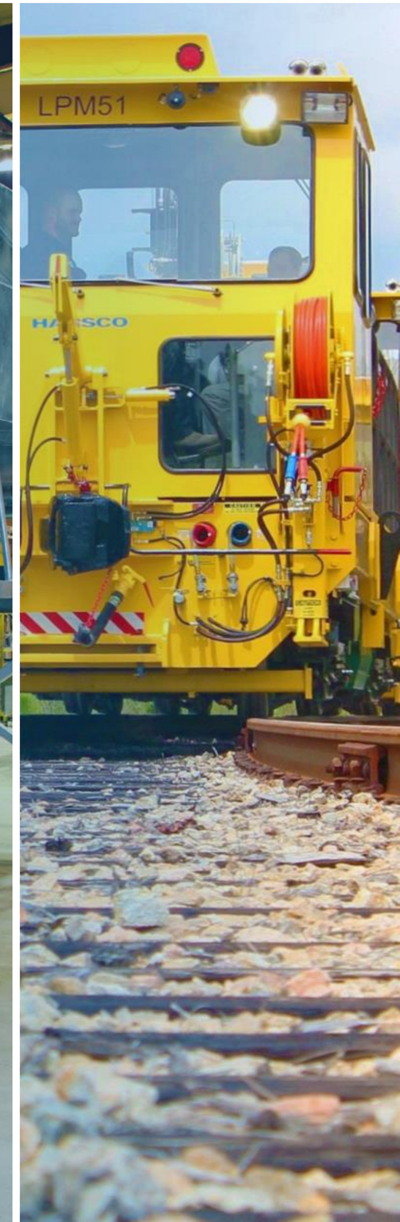
HARSCO

INVESTOR PRESENTATION

August 2018



FORWARD LOOKING STATEMENTS

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 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; (13) the amount and timing of repurchases of the Company's common stock, if any; (14) the outcome of any disputes with customers, contractors and subcontractors; (15) 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; (16) implementation of environmental remediation matters; (17) risk and uncertainty associated with intangible assets; and (18) 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, 2017. 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.

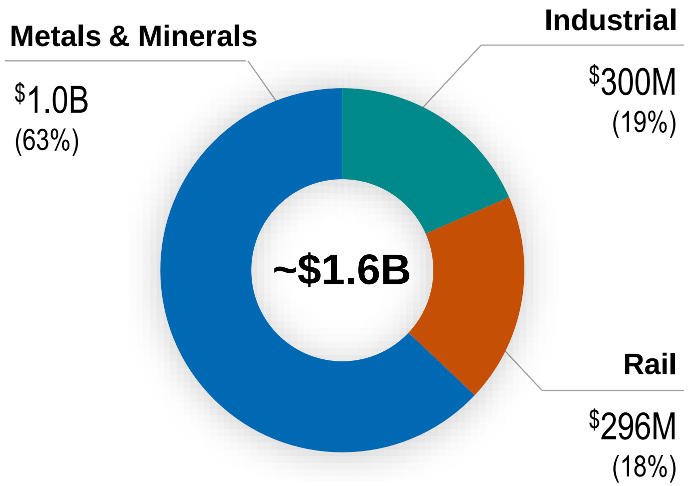
Non-GAAP Measures

Throughout this presentation, the Company refers to certain non-GAAP measures, including, without limitation, adjusted operating income (loss) from continuing operations, adjusted operating income margin, adjusted diluted earnings per share from continuing operations, return on invested capital, free cash flow, free cash flow before growth capital expenditures, EBITDA, adjusted EBITDA and adjusted EBITDA less net maintenance 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.

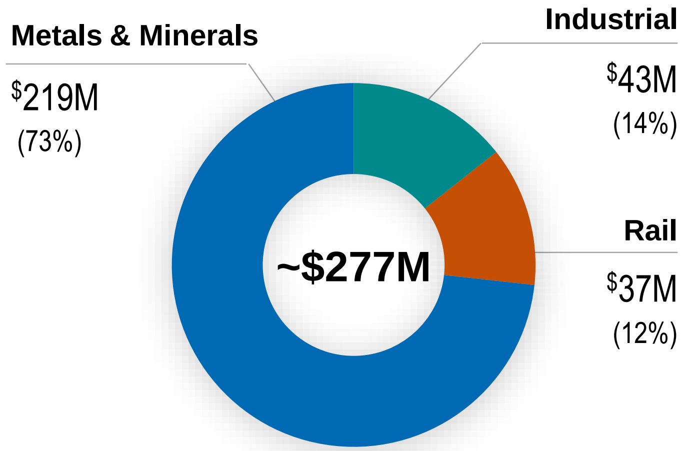
HARSCO TODAY

Market leading provider of environmental services and manufacturer of engineered products, serving industries that are fundamental to global growth.

FY 2017 Revenue



2017 EBITDA (Adjusted)[1]



(1) See tables in appendix for GAAP to Non-GAAP Reconciliations. Also percentages don't total due to rounding.

INVESTMENT HIGHLIGHTS

STRONG FOUNDATION

- High-performing businesses
- Diversified portfolio, customers, geographies and markets
- Proven management team
- Continuous improvement culture and core business system
- Strong balance sheet and cash flow
- Disciplined capital allocation process

ATTRACTIVE MARKET ENVIRONMENT

- Serving critical industries with underlying growth
- Markets poised to recover further
- Positive secular trends: environmental solutions, rail safety and analytics and energy resource development

POSITIONED FOR GROWTH

- Meaningful operating leverage
- Accelerated innovation driven by customer needs
- Significant market share and penetration opportunities
- Robust pipeline of organic growth and M&A opportunities, particularly in M&M

ROIC-FOCUSED PORTFOLIO DEVELOPMENT

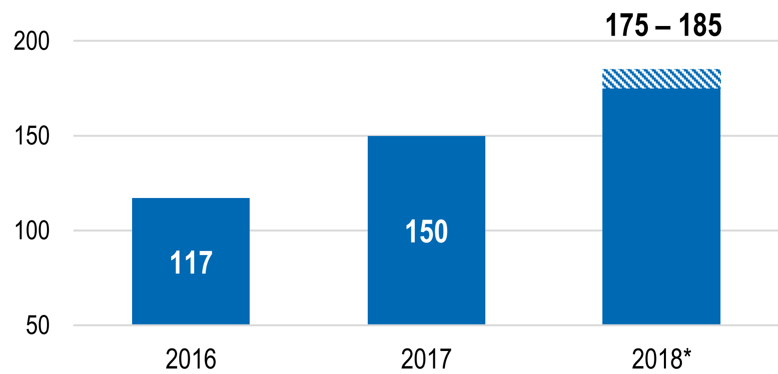
GROWTH TO OUTPACE SERVED MARKETS

STRATEGY ALIGNED WITH CREATING SHAREHOLDER VALUE

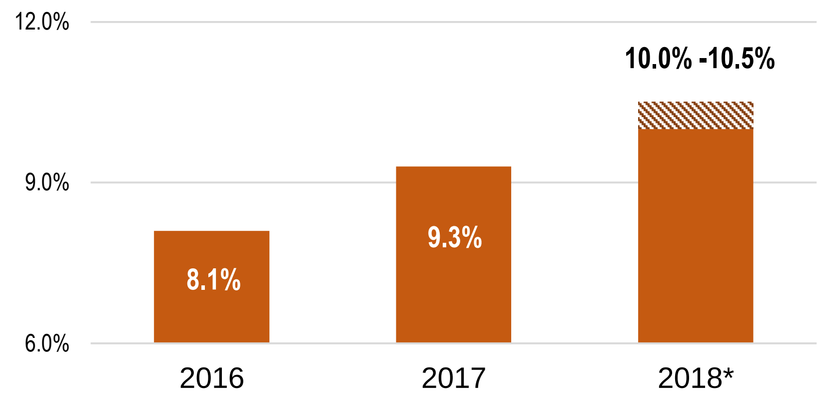
HARSCO

POISED FOR LONG-TERM GROWTH WITH IMPROVING PERFORMANCE

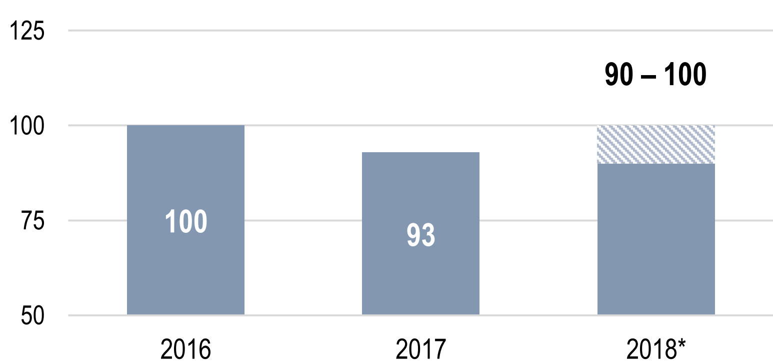
ADJUSTED OPERATING INCOME[1]
($ Millions)



