HARSCO

Investor Presentation

May 2020

SAFE HARBOR STATEMENT

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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 the COVID-19 coronavirus pandemic and governmental and market reactions to the COVID-19 coronavirus pandemic; (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 integration of the Company's strategic acquisitions; (13) potential severe volatility in the capital markets; (14) failure to retain key management and employees; (15) the amount and timing of repurchases of the Company's common stock, if any; (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 the COVID-19 coronavirus pandemic) 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, 2019, together with those described in Item 1A, "Risk Factors," of the Company's Quarterly Report on Form 10-Q for the period ended March 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.

Explanatory Note Regarding Estimates

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

Non-GAAP Measures

Throughout this presentation, the Company refers to certain non-GAAP measures, including without limitation, adjusted EBITDA (Earnings Before Interest Taxes Depreciation and Amortization) from continuing operations, adjusted EBITDA margin, adjusted diluted earnings per share from continuing operations and free cash flow. 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.

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Q1 2020 Results

Q1 2020 FINANCIAL SUMMARY

KEY PERFORMANCE INDICATORS

- Adjusted EBITDA of $57 million above guidance range
- Clean Earth better due to hazardous and dredge material volumes, partially timing related
- Rail helped by favorable equipment mix and pull-forward of after-market and contracting work
- Environmental consistent with expectation despite weakening underlying market
- Corporate spending reduced
- EBITDA Y/Y increase reflects impact of Clean Earth, which again realized strong Y/Y growth
- GAAP EPS includes transaction costs and Environmental restructuring
- FCF reflects seasonal patterns + interest and pension payments

		CHANGE VS. 2019	
$ in millions except EPS; Continuing Operations	**Q1 2020**	**$**	**% or bps**
Revenues, as reported	399	69	21%
Operating Income - GAAP	3	(17)	(85)%
% of Sales	*0.7%*		*(530)bps*
Adjusted EBITDA[1]	57	4	7%
% of Sales[1]	*14.4%*		*(190)bps*
GAAP Diluted Earnings Per Share	(0.11)	(0.24)	nmf
Adjusted Diluted Earnings Per Share[1]	0.16	(0.02)	(11)%
Free Cash Flow[2]	(28)	(7)	(34)%

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

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HARSCO RAIL - SCOR PROGRAM (SUPPLY CHAIN OPERATIONS RECOVERY)

Transform Culture

- New operational leadership engaged and driving progress
- Integrate workforce and reinforce governance
- Improve data timeliness and quality

Strengthen Competency

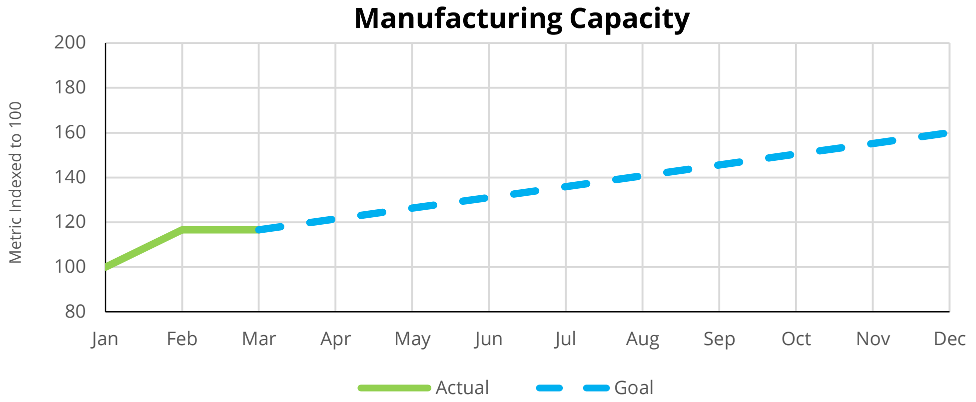
- Increase employee engagement with communications
- Staff organization with top talent
- Strengthen training program

Data Quality

- Improve supply-chain and manufacturing data
- Identify and execute on shortfalls
- Decision making enhancements to be data driven

Improve Capacity

- Improve space utilization, with more production slots
- Supplement internal capacity with 3rd-parties
- Productivity initiatives improve efficiency
- Execute against backlog



Program Delivering Positive Results; Pace of Change Accelerating in Coming Months

COVID-19: PROUD TO BE "ESSENTIAL"

HARSCO ENVIRONMENTAL

- Most customer sites originally shuttered in March/April have since restarted
- Nearly one-half of sites now operating at reduced levels due to safety measures and lower services demand
- Employee impacts vary by geography and government support is available

CleanEarth

- Limited operational disruptions given essential nature of services
- Medical/retail demand within Hazardous waste remains steady
- Construction has slowed in PA / NY, but activity set to restart
- Industrial visibility also more limited
- ESOL opportunities through self-help measures remain intact

HARSCO RAIL Enabling TECHNOLOGY IN MOTION

- Manufacturing not impacted
- Backlog is firm and continue to execute against large backlog and long duration contracts
- Class 1 budgets changed, but only marginally
- Short-cycle product visibility more limited, although after-market typically benefits in downturn

Business Continuity Response

- Implemented employee safety and response protocol in accordance with established guidelines to minimize health risk
- Daily touch-points with functional work-streams and business leadership
- Original 2020 capex budget reduced $75M
- Q2/Q3 cost reductions of $15M ($30M annualized)
- Potential 2020 cash deferrals of ~$20M based on government legislation
- "Return to Work" framework in place

Taking actions to support the safety, health and wellbeing of all stakeholders by relying on our core values.

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Acquisition of ESOL

TRANSFORMING INTO A GLOBAL MARKET LEADING SINGLE-THESIS ENVIRONMENTAL SOLUTIONS PLATFORM

Harsco is undergoing a strategic transformation to:

- Simplify the portfolio
- Increase scale and capabilities in environmental solutions
- Shift to less cyclical, capital-light businesses with attractive growth potential
- Unlock value and drive potential re-rating over time

May 2018	May 2019	June 2019	July 2019	November 2019	January 2020	April 2020
Acquired ALTEK	Harsco M&M Becomes Harsco Environmental	Acquired Clean Earth	Sold Air-X	Sold Patterson-Kelley	Sold IKG	Acquired ESOL

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COMBINATION OF ESOL AND CLEAN EARTH IS UNIQUE OPPORTUNITY TO CREATE A LEADING NATIONAL HAZARDOUS WASTE MANAGEMENT PLATFORM

- Highly complementary assets aligned with Harsco's environmental services focus
- Expands geographic portfolio across U.S., creating leading national hazardous waste processing platform
- Broadens and deepens customer relationships across diverse industries
- Leverages Clean Earth team's institutional knowledge and proven ability to optimize ESOL assets
- Expands exposure across value chain through large logistics fleet
- Expected to deliver earnings accretion and cash flow generation
- Meaningful opportunities for operational improvement cost synergies and revenue growth
- Creates attractive value proposition for shareholders

