

**HARSCO CORPORATION**  
**RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) BEFORE ACQUISITION AMORTIZATION**  
**EXPENSE BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT**  
(Preliminary, Unaudited)

(In millions)	Harsco Environmental	Harsco Clean Earth	Harsco Rail	Corporate	Consolidated Totals
<b>Three Months Ended December 31, 2019:</b>					
Operating income (loss) as reported	\$ 27.4	\$ 8.7	\$ (3.2)	\$ (13.0)	\$ 19.9
Corporate strategic costs	—	—	—	7.3	7.3
Harsco Environmental Segment and Harsco Clean Earth Segment change in fair value to contingent consideration liability	(4.1)	0.8	—	—	(3.3)
Harsco Clean Earth Segment severance costs	—	0.6	—	—	0.6
Harsco Rail Segment improvement initiative costs	—	—	0.2	—	0.2
Adjusted operating income (loss)	23.4 (a)	10.1	(3.1) (a)	(5.7)	24.7
Acquisition amortization expense	1.9	4.1	0.1	—	6.0 (a)
Adjusted operating income (loss) before acquisition amortization expense	\$ 25.2 (a)	\$ 14.2	\$ (3.0)	\$ (5.7)	\$ 30.8 (a)
Revenues as reported	\$ 243.3	\$ 81.9	\$ 74.6	—	\$ 399.8

(a) Does not total due to rounding.

The Company's management believes Adjusted operating income (loss) before acquisition amortization expense, 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. 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 U.S. GAAP.

**HARSCO CORPORATION**  
**RECONCILIATION OF FREE CASH FLOW BEFORE GROWTH CAPITAL EXPENDITURES TO NET CASH USED**  
**BY OPERATING ACTIVITIES**  
(Preliminary, Unaudited)

<b>(In millions)</b>	<b>Three Months Ended December 31</b>
	<b>2019</b>
Net cash used by operating activities	\$ (50.2)
Less capital expenditures	(37.9)
Less expenditures for intangible assets	(0.1)
Plus capital expenditures for strategic ventures (a)	1.1
Plus total proceeds from sales of assets (b)	9.5
Plus transaction-related expenditures (c)	2.6
Plus cash taxes paid related to the gain on sale of discontinued business (d)	102.9
Free cash flow	27.9
Add growth capital expenditures	12.7
Free cash flow before growth capital expenditures	<u>\$ 40.6</u>

- (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.
- (d) Represents cash taxes paid on the gain recognized by the Company on the sale of the Harsco Industrial Air-X-Changers business which occurred on July 1, 2019.

The Company's management believes that Free cash flow before growth capital expenditures, 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 and transaction-related expenditures for planning and performance evaluation purposes. The Company's management also believes that free cash flow before growth capital expenditures 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.