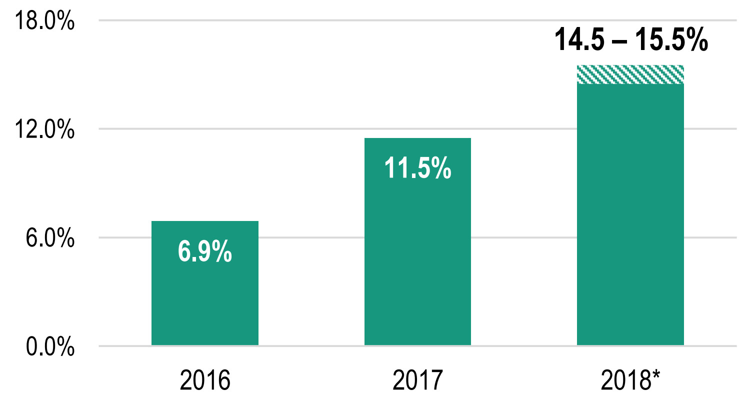
ADJUSTED OPERATING INCOME MARGIN[1]



FREE CASH FLOW[1]
($ Millions)



ROIC[1]



(1) See tables at end of presentation for GAAP to non-GAAP reconciliations.
* 2018 guidance as reported on 8.2.18

METALS & MINERALS

A GLOBAL MARKET LEADER

Transformation Initiatives Significantly **IMPROVED** Return Profile

VALUE DRIVERS

- Critical services for steel production and environmental solutions
- Differentiated operational expertise and technology
- Cost savings benefits to customers
- Long-term contracts & multi-decade relationships
- High renewal rates with fixed / variable pricing
- Diversity of customers, geographies and end markets

RESOURCE RECOVERY

MATERIALS MANAGEMENT & MELT SHOP SERVICES

ENVIRONMENTAL & PRODUCT SOLUTIONS

~$1B
2017 Revenue

30+
Countries

~70
Customers

~145
Sites

Serving
15%
of ex-China LST

M&M APPLIED PRODUCTS

ADVANCED MATERIAL TECHNOLOGIES DELIVERING ZERO WASTE SOLUTIONS

~20%

OF M&M REVENUES

ATTRACTIVE MARGIN PROFILE

ABRASIVES

FERTILIZER

ASPHALT

ROOFING GRANULES

ROAD CONSTRUCTION

METALLURGICAL ADDITIVES

SOIL CONDITIONER

CEMENT PRODUCTION

SLAG CONDITIONERS

Performix, US
- Specialty additives used by steelmakers in the ladle refining

Excell, US
- Soil conditioner / fertilizer / acid mine drainage

Reed Minerals, US
- Abrasives
- Roofing granules

Steelphalt, UK
- Asphalt for road construction

ALTEK Group
- Productivity and environmental solutions, mainly for the aluminum industry

Excell, Brazil
- Soil conditioner / fertilizer

India
- Steel and ferrochrome slag based products
- Road construction
- Fertilizer

THT, China
- Road construction
- Fertilizer
- Cement substitute

HARSCO

INDUSTRIAL

PREMIUM QUALITY PRODUCTS AND TRUSTED BRANDS

CAPITAL-LIGHT BUSINESS WITH HIGH RETURNS

- Yearly CapEx: ~2% of revenue (2017 excluding MX property sale)
- ROIC: 29% (2017)[1]

VALUE DRIVERS

- Broad, attractive and strengthening end-markets
- Unique design, engineering and service support
- Growth through innovation, market penetration and new products delivery

REVENUE MIX BY BUSINESS

HARSCO INDUSTRIAL

Air-X-Changers

A **leader** in high quality air-cooled heat exchangers, sold to energy markets

HARSCO INDUSTRIAL

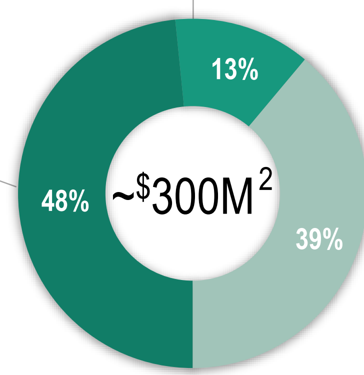
Patterson-Kelley

Innovative commercial boilers & water heaters

HARSCO INDUSTRIAL

IKG Industries

Leading producer of industrial metal grating products & security fencing



(1) Segment ROIC for 2017 = segment net operating profit after tax (NOPAT) divided by net operating assets.
(2) Revenue breakdown from 2017.

HARSCO

RAIL

LEADER IN NORTH AMERICA RAIL MAINTENANCE EQUIPMENT WITH GROWING PRESENCE IN ASIA & EUROPE

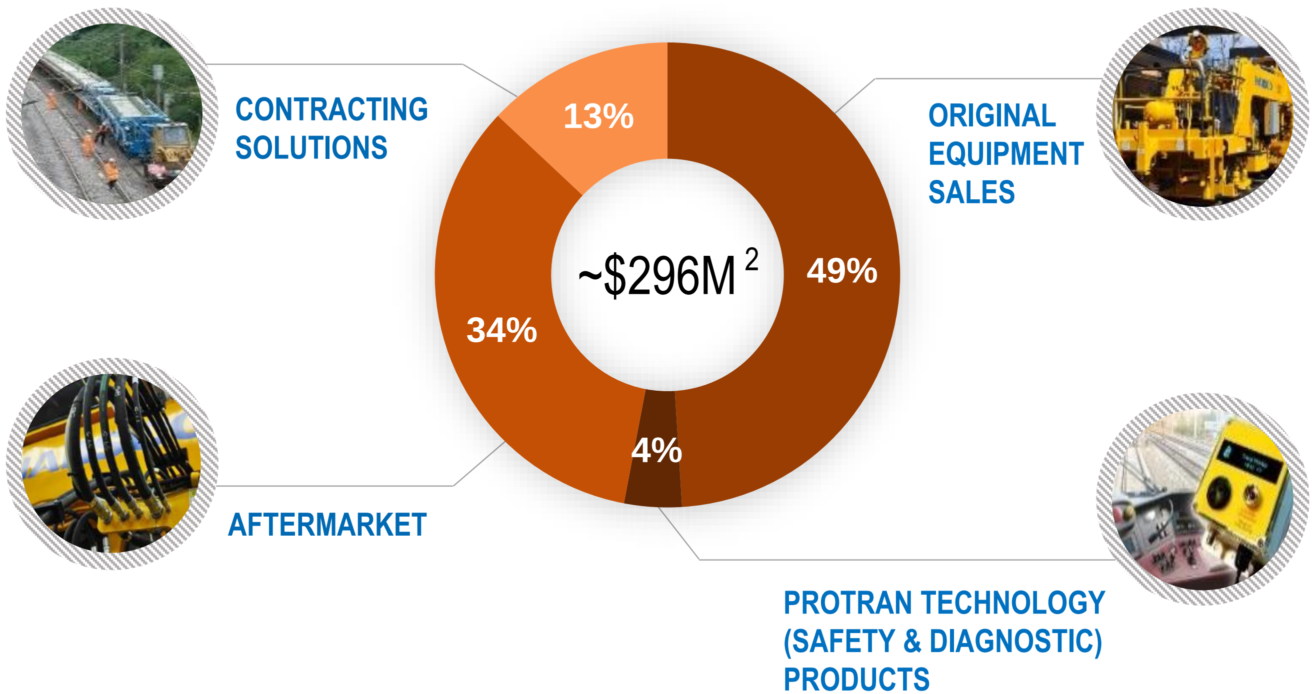
CAPITAL-LIGHT BUSINESS WITH HIGH RETURNS

- Yearly CapEx: ~1% of revenue (2017)
- ROIC: 33% (2017)[1]

VALUE DRIVERS

- Growing demand for increased safety & track awareness
- Large and growing aftermarket opportunity
- Breadth of products and services
- Innovative technology and next generation equipment solutions
- Productivity improvements