~85% of Harsco revenue come from environmental solutions and services

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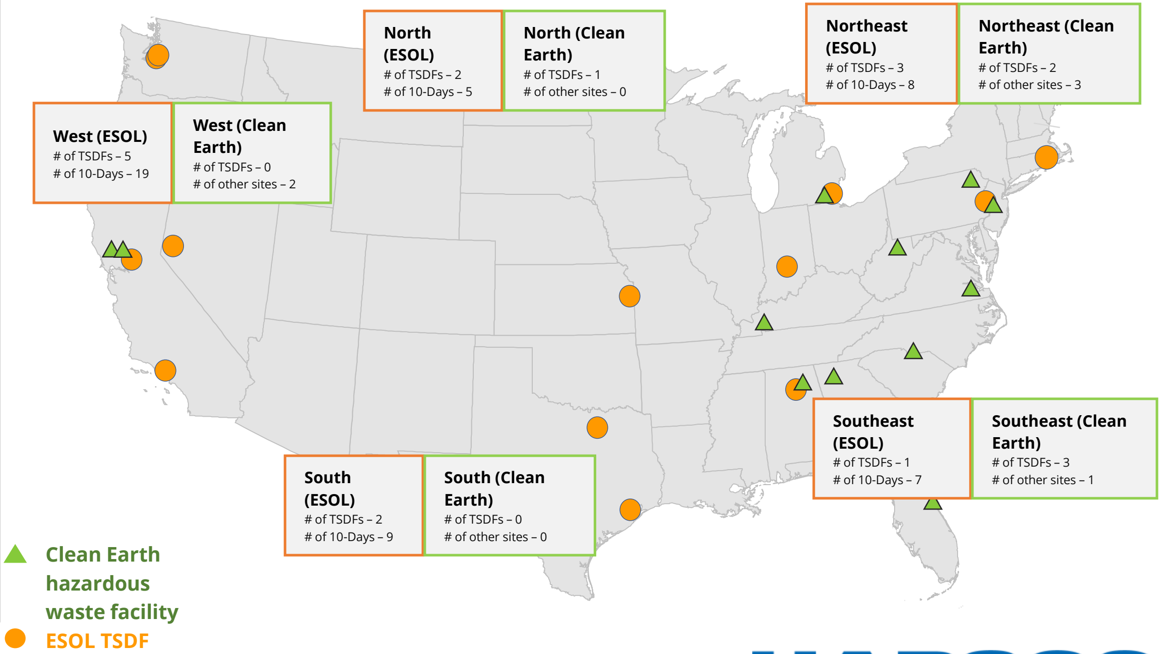
ESOL IS A LEADER IN ENVIRONMENTAL AND REGULATED WASTE MANAGEMENT

- Provides **comprehensive hazardous waste solutions** to **diverse customers** across the industrial, retail and healthcare industries
- Operates valuable network of **13 federally permitted TSDFs** (treatment, storage and disposal facilities) and **48 ten-day transfer facilities**
- Serves **more than 90,000 customer** locations with **450,000 service stops** annually through a **fleet of 700+ vehicles**
- Collects, receives, and processes more than **500,000 tons of waste annually** across **more than 569 unique waste codes**

ESOL's Facility Footprint is Highly Complementary to Clean Earth's Existing Hazardous Waste Processing Network



ESOL PROVIDES COMPREHENSIVE SOLUTIONS TO BLUE-CHIP CUSTOMERS ACROSS THREE PRIMARY INDUSTRY SEGMENTS

	Industrial	Retail	Healthcare
Business Overview	Hazardous waste collection, transportation, disposal, recycling, remediation, field services and emergency response Offerings include fuels blending, waste water treatment, solidification and stabilization, neutralization, solvent distillation and recovery, E-waste recycling and U-waste recycling Customers across aerospace, chemical, education, consumer products, and pharmaceutical industries	Turn-key services to manage the safe processing and disposal of hazardous waste from retail environments Primary waste streams include items that were mislabeled / returned, items that have batteries, chemicals, beauty products, personal healthcare products, fertilizers and pesticides and other basic household items Customers include superstores, home centers pharmacies, groceries and e-commerce platforms	Services include logistics, transfer and disposal of hazardous waste, lab packing and emergency response Waste generators include hospitals, physician offices, dental practices, nursing homes, veterinarians and others
Revenue Mix[1]	45%	40%	15%
# of Waste Generators	7,800	150	25,000
Selected Waste Generators	Boeing, PaintCare, Toyota, P&G, GE, Valspar, Dow, Sherwin-Williams, WM Waste Management, Temple University	Costco Wholesale, Walgreens, Amazon, The Home Depot, Walmart, Whole Foods, Petco, FedEx, CVS pharmacy	HCA Hospital Corporation of America, LabCorp, Adventist Health Feather River, Dr. Campbell Century, U.S. Renal Care, VCA, Long Island Jewish Medical Center Northwell Health, Center for Elders' Independence

1. Estimated 2019 revenue mix for ESOL.

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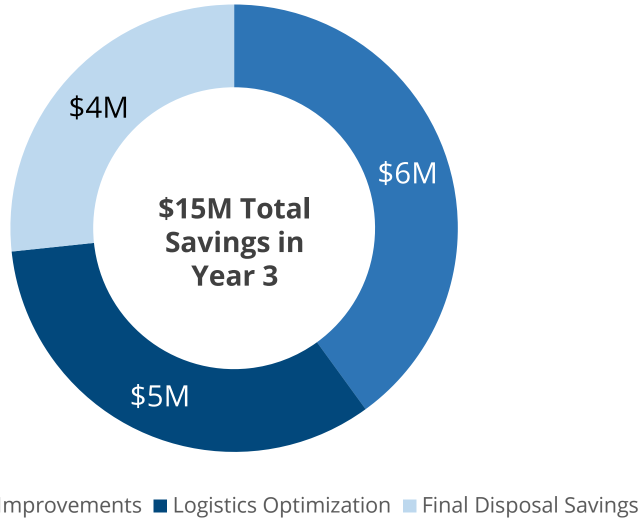
CLEARLY IDENTIFIED AND ACHIEVABLE SYNERGIES

Annual Run-Rate Cost Synergies



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Incremental Growth Opportunities

- Expanded customer base with greater exposure to Western and Mid-West states
- Exposure to new retail customers, and deeper exposure in healthcare
- Scale advantages from larger processing capacity across a national network
- Cross-selling opportunities across Clean Earth and ESOL customer bases, as well as the Harsco Environmental platform

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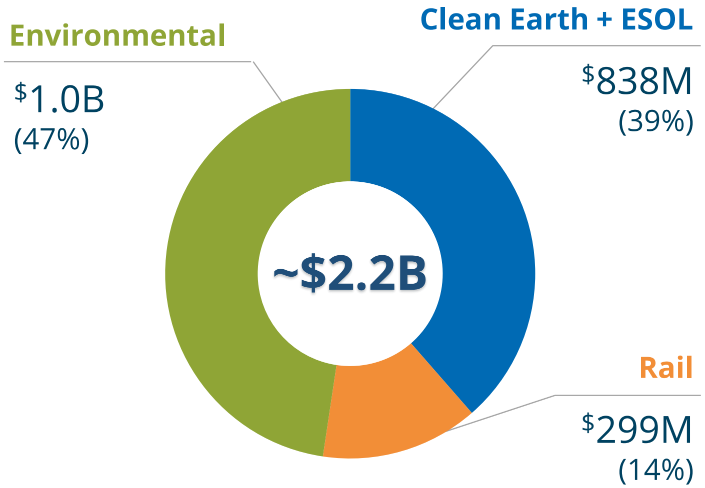
Harsco Overview

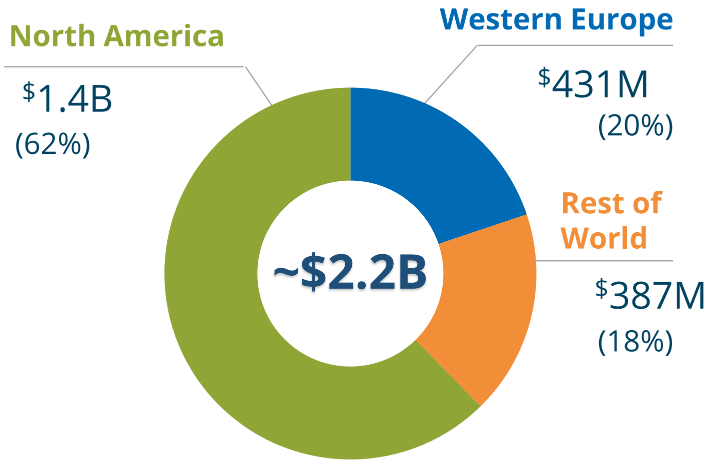
HARSCO TODAY

- Market leading provider of environmental solutions for industrial and specialty waste streams and innovative technologies, serving industries that are fundamental to global growth.
- Recent M&A accelerates Harsco's environmental strategy and transformation to single thesis company, as a leading global provider of environmental solutions
- Strategic shift towards higher-growth and less-cyclical businesses with attractive margins

FY 2019 Revenue (Proforma)[1]



2019 Revenue by Geography (Proforma)[1]



(1) 2019 metrics are pro forma for the acquisition of Clean Earth (revenue = $302M), sale of Industrial businesses and acquisition of ESOL (revenue = $536M).

