

RECONCILIATION OF NON-GAAP MEASURES

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

(In thousands)	Harsco Environmental	Harsco Clean Earth	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended September 30, 2021:					
Operating income (loss) as reported	$ 27,630	$ 9,893	$ 1,957	$ (9,560)	$ 29,920
Corporate strategic costs	—	—	—	1,489	1,489
Harsco Environmental Segment severance costs	(900)	—	—	—	(900)
Operating income (loss) excluding unusual items	26,730	9,893	1,957	(8,071)	30,509
Depreciation	27,179	4,576	1,233	491	33,479
Amortization	1,997	6,033	84	—	8,114
Adjusted EBITDA	$ 55,906	$ 20,502	$ 3,274	$ (7,580)	$ 72,102
Revenues as reported	$ 269,901	$ 200,484	$ 73,916		$ 544,301
Adjusted EBITDA margin (%)	20.7 %	10.2 %	4.4 %		13.2 %

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION

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

(In thousands)	Harsco Environmental	Harsco Clean Earth	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended September 30, 2020:					
Operating income (loss) as reported	$ 12,317	$ 8,902	$ 4,059	$ (20,214)	$ 5,064
Corporate acquisition and integration costs	—	—	—	10,645	10,645
Corporate contingent consideration adjustments	—	—	—	2,437	2,437
Harsco Clean Earth Segment integration costs	—	114	—	—	114
Operating income (loss) excluding unusual items	12,317	9,016	4,059	(7,132)	18,260
Depreciation	25,588	5,010	1,258	497	32,353
Amortization	1,970	6,218	85	—	8,273
Adjusted EBITDA	$ 39,875	$ 20,244	$ 5,402	$ (6,635)	$ 58,886
Revenues as reported	$ 222,507	$ 194,098	$ 92,793		$ 509,398
Adjusted EBITDA margin (%)	17.9 %	10.4 %	5.8 %		11.6 %

RECONCILIATION OF NON-GAAP MEASURES

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

(In thousands)	Harsco Environmental	Harsco Clean Earth (a)	Harsco Rail	Corporate	Consolidated Totals
Nine Months Ended September 30, 2021:					
Operating income (loss) as reported	$ 83,788	$ 20,457	$ 15,533	$ (28,815)	$ 90,963
Corporate strategic costs	—	—	—	3,170	3,170
Harsco Environmental Segment severance costs	(900)	—	—	—	(900)
Operating income (loss) excluding unusual items	82,888	20,457	15,533	(25,645)	93,233
Depreciation	78,446	14,818	3,651	1,468	98,383
Amortization	6,080	18,179	254	—	24,513
Adjusted EBITDA	167,414	53,454	19,438	(24,177)	216,129
Adjusted EBITDA - Harsco Rail Segment	—	—	(19,438)	—	(19,438)
Corporate allocation - Harsco Rail Segment	—	—	—	(3,126)	(3,126)
Proforma Adjusted EBITDA, excluding Harsco Rail Segment	$ 167,414	$ 53,454	$ —	$ (27,303)	$ 193,565
Proforma Revenue, excluding Harsco Rail Segment	$ 800,433	$ 585,891			$ 1,386,324
Proforma Adjusted EBITDA margin (%)	20.9 %	9.1 %			14.0 %

(a) The Company's acquisition of ESOL closed on April 6, 2020.

RECONCILIATION OF NON-GAAP MEASURES

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

(In thousands)	Harsco Environmental	Harsco Clean Earth (a)	Harsco Rail	Corporate	Consolidated Totals
Nine Months Ended September 30, 2020:					
Operating income (loss) as reported	$ 36,400	$ 12,945	$ 19,162	$ (58,694)	$ 9,813
Corporate acquisition and integration costs	—	—	—	41,584	41,584
Harsco Environmental Segment severance costs	5,160	—	—	—	5,160
Corporate contingent consideration adjustments	—	—	—	2,437	2,437
Harsco Clean Earth Segment integration costs	—	114	—	—	114
Operating income (loss) excluding unusual items	41,560	13,059	19,162	(14,673)	59,108
Depreciation	75,626	12,769	3,730	1,531	93,656
Amortization	5,827	16,463	252	—	22,542
Adjusted EBITDA	123,013	42,291	23,144	(13,142)	175,306
Adjusted EBITDA - Harsco Rail Segment	—	—	(23,144)	—	(23,144)
Corporate allocation - Harsco Rail Segment	—	—	—	(3,126)	(3,126)
Proforma Adjusted EBITDA, excluding Harsco Rail Segment	$ 123,013	$ 42,291	$ —	$ (16,268)	$ 149,036
Proforma Revenue, excluding Harsco Rail Segment	$ 668,057	$ 434,489			$ 1,102,546
Proforma Adjusted EBITDA margin (%)	18.4 %	9.7 %			13.5 %

(a) The Company's acquisition of ESOL closed on April 6, 2020.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION

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

(In thousands)	Harsco Environmental	Harsco Clean Earth (a)	Harsco Rail	Corporate	Consolidated Totals
Twelve Months Ended December 31, 2020:					
Operating income (loss) as reported	$ 59,006	$ 16,096	$ 20,219	$ (74,240)	$ 21,081
Corporate acquisition and integration costs	—	—	—	48,493	48,493
Harsco Environmental Segment severance costs	7,399	—	—	—	7,399
Corporate contingent consideration adjustments	—	—	—	2,301	2,301
Harsco Clean Earth Segment integration costs	—	1,859	—	—	1,859
Operating income (loss) excluding unusual items	66,405	17,955	20,219	(23,446)	81,133
Depreciation	100,971	17,450	5,113	2,022	125,556
Amortization	7,825	22,814	337	—	30,976
Adjusted EBITDA	175,201	58,219	25,669	(21,424)	237,665
Adjusted EBITDA - Harsco Rail Segment	—	—	(25,669)	—	(25,669)
Corporate allocation - Harsco Rail Segment	—	—	—	(4,168)	(4,168)
Proforma Adjusted EBITDA, excluding Harsco Rail Segment	$ 175,201	$ 58,219	$ —	$ (25,592)	$ 207,828
Proforma Revenue, excluding Harsco Rail Segment	$ 914,445	$ 619,588			$ 1,534,033
Proforma Adjusted EBITDA margin (%)	19.2 %	9.4 %			13.5 %