REVENUE MIX BY BUSINESS

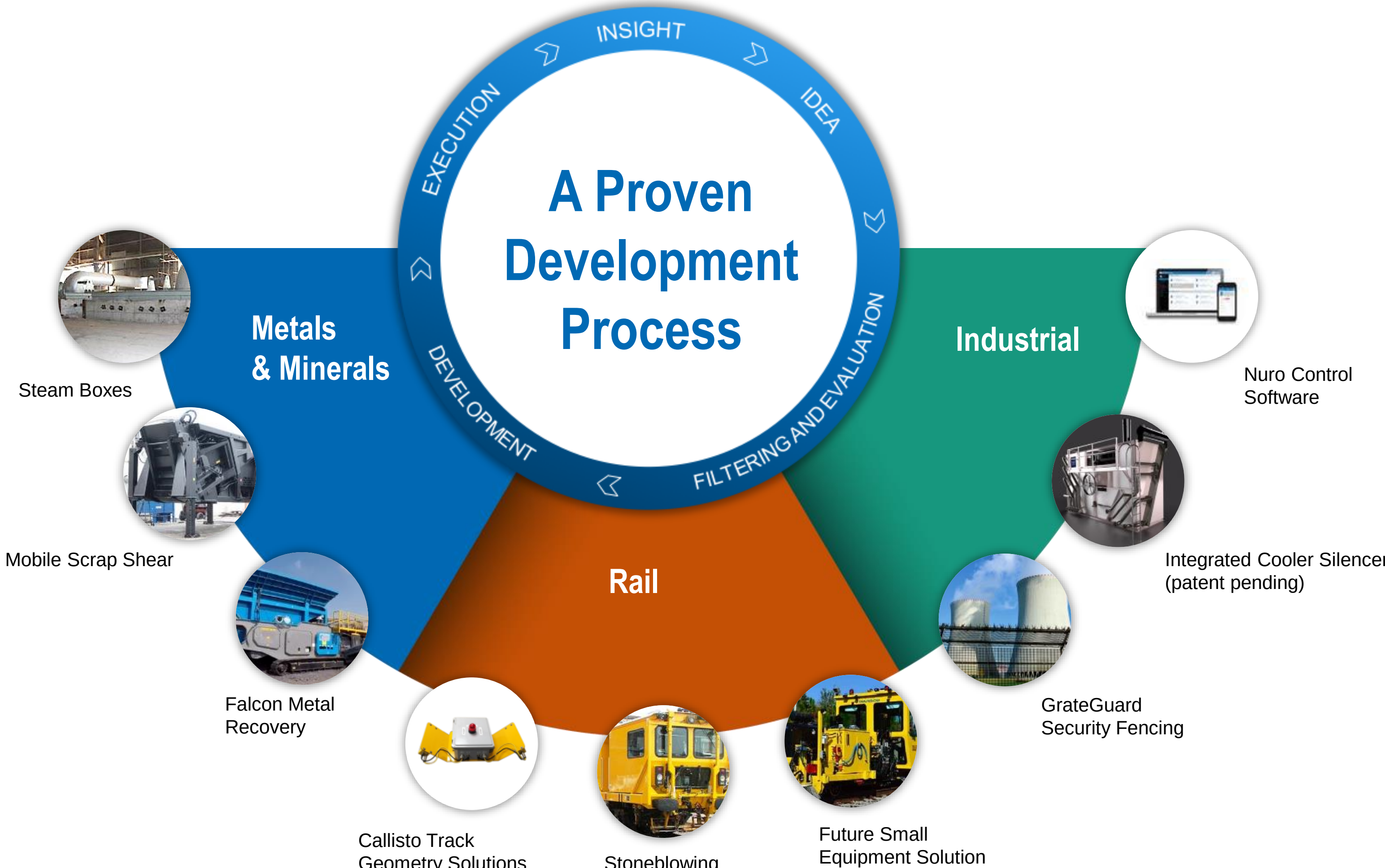


(1) Segment ROIC for 2017 = segment net operating profit after tax (NOPAT) divided by net operating assets.
(2) Revenue breakdown from 2017.

HARSCO

INNOVATION DRIVEN GROWTH

CULTURE OF INNOVATION GROUNDED IN CUSTOMER NEED. SUPPORTED BY BUSINESS DEVELOPMENT AND HOME-GROWN TECHNOLOGIES



HARSCO

GROWTH OPPORTUNITIES

METALS & MINERALS

Considerable Opportunities at Existing Sites (average less than 5 services per site relative to 40+ service offerings)

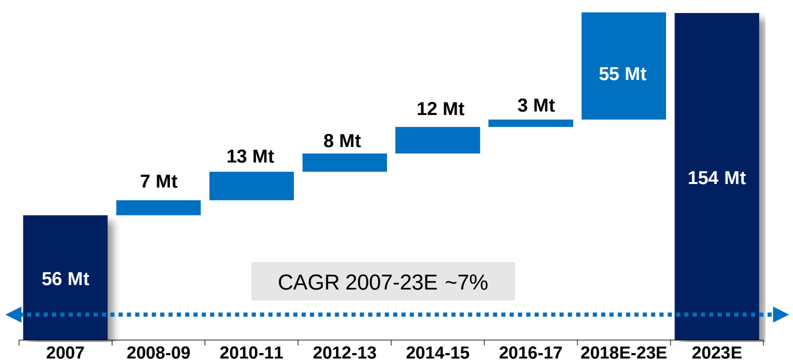
Targeted Pursuit of New Sites (unique position in growth markets)

New Environmental Product Solutions

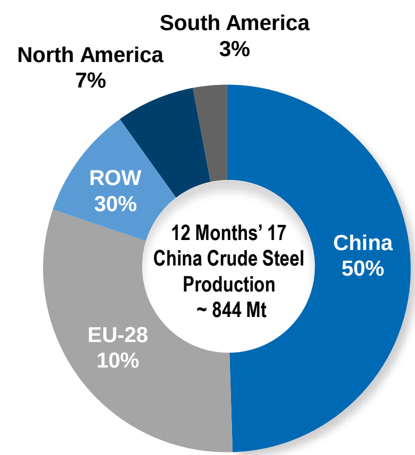
RECENT CONTRACT WINS[1]

# of Contract wins	19
Additional revenue backlog ($M)	535
Growth capital commitment	41
Average new contract term (Yr)	10

INDIA STEEL PRODUCTION: ONLY GLOBAL STEEL MILL SERVICES COMPANY WITH FULL-SCALE OPERATIONS IN GROWING INDIA MARKET



CHINA: SIGNIFICANT OPPORTUNITIES FROM OUTSOURCING STEEL MILL SERVICES



Source: Oxford economics, World Steel Association , Goldman Sachs, Credit Suisse, Deutsche Bank

Source: World Steel Association
(1) Contract wins since 2016

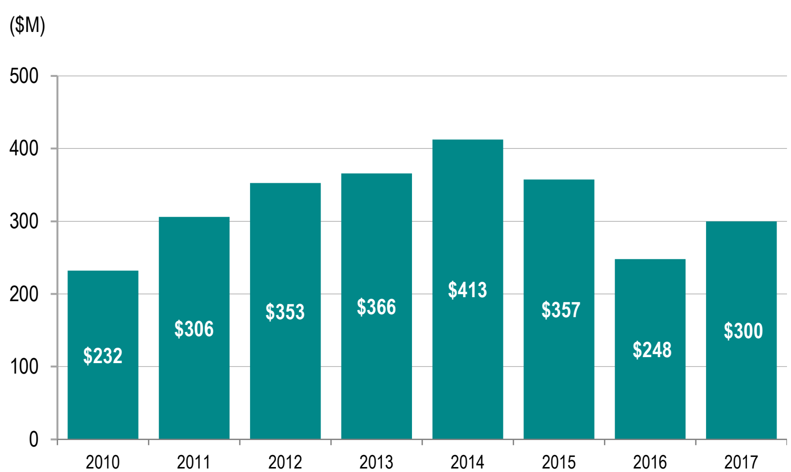
HARSCO

GROWTH OPPORTUNITIES

INDUSTRIAL

MARKET RECOVERY, INVESTMENTS & INNOVATIONS TO GROW REVENUE

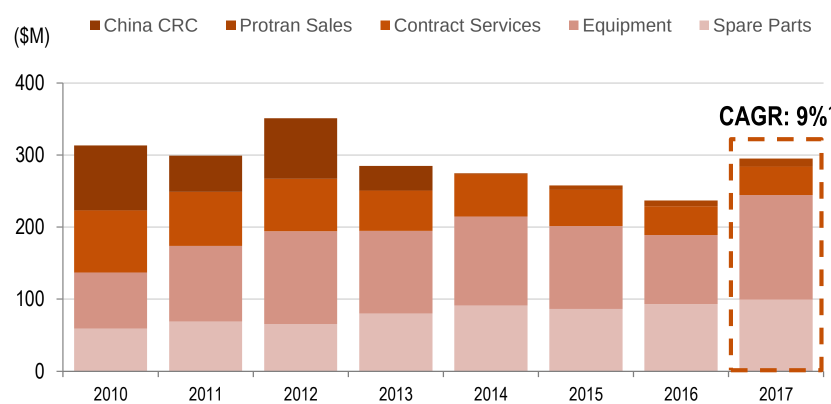
- AirX: Penetration downstream and market adjacencies; new CenterGate facility provides industry-leading manufacturing capacity and efficiencies
- IKG: New West Coast facility and improved welding capabilities at Channelview, TX; strong brand recognition in Mexico
- PK: Expanded SONIC product line; introduction of HiDra, Harsco's first entry into the commercial instantaneous hot water market



RAIL

STRONG REVENUE GROWTH IN CORE PRODUCTS

- Protran Technology: Suite of collision and advance safety warning systems; measurement and diagnostic technologies to monitor track conditions and plan maintenance
- Equipment & Services: Significant international opportunities, capture increased spending by Metros
- Aftermarket Parts: Increase penetration of large installed base; non-OEM strategy



(1) CAGR equals +6% after adjusting for SBB equipment revenues in 2017.