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HISTORICAL PERSPECTIVE

2015 – 2017: BUILT STRONG FOUNDATION

- Harsco Environmental revitalized
- Improved and stabilized Harsco leadership team
- Implemented core business system and developed CI culture
- Strengthened balance sheet and cash flow performance
- Realized meaningful lift in profitability and ROIC

2017 - 2018: PIVOTED TO GROWTH

- Organic growth investments began in Harsco Environmental
- Built-out innovation capabilities and applied products team
- Acquired Altek Group, a supplier of innovative solutions in adjacent environmental market

2019-2020: PORTFOLIO TRANSFORMATION

- Purchased Clean Earth, providing entry into additional environmental services market
- Monetized highly cyclical energy business and Industrial assets
- Acquired Stericycle's ESOL business, further expanding the scale and geographic portfolio of hazardous waste processing facilities

ROIC-FOCUSED PORTFOLIO DEVELOPMENT

GROWTH TO OUTPACE SERVED MARKETS

STRATEGY ALIGNED WITH CREATING SHAREHOLDER VALUE

~65% → **Environmental Service as % of revenue** → **~85%**

HARSCO

MAKING A WORLD OF DIFFERENCE™

To our customers, our sites, our communities, our environment, and our people

$1.0B
2019 Revenue

~70
Customers

30+
Countries

~155
Sites

Serving
30%
of global LST[1]

(1) Excludes China, CIS, Iran, Japan, South Korea, Taiwan and Vietnam steel output.

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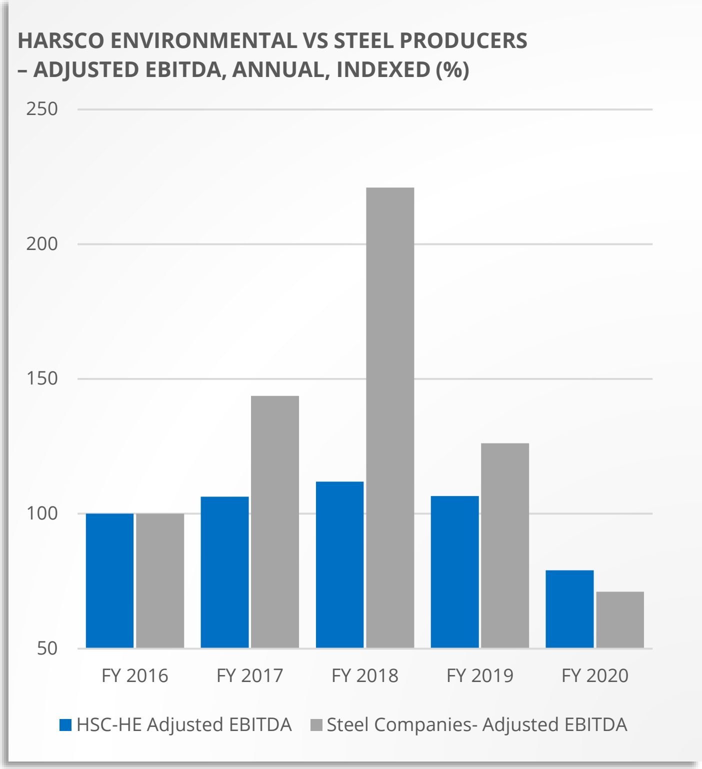
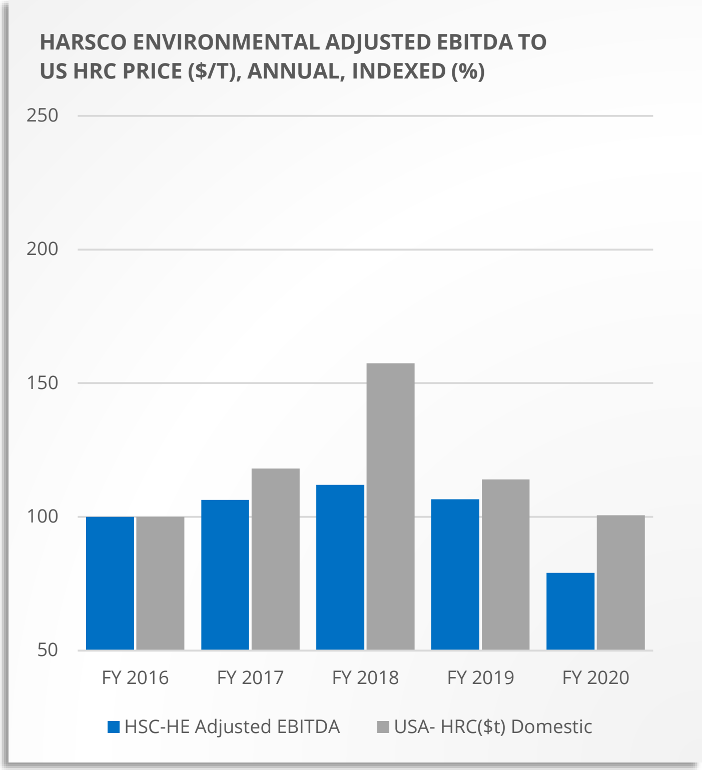
ENVIRONMENTAL SEGMENT – STEADY GROWTH AND LIMITED VOLATILITY





* Steel producers considered are Nucor, Ternium, US Steel Corp and Allegheny Tech. EBITDA information provided by Refinitiv and represents consensus data. Also, note that there is no uniform definition of Adjusted EBITDA. Each company defines Adjusted EBITDA differently and, as a result, Adjusted EBITDA of one company may include, or exclude, specific items that are classified differently by other companies.

HARSCO ENVIRONMENTAL – A GLOBAL MARKET LEADER

Transformation Initiatives
SIGNIFICANTLY IMPROVED
Return Profile

RESOURCE RECOVERY

MATERIALS MANAGEMENT & SERVICES

ENVIRONMENTAL &
(ZERO WASTE) PRODUCT SOLUTIONS

VALUE DRIVERS

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

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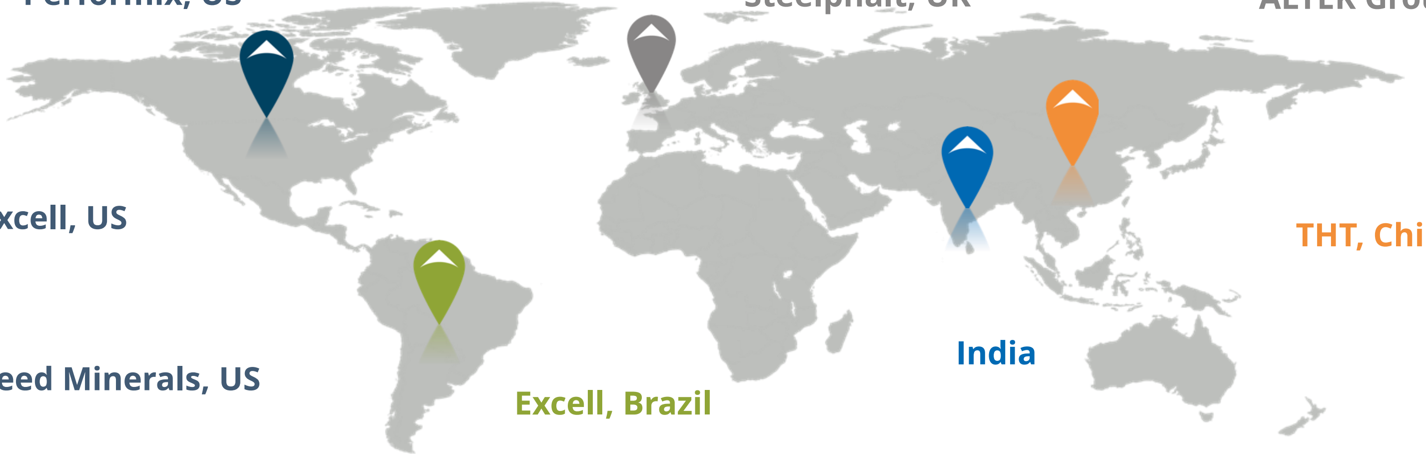
HARSCO ENVIRONMENTAL – APPLIED PRODUCTS