(a) The Company's acquisition of ESOL closed on April 6, 2020.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION

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

(Unaudited)

	Three Months Ended September 30	
(In thousands)	**2021**	**2020**
Consolidated income (loss) from continuing operations	$ 10,960	$ (6,604)
Add back (deduct):		
Equity in (income) loss of unconsolidated entities, net	293	(9)
Income tax (benefit) expense	6,989	(1,654)
Defined benefit pension income	(3,906)	(1,859)
Unused debt commitment fees, amendment fees and loss on extinguishment of debt	198	—
Interest expense	16,004	15,794
Interest income	(618)	(604)
Depreciation	33,479	32,353
Amortization	8,114	8,273
Unusual items:		
Corporate strategic costs	1,489	—
Harsco Environmental Segment severance costs	(900)	—
Corporate acquisition and integration costs	—	10,645
Corporate contingent consideration adjustments	—	2,437
Clean Earth Segment integration costs	—	114
Consolidated Adjusted EBITDA	$ 72,102	$ 58,886

RECONCILIATION OF NON-GAAP MEASURES

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

	Nine Months Ended September 30	
(In thousands)	**2021**	**2020**
Consolidated income (loss) from continuing operations	$ 30,007	$ (23,903)
Add back (deduct):		
Equity in (income) loss of unconsolidated entities, net	488	(176)
Income tax expense (benefit)	19,782	(4,640)
Defined benefit pension income	(11,833)	(5,171)
Unused debt commitment and amendment fees	5,506	1,920
Interest expense	48,854	43,396
Interest income	(1,841)	(1,613)
Depreciation	98,383	93,656
Amortization	24,513	22,542
Unusual items:		
Corporate strategic costs	3,170	—
Harsco Environmental Segment severance costs	(900)	—
Corporate acquisition and integration costs	—	41,584
Harsco Environmental Segment severance costs	—	5,160
Corporate contingent consideration adjustments	—	2,437
Harsco Clean Earth Segment integration costs	—	114
Consolidated Adjusted EBITDA	$ 216,129	$ 175,306

HARSCO

RECONCILIATION OF NON-GAAP MEASURES

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

	Projected Three Months Ending December 31 2021				Projected Twelve Months Ending December 31 2021				
(In millions)	**Low**		**High**		**Low**			**High**	
Consolidated income from continuing operations	$	—	$	2	$	20		$	22
Add back (deduct):									
Income tax expense		—		6		17			23
Equity loss of unconsolidated entities, net		—		—		1			1
Net interest		16		16		63			63
Defined benefit pension income		(4)		(4)		(16)			(16)
Depreciation and amortization		42		42		161			161
Unusual items:									
Corporate strategic costs		—		—		3			3
Harsco Environmental Segment severance costs		—		—		(1)			(1)
Consolidated Adjusted EBITDA	$	55	$	62	$	248	(b)	$	256

(a) Excludes Harsco Rail Segment
(b) Does not total due to rounding.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF HARSCO CLEAN EARTH PROJECTED ADJUSTED EBITDA TO HARSCO CLEAN EARTH PROJECTED OPERATING INCOME
(Unaudited)

	Harsco Clean Earth	
	Projected Twelve Months Ending December 31	
	2021	
(In millions)	**Low**	**High**
Operating income	$ 27	$ 31
Depreciation and amortization	44	44
Adjusted EBITDA	$ 71	$ 75

RECONCILIATION OF NON-GAAP MEASURES

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

	Three Months Ended September 30		Nine Months Ended September 30	
(In thousands)	2021	2020	2021	2020
Net cash provided by operating activities	**$ 33,220**	$ 20,755	**$ 46,750**	$ 42,276
Less capital expenditures	**(40,861)**	(27,883)	**(109,507)**	(79,096)
Less expenditures for intangible assets	**(155)**	(127)	**(287)**	(169)
Plus capital expenditures for strategic ventures (a)	**1,185**	603	**2,983**	1,967
Plus total proceeds from sales of assets (b)	**5,470**	521	**15,512**	4,473
Plus transaction-related expenditures (c)	**784**	10,732	**18,788**	26,672
Plus taxes paid on sale of business	**—**	13,809	**—**	14,185
Free cash flow	**$ (357)**	$ 18,410	**$ (25,761)**	$ 10,308

(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 amending the Company's existing Senior Secured Credit Facilities.

RECONCILIATION OF NON-GAAP MEASURES

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

	Projected Twelve Months Ending December 31	
	2021	
(In millions)	Low	High
Net cash provided by operating activities	$ 91	$ 111
Less capital expenditures	(161)	(171)
Plus total proceeds from asset sales and capital expenditures for strategic ventures	21	21
Plus transaction related expenditures	19	19
Free cash flow	(30)	(20)
Less: Harsco Rail Segment free cash flow	(35)	(35)
Free cash flow from continuing operations	5	15
Add growth capital expenditures	50	50
Free cash flow before growth capital expenditures from continuing operations	$ 55	$ 65