HARSCO

GROWTH OPPORTUNITIES

SHIFTING FOCUS TO M&A

M&A INVESTMENT CRITERIA

- Profitable business model strategically aligned with Harsco's growth objectives
- Attractive characteristics (e.g. reduced cyclicality, unique technology or access to new/growing markets)
- Value-enhancing and earnings accretive in the short-term
- Meets risk-adjusted IRR hurdle rates through the cycle
- Opportunity to deliver cost and/or revenue synergies
- Maintains reasonable leverage ratios

MAY 2018: ALTEK ACQUIRED FOR £45M CASH, WITH THE POTENTIAL FOR UP TO £25M IN ADDITIONAL CONSIDERATION SUBJECT TO THE FUTURE PERFORMANCE OF ALTEK

- Market leader with unique technologies
- AluSalt™ is a breakthrough environmental innovation that creates value from salt slag waste
- Platform into the aluminum industry
- Large market opportunity; targeting revenues of $100M within 5 years with further growth potential beyond that period

Growth is Balanced Between Organic and Acquisitions

Greatest Near Term Opportunities are in Environmental Solutions (M&M)

DISCIPLINED FINANCIAL STRATEGY

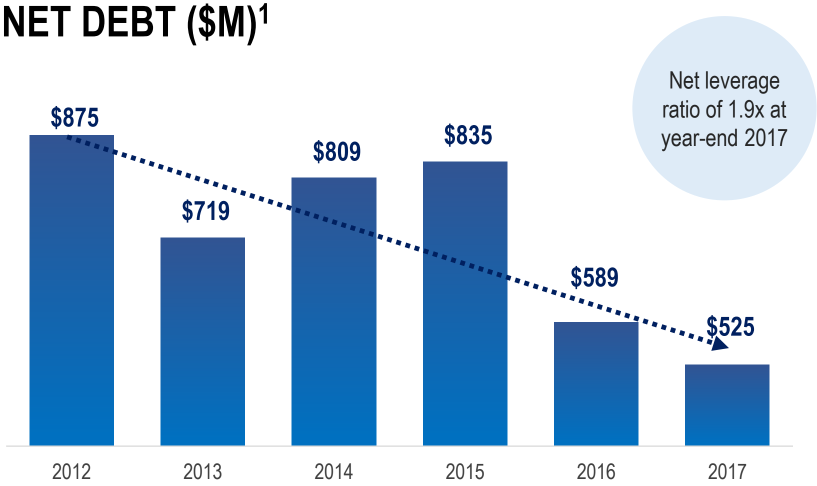
PRINCIPALS

- Maintain efficient capital structure
- Maximize strategic flexibility
- Sustain working capital improvements in each business segment

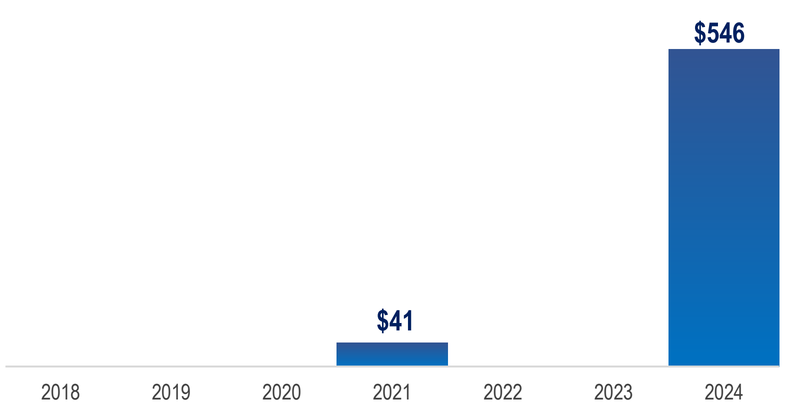
PRIORITIES

- Financially driven capital allocation process
- Return capital to shareholders through $75M share repurchase authorization
- ROIC > cost of capital
- Long-term leverage ratio: 2.0x – 2.5x

NET DEBT ($M)[1]



MAJOR DEBT MATURITIES – END 2017 ($M)[1]



(1) Net debt equals long term debt + short term borrowing + current maturities of long term debt – cash and cash equivalents. Net leverage ratio calculation in accordance with credit agreement. 2Q 2018 net debt totaled $602M and major debt maturities included $127M in 2021 and $545M in 2024.

HARSCO

2018 OUTLOOK - CONSOLIDATED

	2018 Outlook (2)	2018 Prior	2017 Actual (3)
OPERATING INCOME - GAAP	$177 to $187M	$165 to $180M	$145M
ADJUSTED OPERATING INCOME[1]	$175 to $185M	$165 to $180M	$150M
ADJUSTED OPERATING INCOME MARGIN[1]	10.0% to 10.5%	9.5% to 10.0%	9.3%
DILUTED EARNINGS PER SHARE – GAAP	$1.31 to $1.39	$1.11 to $1.24	$0.09
ADJUSTED DILUTED EARNINGS PER SHARE[1]	$1.19 to $1.27	$1.11 to $1.24	$0.74
FREE CASH FLOW BEFORE GROWTH CAPITAL[1]	$135 to $150M	$130 to $150M	$109M
FREE CASH FLOW[1]	$90 to $100M	$85 to $100M	$93M
ROIC[1]	14.5% to 15.5%	14.0% to 15.5%	11.5%

(1) Excludes unusual items. See tables at end of presentation for GAAP to non-GAAP reconciliations.
(2) 2018 GAAP figures do not account for any unusual items in H2 2018.
(3) 2017 figures adjusted to reflect reclassification for new pension accounting standard

POSITIONED FOR LONG-TERM VALUE CREATION

	2017	LT PLAN[1]
REVENUE	$1.6B	$2.0-2.2B
ADJUSTED OI	$150M	$250-285M
ADJUSTED OI MARGIN %	9.3%	12%-13%
ADJUSTED EBITDA	$277M	$410-445M
ADJUSTED EBITDA NET MAINTENANCE CAPEX	$209M	$320-355M
FCF EX GROWTH CAPITAL	$109M	$195-220M
ROIC	11.5%	15+%

KEY ASSUMPTIONS

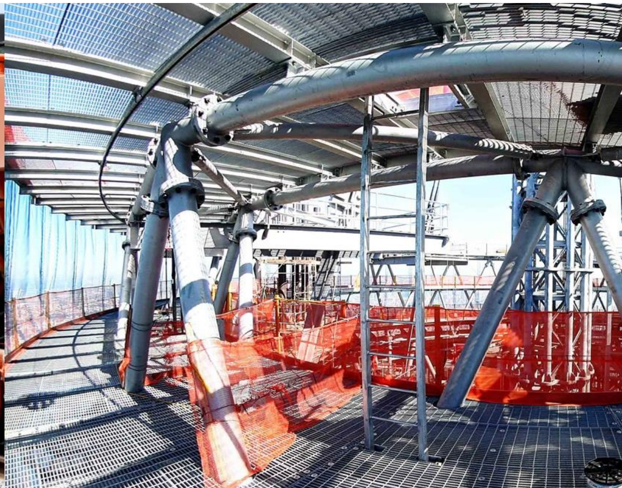
- Does not include future acquisitions including Altek
- 5%+ M&M revenue CAGR from market and growth investments of $200M+
- M&M renewal rates and pricing in-line with historical averages
- Modest growth in key end-markets, including Rail
- Downstream share gains, new product launches and efficiencies in Industrial
- Meaningful expansion of measurement and safety product capabilities in Rail
- Expansion of niche contracting and CTO (configure to order) efficiency benefits in Rail

HARSCO

(1) LT Plan period is 2021. Excludes unusual items.

POSITIONED TO DELIVER SUSTAINABLE GROWTH AND VALUE

- High-performing businesses well-positioned to deliver earnings growth
- Significant financial flexibility and FCF to pursue growth opportunities and enhance shareholder returns
- ROIC-focused approach
- Positioned to capitalize on favorable market and industry trends



APPENDIX

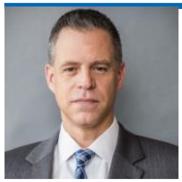
EXPERIENCED MANAGEMENT TEAM

NICHOLAS GRASBERGER

President and Chief Executive Officer

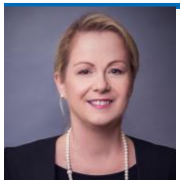
RUSSELL HOCHMAN

SVP, General Counsel, Chief Compliance Officer & Corporate Secretary



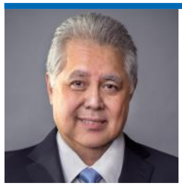
SCOTT GERSON

President of Industrial



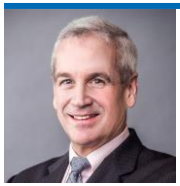
TRACEY MCKENZIE

SVP & Chief HR Officer



JESWANT GILL

President of Rail



PETER MINAN

SVP & Chief Financial Officer

Russ Mitchell

VP & Chief Operating Officer of Metals & Mineral

EXPERIENCED BOARD OF DIRECTORS

JAMES F. EARL

- Retired Executive Vice President of GATX Corporation
- President – GATX Rail International

KATHY G. EDDY

- Founding partner of McDonough, Eddy, Parsons & Baylous, A.C., a public accounting and financial services corporation
- Former Chair of the American Institute of Certified Public Accountants Board of Directors

DAVID C. EVERITT

- Non-Executive Chairman
- Former Co-Leader of Deere & Company's Agriculture and Turf Division
- Serves as Director of Allison Transmission, Brunswick Corporation and Agrium, Inc