ADVANCED MATERIAL TECHNOLOGIES DELIVERING ZERO WASTE SOLUTIONS



ABRASIVES


FERTILIZER


ASPHALT


ROOFING GRANULES


ROAD CONSTRUCTION


METALLURGICAL ADDITIVES

SOIL CONDITIONER


CEMENT PRODUCTION


SLAG CONDITIONERS

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MAKING OUR EARTH CLEANER AND GREENER ™

Leading providers of environmental and regulated waste solutions in the United States

$838M
2019 Revenue[1]

~90
Permitted Facilities

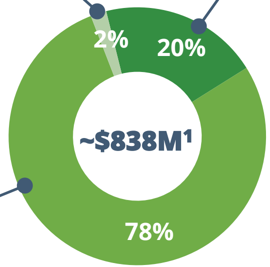
19
TSDF sites

560+
# of Permits

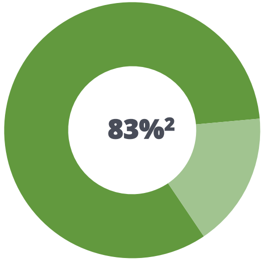
(1) 2019 Revenue are pro forma for the acquisition of Clean Earth and acquisition of ESOL

CLEAN EARTH – LESS CYCLICAL WITH ATTRACTIVE GROWTH POTENTIAL

REVENUE MIX BY LINE OF BUSINESS



HIGH CASH CONVERSION AND CAPITAL-LIGHT BUSINESS



EBITDA to FCF conversion – 83% (H2 2019)

KEY POINTS

- Environmental services with significant regulatory oversight
- Diverse customers, across Industrial, Rail and Medical markets, with recurring and long-term customer relationships
- Growth platform and resilient business model
- Management team with proven track record of financial, environmental and safety performance

WASTE STREAMS


Industrial Solvents


Haz. & Ind. Wastewater


Aerosols


Household Chemicals


Chemicals / Pesticides


Lab Packs


Lightbulbs


Mercury Devices


Batteries


Latex Paints


Clean Fill


Oncology Drugs

(1) 2019 Revenue are pro forma for the acquisition of Clean Earth and acquisition of ESOL
(2) Cash conversion ratio calculated based on H2 2019; time period since Harsco owned Clean Earth

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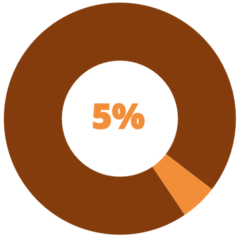
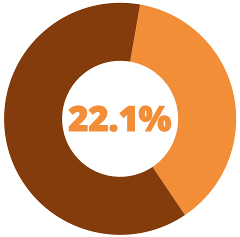
A CAPITAL-LIGHT BUSINESS WITH HIGH RETURNS

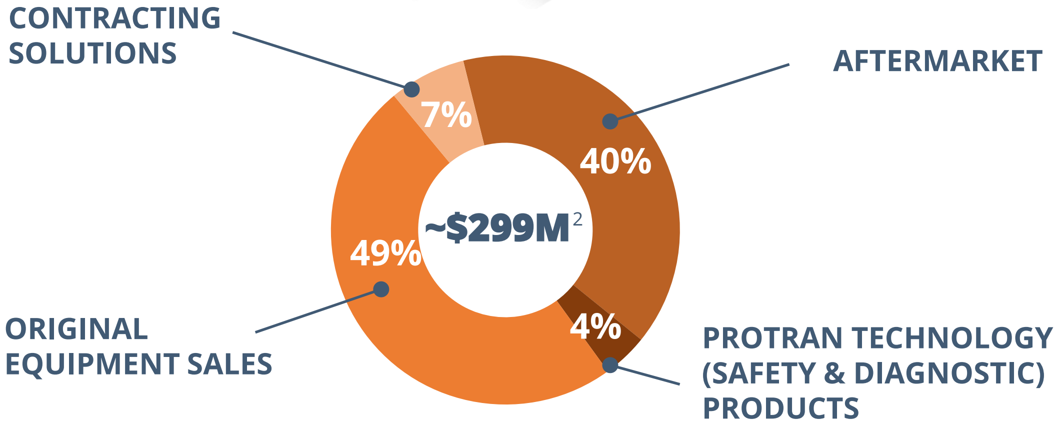


CapEx - 5% of revenue (2019)[1]



ROIC ~ 22.1% (2019)[1]

REVENUE MIX BY BUSINESS



(1) Segment ROIC for 2019 = segment net operating profit after tax (NOPAT) divided by net operating assets.

(2) Revenue breakdown from 2019.

HARSCO RAIL – LEADER IN NORTH AMERICA RAIL MAINTENANCE EQUIPMENT WITH GLOBAL PRESENCE

HARSCO RAIL
Enabling TECHNOLOGY IN MOTION

-Original Equipment

-Aftermarket

-Protran Technology Products

-Contracting Solutions

VALUE DRIVERS

- Growing demand for increased safety and track condition awareness
- Strong backlog position; $435M at end of Q1 2020
- Large and growing aftermarket opportunity
- Breadth of products and services, that support global infrastructure and rail investments
- Innovative technology and next generation equipment solutions
- Productivity improvements for customers
- Increased rail safety

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DISCIPLINED FINANCIAL STRATEGY

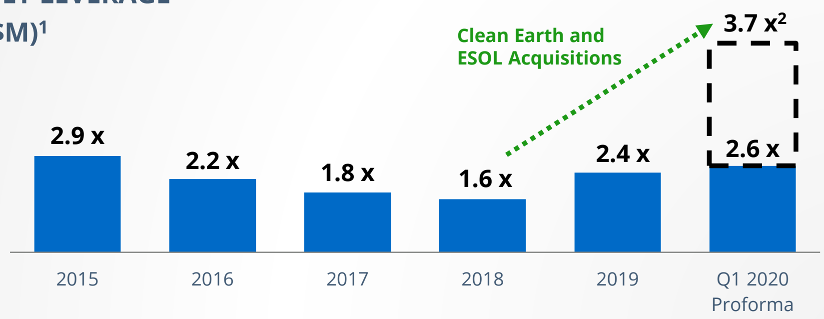
PRINCIPALS

- Maintain efficient capital structure
- Maximize strategic flexibility
- Financially driven capital allocation process

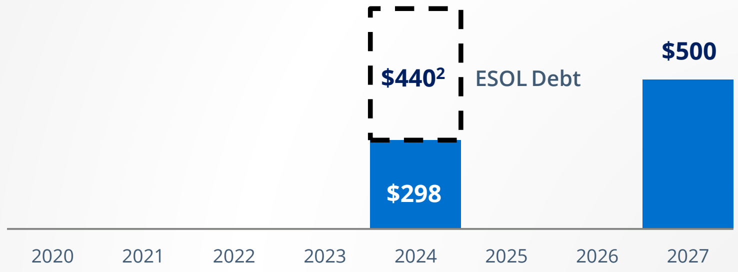
PRIORITIES

- Commitment to reduce debt and maintain strong credit profile
- Leverage ratio targets 2.0x- 2.5x
- M&A activity on hold
- $13M remaining under share repurchase authorization; also on hold

NET LEVERAGE ($M)[1]



MAJOR DEBT MATURITIES – Q1 2020[1]



(1) Net debt equals long term debt + short term borrowing + current maturities of long term debt – cash and cash equivalents (net debt totaled $731M at March 31, 2020, or $1.2B proforma). Net leverage ratio calculation in accordance with credit agreement.
(2) Pro forma for acquisition of ESOL

GROWTH OPPORTUNITIES – ENVIRONMENTAL

- White Space at Existing Sites (average ~6 services per site relative to 40+ service offerings)
- Targeted Pursuit of New Sites
- New and Expanded Environmental Product Solutions