F. NICHOLAS GRASBERGER

- President and Chief Executive Officer of Harsco
- Former Managing Director of Precision Polymers Division of Fenner Plc and Former Chief Financial Officer of Armstrong Holdings, Inc

MARIO LONGHI

- Former President and Chief Executive Officer of United States Steel Corporation (U.S. Steel)
- Former President and Chief Executive Officer of Gerdau Ameristeel Corporation
- Serves on the Board of Directors of ITT Corporation

EDGAR M. PURVIS

- Retired Executive Vice President and Chief Operating Officer of Emerson Electric Company
- Former member of the executive board of the Air-Conditioning, Heating and Refrigeration Institute

PHILLIP C. WIDMAN

- Former Senior Vice President and CFO of Terex
- Former Executive Vice President and CFO of Philip Services Corporation

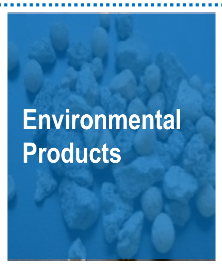
HARSCO

BUSINESS SENSITIVE TO MACRO DRIVERS

MANY BUSINESS DRIVERS

- Liquid steel production
- Fixed fees
- Equipment / labor rental demand
- Fuel cost
- Inflation

- Scrap price
- Nickel price
- Chrome price
- Iron price

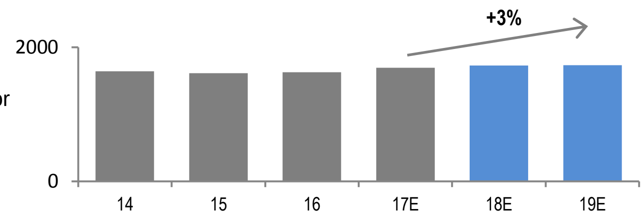


- Abrasive demand & price
- Roofing demand & price

BUSINESS VARIABLES

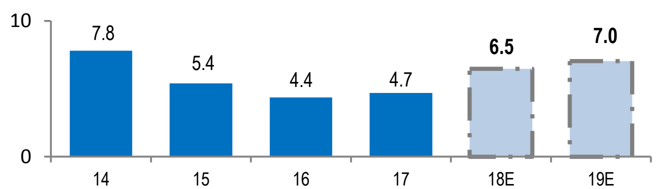
Liquid Steel Production[1]

mmt



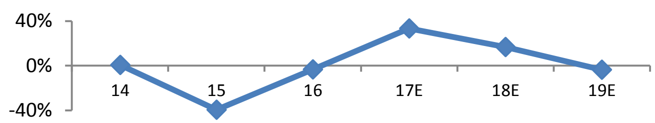
Nickel Price

$ / lb



Scrap Price[2]

% change y/y



IMPACT TO BOTTOM LINE

Within current scope of operations...

~1% liquid steel production change equals **~$2.2M** segment OI improvement

$1 nickel price change equals **~$5.0M** segment OI improvement

10% scrap price change equals **~$2.0M** segment OI improvement

HARSCO

(1) Global Liquid Steel Production excluding China Production
(2) Reflects US and European Shredded, and HMS #1 forecasts
Source: World Steel Association, Deutsche Bank, Bank of America Merrill Lynch, Goldman Sachs, Citi Research, Barclays, Credit Suisse

Q3 2018 OUTLOOK

Adjusted operating income[1] is expected to be between

$50M–$55M **versus $39M in Q3 2017**

Adjusted diluted earnings per share of

$0.34–$0.40 **versus $0.20 in Q3 2017**

Corporate costs

above prior-year quarter due to professional fees and expenditure timing

YEAR-OVER-YEAR CONSIDERATIONS INCLUDE:

METALS & MINERALS

Higher LST and commodities, new contracts Applied Products and operating benefits, partially offset by exits, growth-related investments and FX

INDUSTRIAL

Increased demand across businesses; also Q3 2017 asset sale gain not repeated

RAIL

Higher earnings contributions from after-market parts, equipment and Protran Technology products

(1) See tables at end of presentation for GAAP to non-GAAP reconciliations.
Note: 2018 GAAP figures do not account for any unusual items in 2018. Also, comparisons reflect new pension reporting for both 2018 and 2017.

2018 SEGMENT OUTLOOK

Excluding unusual items		2018 VERSUS 2017[1]	
Metals & Minerals	**Revenues**	▲	Mid-single to high-single digits
	Operating Income	▲	~10% at mid-point, excluding unusual items
	Drivers	+	LST, new sites/services, cost/operational savings, commodities prices, Applied Products
		-	Exited sites, investments
Industrial	**Revenues**	▲	Double digits
	Operating Income	▲	~45% at mid-point
	Drivers	+	Demand for all three major product groups More favorable product mix, manufacturing savings
Rail	**Revenues**	▲	Unchanged (▲ Mid-single digits excluding SBB revenue)
	Operating Income	▲	Mid-single digits at mid-point, excluding unusual items
	Drivers	+	Aftermarket parts and Protran volumes
		-	Equipment sales mix and Contracting services
Corporate Costs			Unchanged

(1) Comparisons are updated to reflect new pension reporting for both 2018 and 2017.

Q2 2018 FINANCIAL SUMMARY

KEY PERFORMANCE INDICATORS

- Q2 adjusted operating income above guidance range of $45-50 million
- Earnings exceeded guidance due to positive results in Industrial and Rail, as well as lower Corporate costs
- Each business segment realized an increase in operating profit relative to the prior-year quarter; each also achieved double-digit margins in Q2 2018
- EPS included benefit from lower interest costs and tax rate; GAAP EPS included unusual items of 12c
- FCF increased sequentially; Q2 2018 FCF comparable to prior-year quarter

		Change vs. 2017	
$ in millions except EPS	Q2 2018	$	% or bps
Revenues	432	37	9%
GAAP Operating Income	54	10	24%
% of Sales	*12.4%*		150bps
Adjusted Operating Income[1]	52	8	20%
% of Sales[1]	*11.9%*		100bps
GAAP Diluted Earnings Per Share	0.48	0.26	nmf
Adjusted Diluted Earnings Per Share[1]	0.36	0.14	64%
Free Cash Flow[1]	28	(2)	(5)%
ROIC (TTM)[1]	13.8%		420bps

2017 figures reflect pension reclassification. nmf = not meaningful.
(1) See tables at end of presentation for GAAP to non-GAAP reconciliations.

HARSCO

Q2 2018
METALS & MINERALS

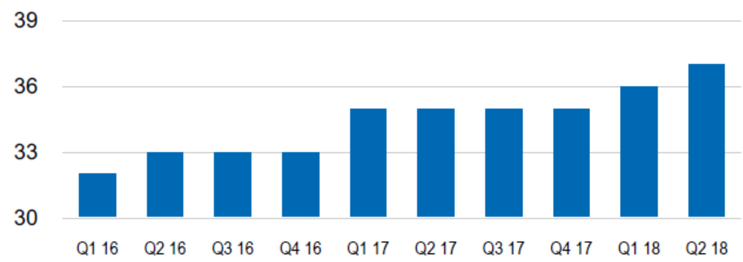
SUMMARY RESULTS

$ in millions

	Q2 2018	Q2 2017	% Change
Revenues, as reported	272	259	5%
Operating Income – GAAP	36	31	13%
Adjusted Operating Income*	33	31	5%
Adjusted operating margin*	12.2%	12.1%	
Free Cash Flow (YTD)	17	42	(61)%
ROIC (TTM)	12.7%	11.3%	140bps

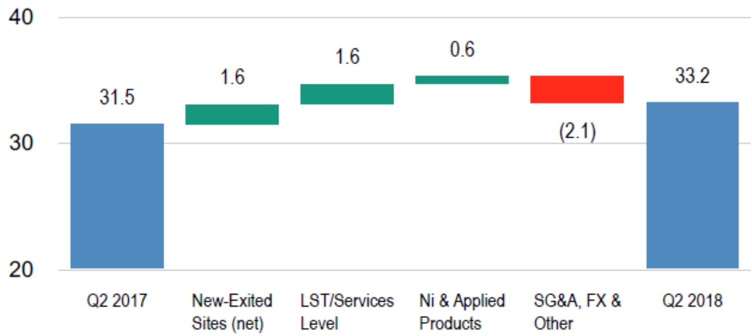
LST CONTINUING SITES

Million tons



ADJUSTED OPERATING INCOME BRIDGE

$ in millions



Business Highlights

- Revenues increased due to higher services demand and Applied Product sales
- Operating income increase reflects above items and positive impact of net contract changes; partially offset by SG&A investments to support growth
- FCF change reflects increase in capital spending and working capital

nmf = not meaningful.
*excludes unusual items; see tables at end of presentation for GAAP to non-GAAP reconciliations. 2017 figures reflect pension reclassification.

Q2 2018
INDUSTRIAL

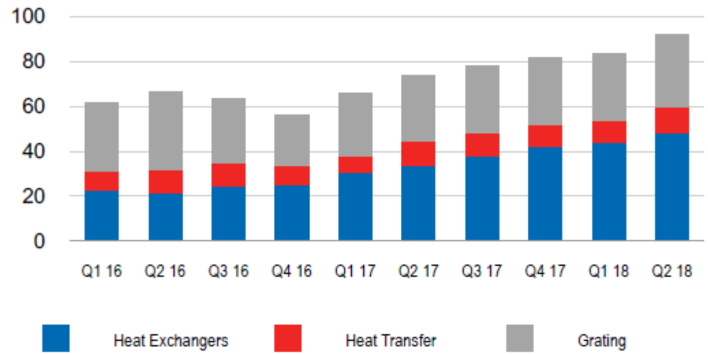
SUMMARY RESULTS

$ in millions

	Q2 2018	Q2 2017	% Change
Revenues, as reported	92	74	25%
Operating Income – GAAP	14	9	53%
Operating Margin – GAAP	15.4%	12.6%	
Free Cash Flow (YTD)	9	10	(1)%
ROIC (TTM)	38.8%	17.9%	nmf

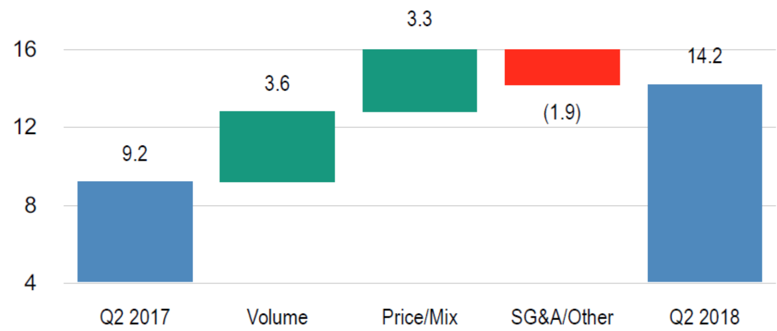
REVENUE MIX[1]

$ in millions



OPERATING INCOME BRIDGE

$ in millions



Business Highlights

- Revenue increase reflects improved demand across segment and higher product prices
- Operating income increase the result of higher demand and improved product sales mix / margin
- Free cash flow YTD comparable to prior-year as working capital changes and increased capital spending offset higher cash earnings, as anticipated

nmf = not meaningful.
2017 figures reflect pension reclassification; See tables at end of presentation for GAAP to non-GAAP reconciliations.
1.The Company has adopted the new revenue recognition standard utilizing the modified retrospective transition method, including use of practical expedients. Comparative information has not been restated and continues to be reported under U.S. GAAP in effect for those periods.

Q2 2018
RAIL

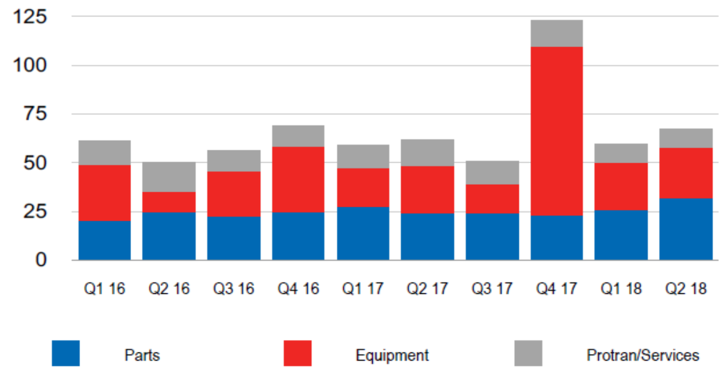
SUMMARY RESULTS

$ in millions

	Q2 2018	Q2 2017	% Change
Revenues, as reported	68	62	9%
Operating Income – GAAP	9	8	5%
Operating Margin – GAAP	12.8%	13.2%	
Free Cash Flow (YTD)	1	(7)	nmf
ROIC (TTM)	28.6%	32.9%	(430)bps

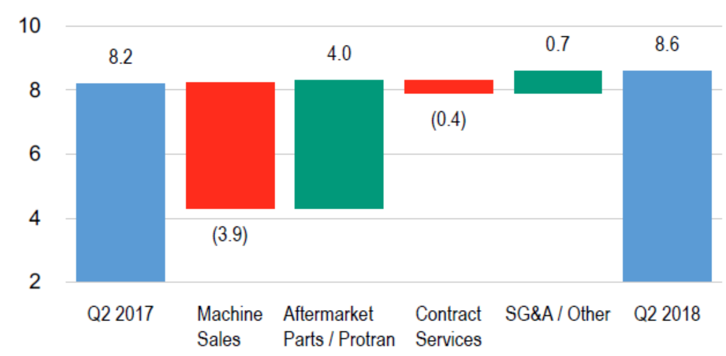
REVENUE MIX[1]

$ in millions



OPERATING INCOME BRIDGE[1]

$ in millions



Business Highlights

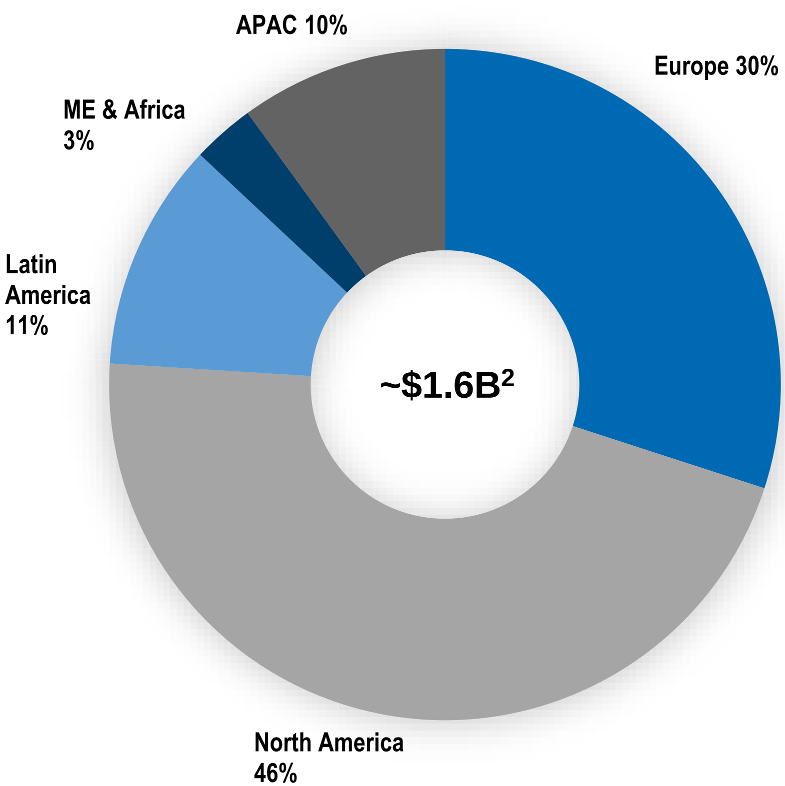
- Revenues increased due to SBB and higher aftermarket- parts sales; offset by lower contract services and international equipment sales
- Operating income change reflects improved parts demand / mix and lower SG&A spending; offset by weaker machine mix and lower services contributions
- Free cash flow increase mainly the result of cash generated from working capital

nmf = not meaningful. 2017 figures reflect pension reclassification.
See tables at end of presentation for GAAP to non-GAAP reconciliations.
1.The Company has adopted the new revenue recognition standard utilizing the modified retrospective transition method, including use of practical expedients. Comparative information has not been restated and continues to be reported under U.S. GAAP in effect for those periods.

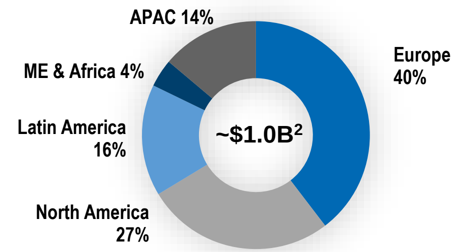
GENERAL INFORMATION

REVENUE MIX BY GEOGRAPHY [1]

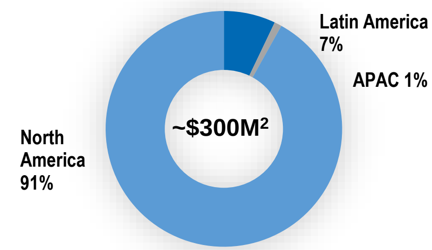
COMPANY



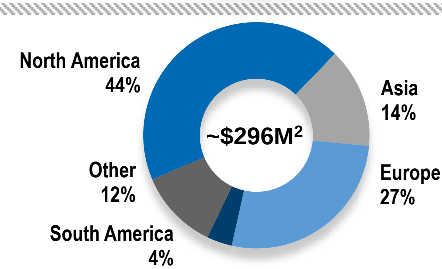
METALS & MINERALS



INDUSTRIAL



RAIL



(1) Revenue mix by location of origin for Company, Metals & Minerals and Industrial. Rail revenue mix is by location of customer. Also, percentages don't total due to rounding.
(2) Company 2017 Information.