(1) Contract wins since 2016

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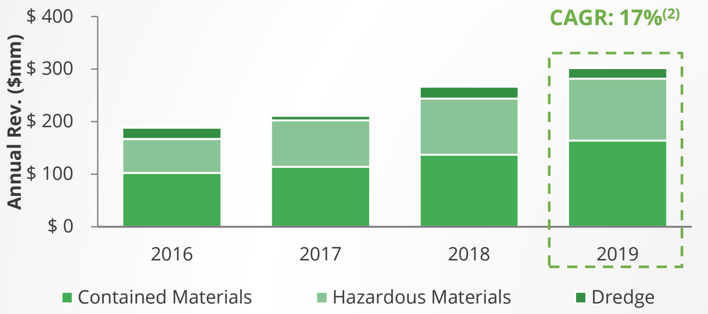
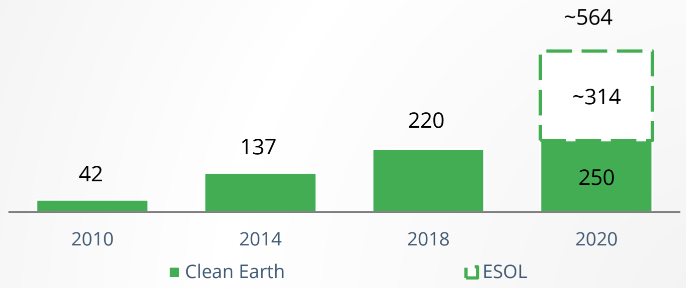
GROWTH OPPORTUNITIES – CLEAN EARTH

- Growing list of materials designated as Hazardous and Contaminated
- Market penetration through new permits and treatments
- Increased maintenance and environment dredging activity
- Permit modifications and expansions
- Geographic expansion
- Fragmented industry provides M&A potential

Historical CE Trends[1]



CE Active Permits[1]



(1) Data provided as of fiscal year end 2019 and is inclusive of acquired permits
(2) CAGR from 2016– 2019 attributable to contaminated materials, hazardous materials and dredge revenues

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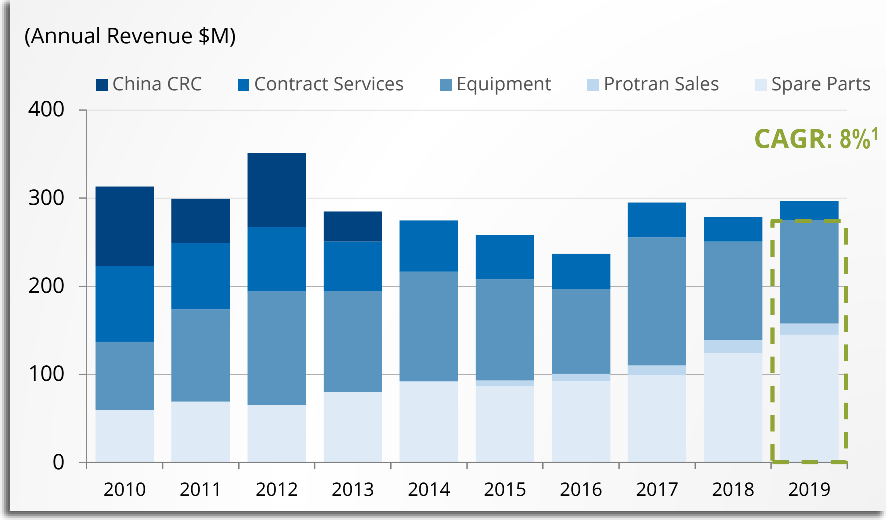
GROWTH OPPORTUNITIES – RAIL

STRONG REVENUE GROWTH IN CORE PRODUCTS

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



(1) CAGR attributable to Spare Parts, Protran Sales and Equipment.

INNOVATION DRIVEN GROWTH

A CULTURE GROUNDED IN SOLVING CUSTOMER NEED SUPPORTED BY BUSINESS DEVELOPMENT AND HOME-GROWN TECHNOLOGIES

INSIGHT → IDEA → FILTERING & EVALUATION → DEVELOPMENT → EXECUTION

- Solving environmental challenges & preserving natural resources
- Achieving productivity & cost improvements
- Strengthening safety performance
- Supporting infrastructure rail investments & performance
- Supporting energy reliability & independence

SOME OF OUR INNOVATIVE SOLUTIONS

STEAM BOXES
MOBILE SCRAP SHEAR
FALCON METAL RECOVERY

PFAS WASTEWATER TREATMENT
LIGHTBULB RECYCLING
ONCOLOGY DRUG WASTE RECYCLING

CALLISTO TRACK GEOMETRY SOLUTIONS
STONEBLOWING
TX16 PRODUCTION / SWITCH TAMPER

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DELIVERING BUSINESS VALUE ACROSS OUR SUSTAINABILITY FOCUS AREAS

SERVING OUR CUSTOMERS

Helping our customers solve their most pressing sustainability challenges

- Our vision is to be a global leader of environmental solutions.
- Each of our divisions is delivering environmental products and services to global customers – a key component of our business today and of our growth strategy.

PRESERVING OUR ENVIRONMENT

Striving to eliminate or reduce our impacts globally

- We are committed to providing the highest-quality environmental management in our operations and improving our environmental footprint through continuous improvement efforts.

PROTECTING OUR PEOPLE

Ensuring a safe workplace

- Safety is of paramount importance in everything we do – our goal, each and every day, is that our people return home unharmed.

INVESTING IN OUR PEOPLE & COMMUNITIES

Supporting our communities and employees' growth

- We invest in the career development of our global employees, knowing that diversity of perspective, backgrounds, and talents strengthen our business.
- We are also committed to building strong, sustainable communities where we live and work.

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2019 KEY FACTS & FIGURES – ENVIRONMENTAL & SAFETY

HARSCO ENVIRONMENTAL

25 MILLION

25 MILLION TONS
OF MATERIAL PROCESSED

10 MILLION

10 MILLION TONS
OF METAL RECOVERED & RECYCLED

5 MILLION

5 MILLION TONS
OF VALUE-ADDED PRODUCTS MARKETED

MORE THAN **40%** OF OUR **FACILITIES** ARE ISO **14001** CERTIFIED

HARSCO RAIL
Enabling TECHNOLOGY IN MOTION

95%
OF WASTE GENERATED IS RECYCLED OR REPURPOSED

CleanEarth

4.8 M TONS
OF SOIL AND DREDGED MATERIAL RECYCLED

31,500 TONS
OF FUEL RECYCLED

7.6M LBS
OF ELECTRINIC WASTE RECYCLED

99%
OF MATERIAL PROCESSED IS REPURPOSED FOR BENEFICIAL USE

0.36
TOTAL RECORDABLE INCIDENT RATE

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POSITIONED TO DELIVER SUSTAINABLE GROWTH & VALUE

- Capable management team with proven ability to optimize businesses
- Well-positioned businesses to deliver earnings growth
- ROIC-focused approach
- FCF and value levers to strengthen capital structure

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Appendix

EXPERIENCED MANAGEMENT TEAM

NICHOLAS GRASBERGER
Chairman, President and Chief Executive Officer

PETER MINAN
SVP & Chief Financial Officer

TRACEY MCKENZIE
SVP & Chief HR Officer

RUSSELL HOCHMAN
SVP, General Counsel, Chief Compliance Officer & Corporate Secretary

RUSS MITCHELL
VP & Chief Operating Officer of Environmental

DAVID STANTON
SVP & President of Clean Earth

JESWANT GILL
SVP & President of Rail

HARSCO

EXPERIENCED BOARD OF DIRECTORS

CAROLANN HAZNEDAR

- Serves on the Board of Directors of Allison Transmission
- Retired Senior Vice President, Americas for DuPont Performance Materials
- 30+ years of management experience, leading several global businesses at E. I. du Pont de Nemours and Company

DAVID C. EVERITT

- Lead Independent Director
- Former Co-Leader of Deere & Company's Agriculture and Turf Division
- Serves on the Board of Directors of Allison Transmission, Brunswick Corporation and Nutrien Ltd.