HARSCO

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 June 30		Six Months Ended June 30	
	2018	**2017**	**2018**	**2017**
Diluted earnings per share from continuing operations as reported (a)	**$ 0.48**	$ 0.22	**$ 0.70**	$ 0.34
Harsco Metals & Minerals adjustment to slag disposal accrual (b)	**(0.04)**	—	**(0.04)**	—
Altek acquisition costs (c)	**0.01**	—	**0.01**	—
Loss on early extinguishment of debt (d)	**0.01**	—	**0.01**	—
Taxes on above unusual items (e)	**—**	—	**—**	—
Deferred tax asset valuation allowance adjustment (f)	**(0.10)**	—	**(0.10)**	—
Adjusted diluted earnings per share from continuing operations excluding unusual items	**$ 0.36**	$ 0.22	**$ 0.58**	$ 0.34

(a) No unusual items were excluded in the three and six months ended June 30, 2017.
(b) Harsco Metals & Minerals adjustment to previously accrued amounts related to the disposal of certain slag material in Latin America (Q2 and six months 2018 $3.2 million pre-tax).
(c) Costs associated with the acquisition of Altek Europe Holdings Limited and its affiliated entities recorded in the Harsco Metals & Minerals Segment (Q2 and six months 2018 $0.8 million pretax) and at Corporate (Q2 and six months 2018 $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 (Q2 and six months 2018 $1.0 million pre-tax).
(e) 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.
(f) Adjustment of certain existing deferred tax asset valuation allowances as a result of the Altek acquisition (Q2 and six months 2018 $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.

HARSCO

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 September 30 2017
Diluted loss per share from continuing operations as reported	$ 0.16
Harsco Metals & Minerals Segment bad debt expense (a)	0.06
Taxes on above unusual items (b)	(0.02)
Adjusted diluted earnings per share from continuing operations excluding unusual items	$ 0.20

(a) Bad debt expense incurred in the Harsco Metals & Minerals Segment ($4.6 million pre-tax).
(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.

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 2017	
Diluted earnings per share from continuing operations as reported	$ 0.09	
Impact of U.S. Tax reform on income tax benefit (expense) (a)	0.59	
Harsco Metals & Minerals Segment bad debt expense (b)	0.06	
Loss on early extinguishment of debt (c)	0.03	
Taxes on above unusual items (d)	(0.02)	
Adjusted diluted earnings per share from continuing operations excluding unusual items	$ 0.74	(e)

(a) The Company recorded a charge as a result of revaluing net deferred tax assets and liabilities as a result of U.S. tax reform ($48.7 million).
(b) Bad debt expense incurred in the Harsco Metals & Minerals Segment ($4.6 million pre-tax).
(c) Loss on early extinguishment of debt recorded at Corporate ($2.3 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) 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 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%
Three Months Ended June 30, 2017 (a):					
Operating income (loss) as reported (b)	$ 31,464	$ 9,240	$ 8,192	$ (5,747)	$ 43,149
Revenues as reported	$ 259,306	$ 73,563	$ 61,994	$ 35	$ 394,898
Operating margin (%)	12.1%	12.6%	13.2%		10.9%

(a) No unusual items were excluded in the three months ended June 30, 2017.

(b) On January 1, 2018, the Company adopted changes issued by the Financial Accounting Standards Board related to how employers that sponsor defined benefit pension plans and other postretirement plans present net periodic pension cost ("NPPC") in the statement of operations. Employers are required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of NPPC are required to be presented in the statement of operations separately from the service cost component and outside of the subtotal of income from operations. The amounts presented reflect the adoption of these changes.

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.

HARSCO

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
Six Months Ended June 30, 2018:					
Operating income (loss) as reported	$ 63,396	$ 26,591	$ 10,570	$ (10,391)	$ 90,166
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	$ 60,926	$ 26,591	$ 10,570	$ (9,960)	$ 88,127
Revenues as reported	$ 537,043	$ 175,663	$ 127,230	$ 74	$ 840,010
Six Months Ended June 30, 2017 (a):					
Operating income (loss) as reported (b)	$ 57,221	$ 12,134	$ 14,409	$ (12,008)	$ 71,756
Revenues as reported	$ 506,340	$ 139,448	$ 121,582	$ 69	$ 767,439

(a) No unusual items were excluded in the six months ended June 30, 2017.

(b) On January 1, 2018, the Company adopted changes issued by the Financial Accounting Standards Board related to how employers that sponsor defined benefit pension plans and other postretirement plans present net periodic pension cost ("NPPC ") in the statement of operations. Employers are required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of NPPC are required to be presented in the statement of operations separately from the service cost component and outside of the subtotal of income from operations. The amounts presented reflect the adoption of these changes.

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.

HARSCO

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 September 30, 2017:					
Operating income (loss) as reported (a)	$ 23,613	$ 12,954	$ 4,391	$ (6,330)	$ 34,628
Harsco Metals & Minerals Segment bad debt expense	4,589	—	—	—	4,589
Operating income (loss), excluding unusual items	**$ 28,202**	**$ 12,954**	**$ 4,391**	**$ (6,330)**	**$ 39,217**

(a) On January 1, 2018, the Company adopted changes issued by the Financial Accounting Standards Board related to how employers that sponsor defined benefit pension plans and other postretirement plans present net periodic pension cost ("NPPC") in the statement of operations. Employers are required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of NPPC are required to be presented in the statement of operations separately from the service cost component and outside of the subtotal of income from operations. The amounts presented reflect the adoption of these changes.

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.

HARSCO

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, 2017:					
Operating income (loss) as reported (a)	$ 102,362	$ 35,532	$ 32,954	$ (25,455)	$ 145,393
Harsco Metals & Minerals bad debt expense	4,589	—	—	—	4,589
Adjusted operating income (loss), excluding unusual items	$ 106,951	$ 35,532	$ 32,954	$ (25,455)	$ 149,982
Revenues as reported	$ 1,011,328	$ 299,592	$ 295,999	$ 143	$ 1,607,062
Adjusted operating margin (%) excluding unusual items	10.6%	11.9%	11.1%		9.3%

(a) On January 1, 2018, the Company adopted changes issued by the Financial Accounting Standards Board related to how employers that sponsor defined benefit pension plans and other postretirement plans present net periodic pension cost ("NPPC") in the statement of operations. Employers are required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of NPPC are required to be presented in the statement of operations separately from the service cost component and outside of the subtotal of income from operations. The amounts presented reflect the adoption of these changes.

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

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2018	2017	2018	2017
Net cash used by operating activities	$ 54,942	$ 52,903	$ 46,699	$ 46,779
Less capital expenditures	(29,599)	(23,711)	(56,496)	(40,700)
Plus capital expenditures for strategic ventures (a)	295	337	535	396
Plus total proceeds from sales of assets (b)	2,776	528	3,153	1,534
Free cash flow	$ 28,414	$ 30,057	$ (6,109)	$ 8,009

(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. 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 the measure. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO

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)	**2017**	**2016**
Net cash provided by operating activities	**$ 176,892**	$ 159,876
Less capital expenditures	**(98,314)**	(69,340)
Plus capital expenditures for strategic ventures (a)	**865**	170
Plus total proceeds from sales of assets (b)	**13,418**	9,305
Free cash flow	**92,861**	100,011
Add growth capital expenditures	**16,465**	9,868
Free cash flow before growth capital expenditures	**$ 109,326**	**$ 109,879**

(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.
.

HARSCO

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	
	2018	
(In millions)	Low	High
Net cash provided by operating activities	$ 215	$ 235
Less capital expenditures	(135)	(143)
Plus total proceeds from asset sales and capital expenditures for strategic ventures	10	8
Free cash flow	90	100
Add growth capital expenditures	45	50
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.

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)

(In thousands)	Trailing Twelve Months for Period Ended June 30 2018	2017
Income (loss) from continuing operations	$ 43,970	$ (15,185)
Unusual items:		
Impact of U.S. tax reform on income tax benefit	48,680	—
Harsco Metals & Minerals Segment bad debt expense	4,589	—
Loss on early extinguishment of debt	3,299	35,337
Harsco Metals & Minerals Segment adjustment to slag disposal accrual	(3,223)	—
Altek acquisition costs	1,184	—
Net loss on dilution and sale of equity investment	—	43,518
Harsco Rail Segment forward contract loss provision	—	5,000
Expense of deferred financing costs	—	1,125
Harsco Metals & Minerals Segment cumulative translation adjustment liquidation	—	(1,157)
Taxes on above unusual items (b)	(2,272)	(11,512)
Deferred tax asset valuation allowance adjustment	(8,292)	—
Net income from continuing operations, as adjusted	87,935	57,126
After-tax interest expense (c)	29,875	30,461
Net operating profit after tax as adjusted	$ 117,810	$ 87,587
Average equity	$ 230,115	$ 216,509
Plus average debt	626,590	700,588
Average capital	$ 856,705	$ 917,097
Return on invested capital excluding unusual items	13.8%	9.6%

(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) The Company's effective tax rate approximated 37% for the trailing twelve months for period ended June 30, 2017 and for the trailing twelve months for period ended June 30, 2018, 37% was used for July 1, 2017 through December 31, 2017 and 23% was used for January 1, 2018 through June 30, 2018, on an adjusted basis, for interest expense. The lower rate for 2018 is due to U.S. Tax reform.

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.

HARSCO

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)	**2017**	**2016**
Income (loss) from continuing operations	**$ 11,648**	$ (80,422)
Unusual items:		
Impact of U.S. tax reform on income tax benefit (expense)	**48,680**	—
Harsco Metals & Minerals Segment bad debt expense	**4,589**	—
Loss on early extinguishment of debt	**2,265**	35,337
Net loss on dilution and sale of equity investment	**—**	53,822
Harsco Rail Segment forward contract loss provision	**—**	45,050
Harsco Metals & Minerals Segment site exit and underperforming contract charges, net	**—**	5,100
Harsco Metals & Minerals Segment separation costs	**—**	3,287
Expense of deferred financing costs	**—**	1,125
Harsco Metals & Minerals Segment cumulative translation adjustment liquidation	**—**	(1,157)
Taxes on above unusual items (b)	**(2,052)**	(17,335)
Net income from continuing operations, as adjusted	**65,130**	44,807
After-tax interest expense (c)	**29,957**	31,790
Net operating profit after tax as adjusted	**$ 95,087**	$ 76,597
Average equity	**$ 189,560**	$ 290,995
Plus average debt	**638,964**	821,559
Average capital	**$ 828,524**	$ 1,112,554
Return on invested capital excluding unusual items	**11.5%**	6.9%

(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) The Company's effective tax rate approximated 37% on an adjusted basis for both periods 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.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF EBITDA BY SEGMENT AND ADJUSTED EBITDA EXCLUDING UNUSUAL ITEMS BY SEGMENT TO OPERATING INCOME (LOSS) AS PREVIOUSLY REPORTED BY SEGMENT AFTER PENSION RECLASSIFICATION (Unaudited) (a)

(In thousands)	Harsco Metals & Minerals	Harsco Industrial	Harsco Rail	Corporate	Consolidated Totals
Twelve Months Ended December 31, 2017:					
Operating income (loss) as previously reported	$ 105,257	$ 35,174	$ 32,091	$ (29,723)	$ 142,799
Pension reclassification adjustment	(2,895)	358	863	4,268	2,594
Operating income (loss), after reclassification	102,362	35,532	32,954	(25,455)	145,393
Depreciation and amortization	112,297	7,360	4,221	3,080	126,958
EBITDA	214,659	42,892	37,175	(22,375)	272,351
Harsco Metals & Minerals bad debt expense	4,589	—	—	—	4,589
Adjusted EBITDA, excluding unusual items	$ 219,248	$ 42,892	$ 37,175	$ (22,375)	$ 276,940

(a) On January 1, 2018, the Company adopted changes issued by the Financial Accounting Standards Board related to how employers that sponsor defined benefit pension plans and other postretirement plans present net periodic pension cost ("NPPC") in the statement of operations. Employers are required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of NPPC are required to be presented in the statement of operations separately from the service cost component and outside of the subtotal of income from operations.

EBITDA by segment and Adjusted EBITDA by segment are non-GAAP financial measures. EBITDA by segment consists of operating income from continuing operations by segment adjusted to add back depreciation and amortization by segment (excluding amortization of deferred financing costs). Adjusted EBITDA by segment consists of EBITDA adjusted to add back certain unusual items by segment. The Company‘s management believes EBITDA by segment and Adjusted EBITDA by segment are meaningful to investors because management reviews EBITDA by segment and Adjusted EBITDA by segment in assessing and evaluating performance. However, these measures should be considered in addition to, rather than as substitutes for Operating income from continuing operations by segment and other information provided in accordance with GAAP. The Company's method of calculating EBITDA by segment and Adjusted EBITDA by segment may differ from methods used by other companies and, as a result, EBITDA by segment and Adjusted EBITDA by segment may not be comparable to other similarly titled measures disclosed by other companies.

HARSCO

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF EBITDA; AND ADJUSTED EBITDA EXCLUDING UNUSUAL ITEMS AND NET MAINTENANCE CAPITAL EXPENDITURES TO NET INCOME FROM CONTINUING OPERATIONS, AS REPORTED (Unaudited)

(In thousands)	Twelve Months Ended December 31 2017
Net income from continuing operations, as reported	$ 11,648
Add back (Deduct):	
Income tax expense	83,803
Loss on early extinguishment of debt	2,265
Defined benefit pension expense (a)	2,594
Interest income	(2,469)
Interest Expense	47,552
Depreciation and amortization	126,958
EBITDA	272,351
Harsco Metals & Minerals bad debt expense	4,589
Adjusted EBITDA	276,940
Less: Net maintenance capital expenditures (b)	(68,431)
Adjusted EBITDA less net maintenance capital expenditures	$ 208,509

(a) On January 1, 2018, the Company adopted changes issued by the Financial Accounting Standards Board related to how employers that sponsor defined benefit pension plans and other postretirement plans present net periodic pension cost ("NPPC") in the statement of operations. Employers are required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of NPPC are required to be presented in the statement of operations separately from the service cost component and outside of the subtotal of income from operations.

(b) Net maintenance capital expenditures are necessary to sustain the Company's current revenue streams and include contract renewal.

EBITDA, adjusted EBITDA and Adjusted EBITDA less net maintenance capital expenditures are non-GAAP financial measures. EBITDA consists of net income (loss) from continuing operations, as adjusted to add back (i) income tax expense (benefit), (ii) interest expense/(interest income), (iii) depreciation and amortization, (iv) loss on the early extinguishment of debt, (v) defined benefit pension expense (income) and (vi) equity in loss (income) of unconsolidated entities, net. Adjusted EBITDA consists of EBITDA as adjusted to add back certain unusual items. The Company's management believes that EBITDA, adjusted EBITDA and adjusted EBITDA less net maintenance capital expenditures are meaningful to investors because management reviews EBITDA, adjusted EBITDA, and adjusted EBITDA less net maintenance capital expenditures in assessing and evaluating its performance. However, these measures should be considered in addition to, rather than as substitutes for, net income (loss) from continuing operations and other information provided in accordance with GAAP. Our method of calculating EBITDA, adjusted EBITDA and adjusted EBITDA less net maintenance capital expenditures may differ from the methods used by other companies and, as a result, EBITDA, adjusted EBITDA and adjusted EBITDA less net maintenance capital expenditures may not be comparable to other similarly titled measures disclosed by other companies.

HARSCO

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF NET MAINTENANCE CAPITAL EXPENDITURES TO PURCHASES OF PROPERTY, PLANT AND EQUIPMENT (Unaudited)

(In thousands)	Twelve Months Ended December 31 2017
Maintenance capital expenditures (a)	$ 81,849
Growth capital expenditures (b)	16,465
Purchases of property, plant and equipment	98,314
Less growth capital expenditures	(16,465)
Less total proceeds from sales of assets (c)	(13,418)
Net maintenance capital expenditures	$ 68,431

(a) Maintenance capital expenditures are necessary to sustain the Company’s current revenue streams and include contract renewal.
(b) Growth capital expenditures, for which management has discretion as to amount, timing and geographic placement, expand the Company's revenue base and create additional future cash flow.
(c) Asset sales are a normal part of the business model, primarily for the Harsco Metals & Minerals Segment.

Net maintenance capital expenditures, a non-GAAP financial measure, consists of (i) purchases of property, plant and equipment less (ii) total proceeds from sales of assets which is then adjusted to (i) subtract growth capital expenditures. The Company‘s management believes that net maintenance capital expenditures is meaningful to investors because management reviews net maintenance capital expenditures in assessing and evaluating the Company's performance. This measure should be considered in addition to, rather than as a substitute for, Purchases of Property, Plant and Equipment and other information provided in accordance with GAAP. The Company's method of computing net maintenance capital expenditures may differ from the methods used by other companies and, as a result, net maintenance capital expenditures as presented in this lender presentation may not be comparable to other similarly titled measures disclosed by other companies.

HARSCO

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION

RECONCILIATION OF ADJUSTED OPERATING INCOME, EXCLUDING UNUSUAL ITEMS TO OPERATING INCOME AS REPORTED AFTER PENSION RECLASSIFICATION (Unaudited) (a)

(In thousands)	Twelve Months Ended December 31 2017	Twelve Months Ended December 31 2016
Operating income as previously reported	$ 142,799	$ 63,469
Pension reclassification adjustment	2,594	1,414
Operating income, after reclassification	145,393	64,883
Harsco Metals & Minerals bad debt expense	4,589	—
Harsco Rail Segment forward contract loss provision	—	45,050
Harsco Metals & Minerals Segment site exit charges	—	5,100
Harsco Metals & Minerals Segment separation costs	—	3,287
Harsco Metals & Minerals Segment cumulative translation adjustment liquidation	—	(1,157)
Adjusted operating income, excluding unusual items, after reclassifications	$ 149,982	$ 117,163
Revenues as reported	$ 1,607,062	$ 1,451,223
Operating margin (%)	9.3%	8.1%

(a) On January 1, 2018, the Company adopted changes issued by the Financial Accounting Standards Board related to how employers that sponsor defined benefit pension plans and other postretirement plans present net periodic pension cost ("NPPC") in the statement of operations. Employers are required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. Other components of NPPC are required to be presented in the statement of operations separately from the service cost component and outside of the subtotal of income from operations.

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.