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

F. NICHOLAS GRASBERGER

- Chairman of Board of Directors, President and Chief Executive Officer of Harsco
- Serves on the Board of Directors of Louisiana-Pacific Corporation
- Former Managing Director of Precision Polymers Division of Fenner Plc and Former Chief Financial Officer of Armstrong Holdings, Inc

JAMES F. EARL

- Retired Executive Vice President of GATX Corporation and 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

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

PHILLIP C. WIDMAN

- Serves on the Board of Directors of Sturm, Ruger & Company, Inc. and Vectrus, Inc.
- Former Senior Vice President and CFO of Terex
- Former Executive Vice President and CFO of Philip Services Corporation

HARSCO

Q1 2020 ENVIRONMENTAL

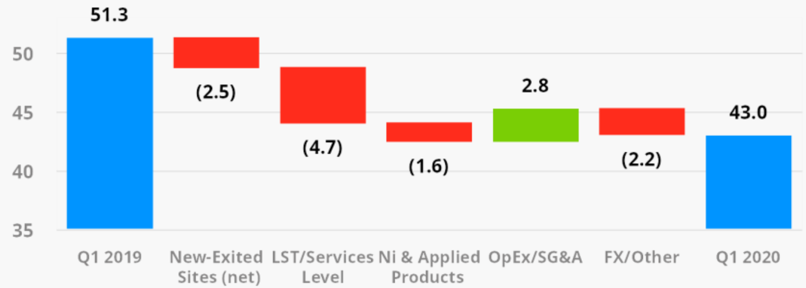
SUMMARY RESULTS

$ in millions

	Q1 2020	Q1 2019	% or bps
Revenues, as reported	242	261	(8)%
Operating Income – GAAP	11	24	(57)%
Adjusted EBITDA[1]	43	51	(16)%
Adjusted EBITDA Margin[1]	17.8%	19.6%	
Free Cash Flow (YTD)	10	8	23%

ADJUSTED EBITDA BRIDGE[1]

$ in millions



- Revenues change mainly attributable to lower demand for steel services, contract exits and FX translation impacts
- Adjusted EBITDA change reflects the above factors and lower commodity prices partially offset by lower administrative expenses
- Incurred $5 million of severance costs, related to actions contemplated prior to pandemic

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

HARSCO

Q1 2020 CLEAN EARTH

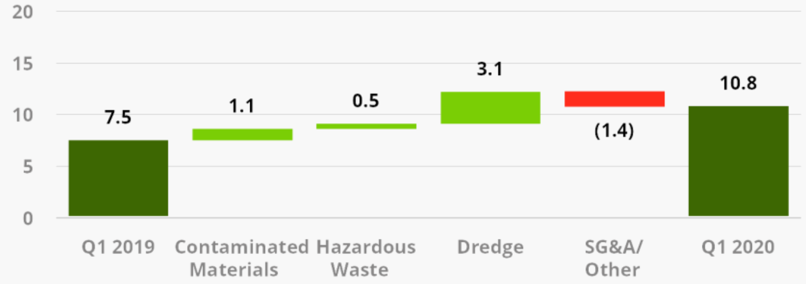
SUMMARY RESULTS

$ in millions

	Q1 2020	Q1 2019	% or bps
Revenues, as reported	79	64	24%
Operating Income – GAAP	4	1	nmf
Adjusted EBITDA[1]	11	8	43%
Adjusted EBITDA Margin[1]	13.7%	11.8%	
Free Cash Flow (YTD)	15	N/A	N/A

ADJUSTED EBITDA BRIDGE[1]

$ in millions



- Revenues increased as the result of volume growth in all business lines
- Adjusted EBITDA improvement driven by the above factors, partially offset by Corporate Allocation
- Free cash flow totaled $15 million in Q1; reflects strong cash conversion

nmf = not meaningful.
Note: The 2019 financial information provided above for Clean Earth is not incorporated within Harsco's consolidated results and is provided only for comparison purposes
(1) Excludes unusual items; see tables at end of presentation for GAAP to non-GAAP reconciliations.

HARSCO

Q1 2020 RAIL

SUMMARY RESULTS

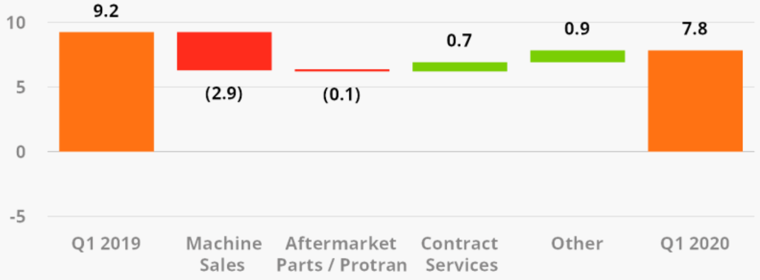
$ in millions

	Q1 2020	Q1 2019	% or bps
Revenues, as reported	78	69	14%
Operating Income – GAAP	6	5	20%
Adjusted EBITDA[1]	8	9	(16)%
Adjusted EBITDA Margin[1]	9.9%	13.4%	
Free Cash Flow (YTD)	(12)	(12)	nmf

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

ADJUSTED EBITDA BRIDGE[1]

$ in millions



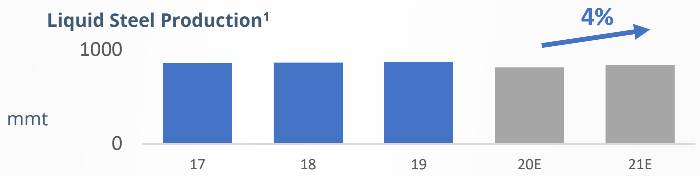
- Revenue growth attributable to higher global demand for maintenance equipment and services
- EBITDA change due to less favorable equipment mix partially offset by lower administrative expenses and volume/mix of contract services
- Backlog remains strong at $435 million; +40% year-on-year

BUSINESS SENSITIVE TO MACRO DRIVERS

MANY BUSINESS DRIVERS | BUSINESS VARIABLES | IMPACT TO BOTTOM LINE

MATERIALS MANAGEMENT AND MELTSHOP SERVICES

- Liquid steel production
- Fixed fees
- Equipment / labor rental demand

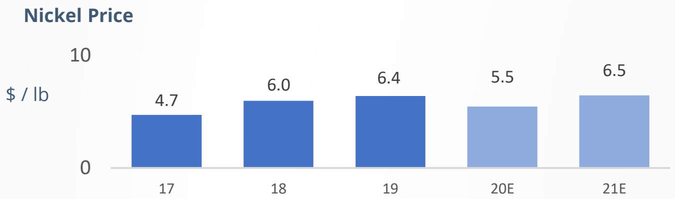


Within current scope of operations…

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

RESOURCE RECOVERY

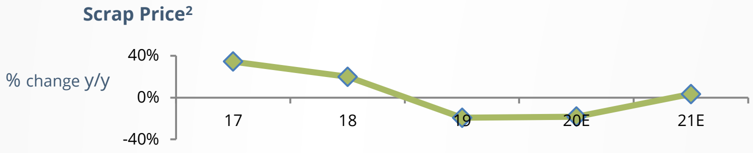
- Scrap price
- Nickel price
- Chrome price
- Iron price



$1 nickel price change equals **~$4M** segment EBITDA improvement

ENVIRONMENTAL PRODUCTS

- Abrasive demand and price
- Roofing demand & price



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

(1) Global Liquid Steel Production excluding China Production

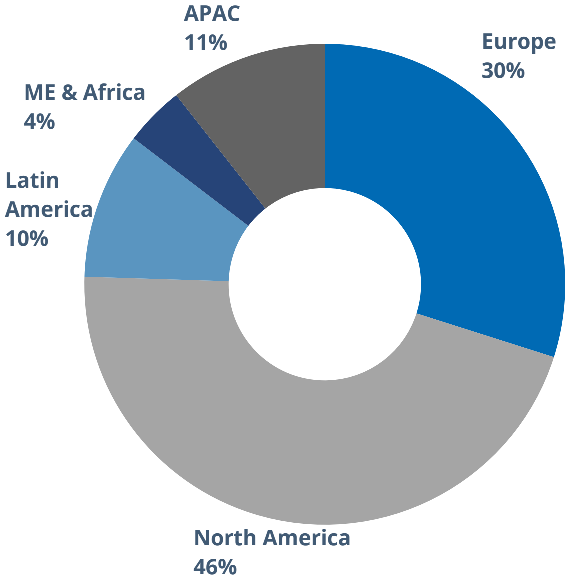
(2) (2) Reflects US and European Shredded, and HMS #1 forecasts

Source: World Steel Association, Deutsche Bank, Bank of America Merrill Lynch, Goldman Sachs, Citi Research, Barclays, Credit Suisse

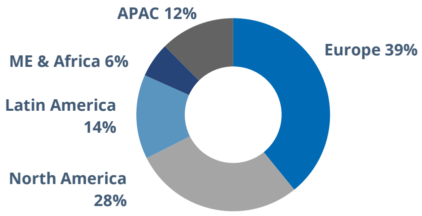
HARSCO

REVENUE MIX BY GEOGRAPHY[1, 2]

COMPANY

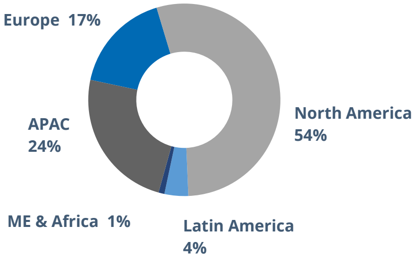


HARSCO ENVIRONMENTAL



CleanEarth

HARSCO RAIL
Enabling TECHNOLOGY IN MOTION



(1) Revenue mix by location of origin for Company, Environmental and Clean Earth. Rail revenue mix is by location of customer.

(2) Company 2019 Information, as reported.

HARSCO

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF ADJUSTED EBITDA BY SEGMENT INCLUDING PRE-ACQUISITION CLEAN EARTH TO OPERATING INCOME BY SEGMENT AS REPORTED (Unaudited)

	Twelve Months Ended December 31, 2019				
(in thousands)	Harsco Environmental	Harsco Clean Earth	Harsco Rail	Corporate	Consolidated Total
Operating income (loss) as reported	$ 112,298	$ 20,009	$ 23,708	$ (51,736)	$ 104,279
Corporate strategic costs	-	-	-	25,152	25,152
Harsco Environmental Segment change in fair value to contingent consideration liability	(8,505)	-	-	-	(8,505)
Harsco Environmental Segment provision for doubtful accounts	6,174	-	-	-	6,174
Harsco Rail Segment improvement initiative costs	-	-	4,830	-	4,830
Harsco Environmental Segment site exit related	(2,427)	-	-	-	(2,427)
Harsco Clean Earth Segment severance costs	-	1,855	-	-	1,855
Harsco Clean Earth Segment change in fair value to contingent consideration liability	-	825	-	-	825
Adjusted operating income (loss)	107,540	22,689	28,538	(26,584)	132,183
Depreciation and amortization	112,126	12,855	4,875	2,738	132,594
Adjusted EBITDA	219,666	35,544	33,413	(23,846)	264,777
Adjusted EBITDA - pre-acquisition Clean Earth	-	18,300	-	-	18,300
Adjusted EBITDA , including pre-acquisition Clean Earth	$ 219,666	$ 53,844	$ 33,413	$ (23,846)	$ 283,077
Revenues as reported	$ 1,034,847	$ 169,522	$ 299,373	$ -	$ 1,503,742
Revenues, pre-acquisition Clean Earth	-	132,199	-		132,199
Revenues, including pre-acquisition Clean Earth	$ 1,034,847	$ 301,721	$ 299,373	$ -	$ 1,635,941
Adjusted EBITDA margin, including pre-acquisition Clean Earth(%)	21.2%	17.8%	11.2%		17.3%

Adjusted EBITDA and Adjusted EBITDA including pre-acquisition Clean Earth are non-GAAP financial measures. Adjusted EBITDA consists of income from continuing operations adjusted to add back, income tax expense, net interest, defined benefit pension income and depreciation and amortization (excluding amortization of deferred financing costs); and excludes unusual items. Adjusted EBITDA including pre-acquisition Clean Earth consists of Adjusted EBITDA and Clean Earth's Adjusted EBITDA prior to acquisition. The Company's management believes Adjusted EBITDA and Adjusted EBITDA including pre-acquisition Clean Earth are meaningful to investors because management reviews Adjusted EBITDA in assessing and evaluating performance, and including Clean Earth's pre-acquisition Adjusted EBITDA provides investors a view of the business on a consistent basis. However, these measures should be considered in addition to, rather than as substitutes for net income from continuing operations and other information provided in accordance with GAAP. The Company's method of calculating Adjusted EBITDA may differ from methods used by other companies and, as a result, Adjusted EBITDA may not be comparable to other similarly titled measures disclosed by other companies.

HARSCO CORPORATION

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

	Three Months Ended March 31					
		2020			2019	
Diluted earnings (loss) per share from continuing operations as reported	$	(0.11)		$	0.13	
Corporate strategic costs (a)		0.17			0.03	
Harsco Environmental Segment severance costs (b)		0.07			—	
Harsco Environmental Cumulative translation adjustment liquidation (c)		—			(0.03)	
Harsco Rail Segment improvement initiative costs (d)		—			0.03	
Corporate unused debt commitment and amendment fees (e)		0.01			—	
Harsco Environmental Segment change in fair value to contingent consideration liability (f)		—			—	
Taxes on above unusual items (g)		(0.03)			(0.01)	
Adjusted diluted earnings per share from continuing operations, including acquisition amortization expense		0.10	(h)		0.16	(h)
Acquisition amortization expense, net of tax		0.06			0.02	
Adjusted diluted earnings per share from continuing operations	**$**	**0.16**		**$**	**0.18**	

(a) Costs at Corporate associated with supporting and executing the Company's growth strategy (Q1 2020 $13.8 million pre-tax; Q1 2019 $2.7 million pre-tax).
(b) Harsco Environmental Segment severance costs (Q1 2020 $5.2 million pre-tax).
(c) Harsco Environmental Segment gain related to the liquidation of cumulated translation adjustment related to an exited country (Q1 2019 $2.3 million pre-tax).
(d) Costs associated with a productivity improvement initiative in the Harsco Rail Segment (Q1 2019 $2.6 million pre-tax).
(e) Costs at Corporate related to the new term loan under its existing senior secured credit facilities (Q1 2020 $0.5 million pre-tax).
(f) Fair value adjustment to contingent consideration liability related to the acquisition of Altek (Q1 2019 $0.4 million pretax). The Company adjusts operating income and Diluted earnings per share from continuing operations to exclude the impact of the change in fair value to the acquisition-related contingent consideration liability for the Altek acquisition because it believes that the adjustment for this item more closely correlates the reported financial measures with the ordinary and ongoing course of the Company's operations.
(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) Does not total due to rounding.

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

HARSCO

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 March 31, 2020:										
Operating income (loss) as reported	$	10,520	$	4,245	$	6,472	$	(18,356)	$	2,881
Corporate strategic costs		—		—		—		13,763		13,763
Harsco Environmental Segment severance costs		5,160		—		—		—		5,160
Operating income (loss) excluding unusual items		15,680		4,245		6,472		(4,593)		21,804
Depreciation and amortization		27,311		6,519		1,299		513		35,642
Adjusted EBITDA	$	42,991	$	10,764	$	7,771	$	(4,080)	$	57,446
Revenues as reported	$	241,559	$	78,812	$	78,470			$	398,841
Adjusted EBITDA margin (%)		**17.8%**		**13.7%**		**9.9%**				**14.4%**

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; defined benefit pension income (expense); unused debt commitment and amendment fees; 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 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. However, this measure should be considered in addition to, rather than as a substitute for net income from continuing operations, operating income from continuing operations and other information provided in accordance with GAAP. The Company's method of calculating Adjusted EBITDA may differ from methods used by other companies and, as a result, Adjusted EBITDA may not be comparable to other similarly titled measures disclosed by other companies.

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 (a)	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended March 31, 2019:					
Operating income (loss) as reported	$ 24,497	$ —	$ 5,389	$ (10,062)	$ 19,824
Corporate strategic costs	—	—	—	2,739	2,739
Harsco Rail Segment improvement initiative costs	—	—	2,648	—	2,648
Harsco Environmental Segment cumulative translation adjustment liquidation	(2,271)	—	—	—	(2,271)
Harsco Environmental Segment change in fair value to contingent consideration liability	369	—	—	—	369
Operating income (loss) excluding unusual items	22,595	—	8,037	(7,323)	23,309
Depreciation and amortization	28,705	—	1,167	659	30,531
Adjusted EBITDA	$ 51,300	$ —	$ 9,204	$ (6,664)	$ 53,840
Revenues as reported	$ 261,312	$ —	$ 68,590		$ 329,902
Adjusted EBITDA margin (%)	**19.6%**		**13.4%**		**16.3%**

(a) The Company's acquisition of Clean Earth closed on June 28, 2019.

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; defined benefit pension income (expense); unused debt commitment and amendment fees; 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 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. However, this measure should be considered in addition to, rather than as a substitute for net income from continuing operations, operating income from continuing operations and other information provided in accordance with GAAP. The Company's method of calculating Adjusted EBITDA may differ from methods used by other companies and, as a result, Adjusted EBITDA may not be comparable to other similarly titled measures disclosed by other companies.

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 (a)	Harsco Rail	Corporate	Consolidated Totals
Three Months Ended June 30, 2019:					
Operating income (loss) as reported	$ 27,577	$ —	$ 9,443	$ (19,221)	$ 17,799
Corporate strategic costs	—	—	—	12,390	12,390
Harsco Environmental Segment provision for doubtful accounts	5,359	—	—	—	5,359
Harsco Environmental Segment change in fair value to contingent consideration liability	(3,879)	—	—	—	(3,879)
Harsco Rail Segment improvement initiative costs	—	—	1,152	—	1,152
Operating income (loss) excluding unusual items	29,057	—	10,595	(6,831)	32,821
Depreciation and amortization	28,497	—	1,209	718	30,424
Adjusted EBITDA	$ 57,554	$ —	$ 11,804	$ (6,113)	$ 63,245
Revenues as reported	$ 269,338	$ —	$ 81,560		$ 350,898
Adjusted EBITDA margin (%)	**21.4%**		**14.5%**		**18.0%**

(a) The Company's acquisition of Clean Earth closed on June 28, 2019. Revenues and operating income for the three months ended June 30, 2019 are immaterial.

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; defined benefit pension income (expense); unused debt commitment and amendment fees; 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 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. However, this measure should be considered in addition to, rather than as a substitute for net income from continuing operations, operating income from continuing operations and other information provided in accordance with GAAP. The Company's method of calculating Adjusted EBITDA may differ from methods used by other companies and, as a result, Adjusted EBITDA may not be comparable to other similarly titled measures disclosed by other companies.

HARSCO

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, 2019:					
Operating income (loss) as reported	$ 32,794	$ 11,308	$ 12,115	$ (9,472)	$ 46,745
Corporate strategic costs	—	—	—	2,743	2,743
Harsco Clean Earth Segment severance costs	—	1,254	—	—	1,254
Harsco Environmental Segment change in fair value to contingent consideration liability	(906)	—	—	—	(906)
Harsco Rail Segment improvement initiative costs	—	—	845	—	845
Harsco Environmental Segment provision for doubtful accounts	815	—	—	—	815
Harsco Environmental Segment site exit related	(156)	—	—	—	(156)
Operating income (loss) excluding unusual items	32,547	12,562	12,960	(6,729)	51,340
Depreciation and amortization	27,308	6,192	1,276	716	35,492
Adjusted EBITDA	$ 59,855	$ 18,754	$ 14,236	$ (6,013)	$ 86,832
Revenues as reported	$ 260,883	$ 87,639	$ 74,633		$ 423,155
Adjusted EBITDA margin (%)	**22.9%**	**21.4%**	**19.1%**		**20.5%**

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; defined benefit pension income (expense); unused debt commitment and amendment fees; 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 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. However, this measure should be considered in addition to, rather than as a substitute for net income from continuing operations, operating income from continuing operations and other information provided in accordance with GAAP. The Company's method of calculating Adjusted EBITDA may differ from methods used by other companies and, as a result, Adjusted EBITDA may not be comparable to other similarly titled measures disclosed by other companies.

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 December 31, 2019:					
Operating income (loss) as reported	$ 27,430	$ 8,701	$ (3,239)	$ (12,981)	$ 19,911
Corporate strategic costs	—	—	—	7,280	7,280
Harsco Environmental Segment change in fair value to contingent consideration liability	(4,089)	—	—	—	(4,089)
Harsco Clean Earth Segment change in fair value to contingent consideration liability	—	825	—	—	825
Harsco Clean Earth Segment severance costs	—	601	—	—	601
Harsco Rail Segment improvement initiative costs	—	—	185	—	185
Operating income (loss) excluding unusual items	23,341	10,127	(3,054)	(5,701)	24,713
Depreciation and amortization	27,616	6,663	1,223	644	36,146
Adjusted EBITDA	$ 50,957	$ 16,790	$ (1,831)	$ (5,057)	$ 60,859
Revenues as reported	$ 243,314	$ 81,883	$ 74,590		$ 399,787
Adjusted EBITDA margin (%)	**20.9%**	**20.5%**	**(2.5)%**		**15.2%**

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; defined benefit pension income (expense); unused debt commitment and amendment fees; 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 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. However, this measure should be considered in addition to, rather than as a substitute for net income from continuing operations, operating income from continuing operations and other information provided in accordance with GAAP. The Company's method of calculating Adjusted EBITDA may differ from methods used by other companies and, as a result, Adjusted EBITDA may not be comparable to other similarly titled measures disclosed by other companies.

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
Twelve Months Ended December 31, 2019:					
Operating income (loss) as reported	$ 112,298	$ 20,009	$ 23,708	$ (51,736)	$ 104,279
Corporate strategic costs	—	—	—	25,152	25,152
Harsco Environmental Segment change in fair value to contingent consideration liability	(8,505)	—	—	—	(8,505)
Harsco Environmental Segment provision for doubtful accounts	6,174	—	—	—	6,174
Harsco Rail Segment improvement initiative costs	—	—	4,830	—	4,830
Harsco Environmental Segment site exit related	(2,427)	—	—	—	(2,427)
Harsco Clean Earth Segment severance costs	—	1,855	—	—	1,855
Harsco Clean Earth Segment change in fair value to contingent consideration liability	—	825	—	—	825
Operating income (loss) excluding unusual items	107,540	22,689	28,538	(26,584)	132,183
Depreciation and amortization	112,126	12,855	4,875	2,738	132,594
Adjusted EBITDA	$ 219,666	$ 35,544	$ 33,413	$ (23,846)	$ 264,777
Revenues as reported	$ 1,034,847	$ 169,522	$ 299,373		$ 1,503,742
Adjusted EBITDA margin (%)	**21.2%**	**21.0%**	**11.2%**		**17.6%**

(a) The Company's acquisition of Clean Earth closed on June 28, 2019.

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; defined benefit pension income (expense); unused debt commitment and amendment fees; 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 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. However, this measure should be considered in addition to, rather than as a substitute for net income from continuing operations, operating income from continuing operations and other information provided in accordance with GAAP. The Company's method of calculating Adjusted EBITDA may differ from methods used by other companies and, as a result, Adjusted EBITDA may not be comparable to other similarly titled measures disclosed by other companies.

RECONCILIATION OF NON-GAAP MEASURES

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

	Three Months Ended March 31, 2020	
(In thousands)	**2020**	**2019**
Net cash provided (used) by operating activities	**$ (11,536)**	$ 14,838
Less capital expenditures	**(27,894)**	(36,407)
Less expenditures for intangible assets	**(58)**	—
Plus capital expenditures for strategic ventures (a)	**1,139**	843
Plus total proceeds from sales of assets (b)	**2,185**	1,177
Plus transaction-related expenditures (c)	**9,979**	—
Free cash flow	**$ (26,185)**	**$ (19,549)**

(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 Environmental Segment.
(c) Expenditures directly related to the Company's acquisition and divestiture transactions.

The Company's management believes that Free cash flow, which is a non-GAAP financial measure, is meaningful to investors because management reviews cash flows generated from operations less capital expenditures net of asset sales proceeds and transaction-related expenditures for planning and performance evaluation purposes. It is important to note that free cash flow does not represent the total residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements and settlements of foreign currency forward exchange contracts, are not deducted from this measure. ThIs measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP.