

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 001-03970



ENVIRI CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

23-1483991

(I.R.S. employer identification number)

**Two Logan Square
100-120 North 18th Street, 17th Floor, Philadelphia, Pennsylvania**

(Address of principal executive offices)

19103

(Zip Code)

Registrant's telephone number, including area code **267-857-8715**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$1.25 per share	NVRI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit). Yes NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at October 24, 2024</u>
Common stock, par value \$1.25 per share	80,135,155

ENVIRI CORPORATION
FORM 10-Q
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Glossary of Defined Terms

Unless the context requires otherwise, "Enviri," the "Company," "we," "our," or "us" refers to Enviri Corporation on a consolidated basis. The Company also uses several other terms in this Quarterly Report on Form 10-Q, which are further defined below:

Term	Description
AOCI	Accumulated Other Comprehensive Income (Loss)
AR Facility	Revolving trade receivables securitization facility
ASU	Financial Accounting Standards Board Accounting Standards Update
CE	Clean Earth reportable business segment
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
Consolidated Adjusted EBITDA	EBITDA as calculated in accordance with the Company's Credit Agreement.
Credit Agreement	Credit Agreement governing the Senior Secured Credit Facilities
DEA	United States Drug Enforcement Administration
Deutsche Bahn	National railway company in Germany
DTSC	California Department of Toxic Substances Control
EBITDA	Earnings before interest, tax, depreciation and amortization
EPA	U.S. Environmental Protection Agency
ESOL	Stericycle Environmental Solutions business
FASB	Financial Accounting Standards Board
HE	Harsco Environmental reportable business segment
ICMS	Type of value-added tax in Brazil
IKG	The former Harsco Industrial IKG business
ISDA	International Swaps and Derivatives Association
Network Rail	Infrastructure manager for most of the railway in the U.K.
Term Loan	\$500 million term loan raised in March 2021 under the Senior Secured Credit Facilities, maturing on March 10, 2028
OCI	Other Comprehensive Income (Loss)
Performix	Performix Metallurgical Additives, LLC, a subsidiary of HE
Rail	Harsco Rail reportable business segment
Reed	Reed Minerals, LLC, a subsidiary of HE
Revolving Credit Facility	Revolving credit facility under the Senior Secured Credit Facilities containing \$50.0 million maturing on March 10, 2026 and \$625.0 million maturing on September 5, 2029
SBB	Federal railway system of Switzerland
SCE	Kingdom of Bahrain's Supreme Council for Environment
SEC	U.S. Securities and Exchange Commission
Senior Notes	5.75% Notes due July 31, 2027
Senior Secured Credit Facilities	Primary source of borrowings comprised of the Term Loan and the Revolving Credit Facility
SOFR	Secured Overnight Financing Rate
SPE	The Company's wholly-owned bankruptcy-remote special purpose entity, which is used in connection with the AR Facility
SPRA	State Revenue Authorities from the State of São Paulo, Brazil
U.S. GAAP	Accounting principles generally accepted in the U.S.

PART I — FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****ENVIRI CORPORATION****CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**

(In thousands)	September 30 2024	December 31 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 110,243	\$ 121,239
Restricted cash	2,889	3,375
Trade accounts receivable, net	318,906	338,187
Other receivables	42,960	40,565
Inventories	196,189	189,369
Current portion of contract assets	64,190	64,875
Prepaid expenses	63,818	58,723
Other current assets	6,969	11,023
Total current assets	806,164	827,356
Property, plant and equipment, net	698,315	707,397
Right-of-use assets, net	95,710	102,891
Goodwill	767,076	780,978
Intangible assets, net	305,633	327,983
Deferred income tax assets	16,495	16,295
Other assets	112,682	91,798
Total assets	\$ 2,802,075	\$ 2,854,698
LIABILITIES		
Current liabilities:		
Short-term borrowings	\$ 14,357	\$ 14,871
Current maturities of long-term debt	17,952	15,558
Accounts payable	245,996	243,279
Accrued compensation	65,414	79,609
Income taxes payable	8,952	7,567
Reserve for forward losses on contracts	53,513	52,919
Current portion of advances on contracts	16,838	38,313
Current portion of operating lease liabilities	27,381	28,775
Other current liabilities	168,676	174,342
Total current liabilities	619,079	655,233
Long-term debt	1,431,868	1,401,437
Retirement plan liabilities	39,900	45,087
Operating lease liabilities	69,977	75,476
Environmental liabilities	22,959	25,682
Deferred tax liabilities	31,749	29,160
Other liabilities	60,664	47,215
Total liabilities	2,276,196	2,279,290
COMMITMENTS AND CONTINGENCIES		
ENVIRI CORPORATION STOCKHOLDERS' EQUITY		
Common stock	146,706	146,105
Additional paid-in capital	250,855	238,416
Accumulated other comprehensive loss	(545,620)	(539,694)
Retained earnings	1,483,589	1,528,320
Treasury stock	(851,541)	(849,996)
Total Enviri Corporation stockholders' equity	483,989	523,151
Noncontrolling interests	41,890	52,257
Total equity	525,879	575,408
Total liabilities and equity	\$ 2,802,075	\$ 2,854,698

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In thousands, except per share amounts)	Three Months Ended		Nine Months Ended	
	September 30	September 30	September 30	September 30
	2024	2023	2024	2023
Revenues from continuing operations:				
Service revenues	\$ 488,132	\$ 490,791	\$ 1,492,569	\$ 1,434,314
Product revenues	85,495	106,177	291,368	332,375
Total revenues	573,627	596,968	1,783,937	1,766,689
Costs and expenses from continuing operations:				
Cost of services sold	373,924	377,539	1,154,998	1,120,578
Cost of products sold	80,821	93,389	258,227	277,086
Selling, general and administrative expenses	89,183	93,513	266,763	262,175
Research and development expenses	888	902	2,692	2,441
Property, plant and equipment impairment charge	—	—	—	14,099
Remeasurement of long-lived assets	—	—	10,695	—
Gain on sale of businesses, net	(8,601)	—	(10,478)	—
Other expense (income), net	40	2,865	6,600	(4,052)
Total costs and expenses	536,255	568,208	1,689,497	1,672,327
Operating income (loss) from continuing operations	37,372	28,760	94,440	94,362
Interest income	981	1,722	6,113	4,796
Interest expense	(28,813)	(27,552)	(84,869)	(78,956)
Facility fees and debt-related income (expense)	(2,978)	(2,806)	(8,687)	(7,899)
Defined benefit pension income (expense)	(4,257)	(5,430)	(12,599)	(16,159)
Income (loss) from continuing operations before income taxes and equity income	2,305	(5,306)	(5,602)	(3,856)
Income tax benefit (expense) from continuing operations	(13,437)	(3,498)	(31,372)	(26,846)
Equity income (loss) of unconsolidated entities, net	38	(151)	(84)	(593)
Income (loss) from continuing operations	(11,094)	(8,955)	(37,058)	(31,295)
Discontinued operations:				
Income (loss) from discontinued businesses	(1,584)	(1,538)	(4,287)	(4,358)
Income tax benefit (expense) from discontinued businesses	411	399	1,112	1,131
Income (loss) from discontinued operations, net of tax	(1,173)	(1,139)	(3,175)	(3,227)
Net income (loss)	(12,267)	(10,094)	(40,233)	(34,522)
Less: Net loss (income) attributable to noncontrolling interests	(901)	(708)	(4,498)	2,756
Net income (loss) attributable to Enviri Corporation	\$ (13,168)	\$ (10,802)	\$ (44,731)	\$ (31,766)
Amounts attributable to Enviri Corporation common stockholders:				
Income (loss) from continuing operations, net of tax	\$ (11,995)	\$ (9,663)	\$ (41,556)	\$ (28,539)
Income (loss) from discontinued operations, net of tax	(1,173)	(1,139)	(3,175)	(3,227)
Net income (loss) attributable to Enviri Corporation common stockholders	\$ (13,168)	\$ (10,802)	\$ (44,731)	\$ (31,766)
Weighted-average shares of common stock outstanding	80,165	79,850	80,085	79,767
Basic earnings (loss) per common share attributable to Enviri Corporation common stockholders:				
Continuing operations	\$ (0.15)	\$ (0.12)	\$ (0.52)	\$ (0.36)
Discontinued operations	(0.01)	(0.01)	(0.04)	(0.04)
Basic earnings (loss) per share attributable to Enviri Corporation common stockholders	\$ (0.16)	\$ (0.14) (a)	\$ (0.56)	\$ (0.40)
Diluted weighted-average shares of common stock outstanding	80,165	79,850	80,085	79,767
Diluted earnings (loss) per common share attributable to Enviri Corporation common stockholders:				
Continuing operations	\$ (0.15)	\$ (0.12)	\$ (0.52)	\$ (0.36)
Discontinued operations	(0.01)	(0.01)	(0.04)	(0.04)
Diluted earnings (loss) per share attributable to Enviri Corporation common stockholders	\$ (0.16)	\$ (0.14) (a)	\$ (0.56)	\$ (0.40)

(a) Does not total due to rounding

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

(In thousands)	Three Months Ended September 30	
	2024	2023
Net income (loss)	\$ (12,267)	\$ (10,094)
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of deferred income taxes of \$3,438 and \$(1,926) in 2024 and 2023, respectively	22,985	(21,133)
Net gain (loss) on cash flow hedging instruments, net of deferred income taxes of \$1,129 and \$(418) in 2024 and 2023, respectively	(3,670)	1,250
Pension liability adjustments, net of deferred income taxes of \$(262) and \$(293) in 2024 and 2023, respectively	(11,125)	13,580
Unrealized gain (loss) on marketable securities, net of deferred income taxes of \$(3) and \$1 in 2024 and 2023, respectively	8	(4)
Total other comprehensive income (loss)	8,198	(6,307)
Total comprehensive income (loss)	(4,069)	(16,401)
Comprehensive (income) loss attributable to noncontrolling interests	(2,171)	(129)
Comprehensive income (loss) attributable to Enviri Corporation	\$ (6,240)	\$ (16,530)

(In thousands)	Nine Months Ended September 30	
	2024	2023
Net income (loss)	\$ (40,233)	\$ (34,522)
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of deferred income taxes of \$3,138 and \$685 in 2024 and 2023, respectively	(4,355)	1,902
Net gain (loss) on cash flow hedging instruments, net of deferred income taxes of \$442 and \$(1,100) in 2024 and 2023, respectively	(1,679)	3,124
Pension liability adjustments, net of deferred income taxes of \$(821) and \$(1,003) in 2024 and 2023, respectively	328	10,218
Unrealized gain (loss) on marketable securities, net of deferred income taxes of \$(2) and \$(1) in 2024 and 2023	5	2
Total other comprehensive income (loss)	(5,701)	15,246
Total comprehensive income (loss)	(45,934)	(19,276)
Less: Comprehensive (income) loss attributable to noncontrolling interests	(4,723)	4,812
Comprehensive income (loss) attributable to Enviri Corporation	\$ (50,657)	\$ (14,464)

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Nine Months Ended September 30	
	2024	2023
Cash flows from operating activities:		
Net income (loss)	\$ (40,233)	\$ (34,522)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	111,525	102,893
Amortization	24,089	24,327
Deferred income tax (benefit) expense	5,634	3,946
Equity (income) loss of unconsolidated entities, net	84	593
Dividends from unconsolidated entities	204	—
Property, plant and equipment impairment charge	—	14,099
Remeasurement of long-lived assets	10,695	—
Gain on sale of businesses, net	(10,478)	—
Other, net	1,928	4,743
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:		
Accounts receivable	3,231	(48,175)
Inventories	(17,084)	(10,548)
Contract assets	(14,923)	1,317
Right-of-use assets	23,687	24,467
Accounts payable	7,421	(818)
Accrued interest payable	(5,092)	(6,828)
Accrued compensation	(13,412)	20,436
Advances on contracts	(10,446)	(21,824)
Operating lease liabilities	(23,341)	(22,980)
Retirement plan liabilities, net	(6,981)	(4,862)
Other assets and liabilities	(4,737)	(92)
Net cash (used) provided by operating activities	41,771	46,172
Cash flows from investing activities:		
Purchases of property, plant and equipment	(102,094)	(93,630)
Proceeds from sale of business, net	57,667	—
Proceeds from sales of assets	12,479	2,080
Expenditures for intangible assets	(1,181)	(478)
Proceeds from notes receivable	17,023	11,238
Net proceeds (payments) from settlement of foreign currency forward exchange contracts	(6,133)	2,034
Other investing activities, net	—	462
Net cash used by investing activities	(22,239)	(78,294)
Cash flows from financing activities:		
Short-term borrowings, net	(2,982)	4,196
Current maturities and long-term debt:		
Additions	201,562	185,992
Reductions	(200,584)	(140,522)
Dividends paid to noncontrolling interests	(15,964)	—
Contributions from noncontrolling interests	874	1,654
Stock-based compensation - Employee taxes paid	(1,546)	(1,374)
Deferred financing costs	(3,765)	—
Net cash (used) provided by financing activities	(22,405)	49,946
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	(8,609)	(4,231)
Net increase (decrease) in cash and cash equivalents, including restricted cash	(11,482)	13,593
Cash and cash equivalents, including restricted cash, at beginning of period	124,614	85,094
Cash and cash equivalents, including restricted cash, at end of period	\$ 113,132	\$ 98,687
Supplementary cash flow information:		
Change in accrual for purchases of property, plant and equipment included in accounts payable	\$ 3,501	\$ (3,252)

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

(In thousands, except share amounts)	Enviri Corporation Stockholders' Equity						
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Issued	Treasury					
Balances, December 31, 2022	\$ 145,448	\$ (848,570)	\$ 225,759	\$ 1,614,441	\$ (567,636)	\$ 53,600	\$ 623,042
Net income (loss)	—	—	—	(9,525)	—	935	(8,590)
Total other comprehensive income (loss), net of deferred income taxes of \$1,901	—	—	—	—	6,794	358	7,152
Purchase of subsidiary shares from noncontrolling interest	—	—	398	—	—	(398)	—
Vesting of restricted stock units and other stock grants, net 177,574 shares	395	(1,108)	(395)	—	—	—	(1,108)
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	3,456	—	—	—	3,456
Balances, March 31, 2023	\$ 145,843	\$ (849,678)	\$ 229,218	\$ 1,604,916	\$ (560,842)	\$ 54,495	\$ 623,952
Net income (loss)	—	—	—	(11,439)	—	(4,399)	(15,838)
Total other comprehensive income (loss), net of deferred income taxes of \$(684)	—	—	—	—	16,236	(1,835)	14,401
Contributions from noncontrolling interest	—	—	—	—	—	1,654	1,654
Vesting of restricted stock units and other stock grants, net 82,415 shares	123	(130)	(123)	—	—	—	(130)
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	3,368	—	—	—	3,368
Balances, June 30, 2023	\$ 145,966	\$ (849,808)	\$ 232,463	\$ 1,593,477	\$ (544,606)	\$ 49,915	\$ 627,407
Net income (loss)	—	—	—	(10,802)	—	708	(10,094)
Total other comprehensive income (loss), net of deferred income taxes of \$(2,636)	—	—	—	—	(5,728)	(579)	(6,307)
Vesting of restricted stock units and other stock grants, net 73,223 shares	113	(136)	(113)	—	—	—	(136)
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	2,895	—	—	—	2,895
Balances, September 30, 2023	\$ 146,079	\$ (849,944)	\$ 235,245	\$ 1,582,675	\$ (550,334)	\$ 50,044	\$ 613,765

Enviri Corporation Stockholders' Equity							
(In thousands, except share amounts)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Issued	Treasury					
Balances, December 31, 2023	\$ 146,105	\$ (849,996)	\$ 238,416	\$ 1,528,320	\$ (539,694)	\$ 52,257	\$ 575,408
Net income (loss)	—	—	—	(17,962)	—	1,116	(16,846)
Cash dividends declared:							
Noncontrolling interests	—	—	—	—	—	(8,243)	(8,243)
Total other comprehensive income (loss), net of deferred income taxes of \$(1,433)	—	—	—	—	(6,838)	(821)	(7,659)
Contributions from noncontrolling interests	—	—	—	—	—	874	874
Vesting of restricted stock units, net 201,053 shares	443	(1,270)	(443)	—	—	—	(1,270)
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	3,860	—	—	—	3,860
Balances, March 31, 2024	\$ 146,548	\$ (851,266)	\$ 241,833	\$ 1,510,358	\$ (546,532)	\$ 45,183	\$ 546,124
Net income (loss)	—	—	—	(13,601)	—	2,481	(11,120)
Cash dividends declared:							
Noncontrolling interests	—	—	—	—	—	(4,308)	(4,308)
Total other comprehensive income (loss), net of deferred income taxes of \$(112)	—	—	—	—	(6,016)	(224)	(6,240)
Stock appreciation rights exercised, net 603 shares	1	(2)	(1)	—	—	—	(2)
Vesting of restricted stock units and other stock grants, net 74,725 shares	102	(59)	(102)	—	—	—	(59)
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	4,403	—	—	—	4,403
Balances, June 30, 2024	\$ 146,651	\$ (851,327)	\$ 246,133	\$ 1,496,757	\$ (552,548)	\$ 43,132	\$ 528,798
Net income (loss)	—	—	—	(13,168)	—	901	(12,267)
Cash dividends declared:							
Noncontrolling interests	—	—	—	—	—	(3,413)	(3,413)
Total other comprehensive income (loss), net of deferred income taxes of \$4,302	—	—	—	—	6,928	1,270	8,198
Vesting of restricted stock units and other stock grants, net 23,351 shares	55	(214)	(55)	—	—	—	(214)
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	4,777	—	—	—	4,777
Balances, September 30, 2024	\$ 146,706	\$ (851,541)	\$ 250,855	\$ 1,483,589	\$ (545,620)	\$ 41,890	\$ 525,879

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation

The Company has prepared these unaudited condensed consolidated financial statements in accordance with U.S. GAAP for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the SEC. Accordingly, the unaudited Condensed Consolidated Financial Statements do not include all information and disclosure required by U.S. GAAP for annual financial statements. The December 31, 2023 Condensed Consolidated Balance Sheet information contained in this Quarterly Report on Form 10-Q was derived from the 2023 audited consolidated financial statements. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements, including the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. In the opinion of management, all adjustments (all of which are of a normal recurring nature) that are necessary for a fair statement are reflected in these unaudited Condensed Consolidated Financial Statements.

Going Concern

The Company's cash flow forecasts, existing cash and cash equivalents, borrowings available under the Senior Secured Credit Facilities and the AR Facility indicate sufficient liquidity to fund the Company's operations for at least the next twelve months. As such, the Company's unaudited Consolidated Financial Statements have been prepared on the basis that it will continue as a going concern for a period extending beyond twelve months from the date the unaudited Consolidated Financial Statements are issued. This assessment includes the expected ability to meet required financial covenants and the continued ability to draw down on the Senior Secured Credit Facilities (see Note 9, Debt and Credit Agreements).

Reclassifications

During the nine months ended September 30, 2024, the Company determined that the held-for-sale criteria for Rail was no longer met and, as a result, the Company made reclassifications to prior year amounts previously classified as discontinued operations and assets held-for-sale in the Company's Consolidated Statements of Operations and Consolidated Balance Sheets, along with the accompanying notes to the Company's Consolidated Financial Statements. See Note 3, Discontinued Operations and Dispositions for further details.

2. Recently Adopted and Recently Issued Accounting Standards

The Company has not adopted any accounting standards during the three and nine months ended September 30, 2024:

The following accounting standards have been issued and become effective for the Company at a future date:

In November 2023, the FASB issued changes that require expansion of annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. The changes become effective starting with the Company's annual financial statements for the year ended December 31, 2024. The Company is currently evaluating the impact that this change will have on the Company's disclosures and will apply the change retrospectively for all periods presented.

In December 2023, the FASB issued changes which require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. The changes become effective starting with the Company's annual financial statements for the year ended December 31, 2025. The guidance should be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating the impact that this change will have on the Company's disclosures.

3. Discontinued Operations and Dispositions

Harsco Rail Segment

The results of the Rail business were previously presented as discontinued operations. However, the held for sale criteria were no longer met beginning with March 31, 2024 as the sales process has been paused. The assets and liabilities of the Rail business, previously presented as held for sale, were reclassified to held and used in the Condensed Consolidated Balance Sheets as of December 31, 2023, and the results of the Rail business were reclassified from discontinued operations to continuing operations for all periods presented in the Condensed Consolidated Statements of Operations. The Rail business' assets and liabilities as of March 31, 2024 were measured at the carrying amount before the assets were classified as held for sale, reduced by \$10.7 million representing the depreciation and amortization expense that would have been recognized had the assets been continuously classified as held for use. The \$10.7 million reduction to the carrying value of the Rail assets was reported in Remeasurement of long-lived assets in the first quarter of 2024.

The reclassification of the Rail business's balance sheet positions as of December 31, 2023 had the following impacts on the Condensed Consolidated Balance Sheets and are summarized as follows:

(in thousands)	December 31 2023
Trade accounts receivable, net	\$ 57,415
Other receivables	6,708
Inventories	103,077
Current portion of contract assets	56,341
Prepaid expenses	28,797
Other current assets	2,895
Property, plant and equipment, net	44,113
Right-of-use assets, net	7,050
Goodwill	13,026
Intangible assets, net	3,122
Deferred income tax assets	973
Other assets	22,792
Total assets	\$ 346,309
Accounts payable	\$ 44,703
Accrued compensation	6,056
Income taxes payable	1,434
Current portion of operating lease liabilities	3,656
Current portion of advances on contracts	32,912
Reserve for forward losses on contracts	52,725
Other current liabilities	30,550
Operating lease liabilities	3,331
Deferred tax liabilities	350
Other liabilities	494
Total liabilities	\$ 176,211

The reclassification of the results of the Rail business to continuing operations had the following impacts on the Consolidated Statement of Operations for the three and nine months ended September 30, 2023:

(In thousands)	Three Months Ended	Nine Months Ended
	September 30	September 30
	2023	2023
Service revenues	\$ 17,806	\$ 36,291
Product revenues	54,574	189,989
Total revenues	72,380	226,280
Cost of services sold	11,425	24,341
Cost of products sold	50,760	157,265
Total cost of sales	62,185	181,606
Selling, general and administrative expenses	9,124	29,001
Research and development expenses	631	1,494
Other expense (income), net	1,455	2,912
Total costs and expenses	73,395	215,013
Operating income (loss) from continuing operations	(1,015)	11,267
Interest income	44	96
Interest expense	(813)	(2,165)
Defined benefit pension income (expense)	6	19
Income (loss) from continuing operations before income taxes and equity income	(1,778)	9,217
Income tax benefit (expense) from continuing operations	611	(5,495)
Income (loss) from continuing operations	\$ (1,167)	\$ 3,722

Harsco Environmental Segment

On April 1, 2024, the Company completed the sale of Performix Metallurgical Additives, LLC, a subsidiary of HE, for \$17.5 million, subject to normal post-closing adjustments, and recognized a gain on the sale of \$1.8 million (or approximately \$1.3 million after-tax).

On August 29, 2024, the Company completed the sale of Reed Minerals, LLC, a subsidiary of HE, for \$45.0 million subject to normal post-closing adjustments, and recognized a gain on sale of \$8.7 million (or approximately \$2.8 million after-tax). The most material classes of assets and liabilities on the date of the sale were Trade accounts receivable, net of \$9.9 million, Inventories of \$7.1 million, Property, plant and equipment ("PP&E") net of \$10.7 million, Goodwill of \$13.7 million and Accounts payable of \$6.9 million.

Other

Discontinued operations include costs directly attributable to retained contingent liabilities of other previously disposed businesses.

4. Accounts Receivable and Note Receivable

Accounts receivable consist of the following:

(In thousands)	September 30	December 31
	2024	2023
Trade accounts receivable	\$ 331,627	\$ 353,709
Less: Allowance for expected credit losses	(12,721)	(15,522)
Trade accounts receivable, net	\$ 318,906	\$ 338,187
Other receivables (a)	\$ 42,960	\$ 40,565

(a) Other receivables include employee receivables, insurance receivable, tax claims and refunds and other miscellaneous items not included in Trade accounts receivable, net.

The change in provision for expected credit losses related to trade accounts receivable was as follows:

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Change in provision for expected credit losses	\$ (1,361)	\$ 6,054	\$ (880)	\$ 6,448

At September 30, 2024, \$21.4 million of the Company's trade accounts receivable were past due by twelve months or more, with \$11.3 million of this amount reserved.

Accounts Receivable Securitization Facility

In June 2022, the Company and its SPE entered into an AR Facility with PNC Bank, National Association ("PNC") to accelerate cash flows from trade accounts receivable. On October 1, 2024, the Company renewed the AR Facility for a three-year term expiring in October 2027. The maximum purchase commitment by PNC is \$150.0 million.

The total outstanding balance of trade receivables that have been sold and derecognized by the SPE is \$150.0 million as of September 30, 2024 and December 31, 2023. The SPE owned \$66.9 million and \$82.2 million of trade receivables as of September 30, 2024 and December 31, 2023, respectively, which is included in the caption Trade accounts receivable, net, on the Condensed Consolidated Balance Sheets. See Note 9, Debt and Credit Agreements, for AR Facility expenses incurred.

The Company received proceeds of \$5.0 million from the AR Facility for the nine months ended September 30, 2023. No proceeds were received during the nine months ended September 30, 2024

Factoring Arrangements

The Company maintains factoring arrangements with a financial institution to sell certain accounts receivable that are also accounted for as a sale of financial assets and accordingly, derecognized from the Company's Consolidated Balance Sheet. The following table reflects balances for net amounts sold and program capacities for the arrangements:

(In millions)	September 30 2024	December 31 2023
Net amounts sold under factoring arrangements	\$ 14.7	\$ 16.1
Program capacities	20.1	32.6

Note Receivable

In January 2020, the Company sold IKG for \$85.0 million including cash and a note receivable, subject to post-closing adjustments. The note receivable from the buyer had a face value of \$40.0 million, bearing interest at 2.50%, that is paid in kind with an original maturity of January 31, 2027. Due to a change in control of the ownership of IKG during the second quarter of 2024, prepayment of the note was required, as defined in the note receivable agreement. As such, the Company received a payment of \$17.0 million in April 2024, resulting in a pre-tax gain of \$2.7 million reflected in the caption Interest income on the Consolidated Statement of Operations. As of December 31, 2023, the balance was classified as noncurrent and is included in the caption Other assets on the Condensed Consolidated Balance Sheet at amortized cost.

(In millions)	September 30 2024	December 31 2023
Note receivable, at amortized cost	\$ —	\$ 14.0
Note receivable, fair value	—	15.4

5. Inventories

Inventories consist of the following:

(In thousands)	September 30 2024	December 31 2023
Finished goods	\$ 22,784	\$ 16,171
Work-in-process	20,617	13,081
Raw materials and purchased parts	105,904	114,046
Stores and supplies	46,884	46,071
Total inventories	\$ 196,189	\$ 189,369

6. Property, Plant and Equipment

PP&E consist of the following:

(In thousands)	September 30 2024	December 31 2023
Land and improvements	\$ 95,101	\$ 93,793
Buildings and improvements	236,279	243,472
Machinery and equipment	1,671,568	1,729,637
Uncompleted construction	64,581	66,241
Gross property, plant and equipment	2,067,529	2,133,143
Less: Accumulated depreciation	(1,369,214)	(1,425,746)
Property, plant and equipment, net	\$ 698,315	\$ 707,397

During the nine months ended September 30, 2023, the Company recorded an impairment charge of \$14.1 million related to abandoned equipment at a customer site of HE China, which is included in the caption Property, plant and equipment impairment charge in the Condensed Consolidated Statements of Operations.

7. Leases

The components of lease expense were as follows:

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Finance leases:				
Depreciation expense	\$ 3,445	\$ 2,051	\$ 9,046	\$ 5,614
Interest on lease liabilities	1,164	482	3,064	1,414
Operating leases	9,689	9,277	29,482	28,497
Variable and short-term lease expense	13,756	13,606	41,555	40,136
Sublease income	(1)	(2)	(5)	(5)
Total lease expense	\$ 28,053	\$ 25,414	\$ 83,142	\$ 75,656

8. Goodwill and Other Intangible Assets

The Company tests for goodwill impairment annually, or more frequently if indicators of impairment exist, or if a decision is made to dispose of a business. The Company performs its annual goodwill impairment test as of October 1 and monitors for triggering events on an ongoing basis.

During the nine months ended September 30, 2024, the Company determined that there were no events or indicators present that would indicate that it was more-likely-than-not that its reporting units' fair values were less than their carrying amounts, which would require a further interim impairment analysis. However, unfavorable economic conditions, including continued cost inflation and labor shortages, as well as rising interest rates, could impact the Company's future projected cash flows and discount rates used to estimate fair value, which could result in an impairment charge to any of the Company's reporting units in a future period.

During the nine months ended September 30, 2024, due to the loss of a customer in Europe for HE, the Company recorded a \$2.8 million charge to fully impair the value of a related customer relationship intangible asset. This amount is included in the caption Other expense (income), net on the Consolidated Statement of Operations.

9. Debt and Credit Agreements

Long-term debt consists of the following:

(In thousands)	September 30 2024	December 31 2023
Senior Secured Credit Facilities:		
Term Loan	\$ 483,750	\$ 487,500
Revolving Credit Facility	437,000	422,000
5.75% Senior Notes	475,000	475,000
Other financing payable (including finance leases) in varying amounts	67,638	44,469
Total debt obligations	1,463,388	1,428,969
Less: deferred financing costs	(13,568)	(11,974)
Total debt obligations, net of deferred financing costs	1,449,820	1,416,995
Less: current maturities of long-term debt	(17,952)	(15,558)
Long-term debt	<u>\$ 1,431,868</u>	<u>\$ 1,401,437</u>

In September 2024, the Company amended its Senior Secured Credit Facilities to, among other things, extend the term of the Revolving Credit Facility to September 5, 2029 and adjust the limit to \$625.0 million. In addition, the Company retained \$50.0 million of its existing revolving commitments which mature on March 10, 2026. The extended Revolving Credit Facility bears interest at a rate, depending on total net leverage, ranging from 75 to 125 basis points over base rate or 175 to 225 basis points over SOFR and the existing Revolving Credit Facility bears interest at a rate, depending on total net leverage, ranging from 50 to 175 basis points over base rate or 150 to 275 basis points over SOFR, in each case, subject to zero floor. The Company expensed \$0.3 million of previously recorded deferred financing costs and capitalized \$4.4 million of fees incurred related to the amendment.

Also as a result of this amendment, the net debt to consolidated adjusted EBITDA ratio covenant is 4.75x for the quarter ended September 30, 2024, and decreases to 4.50x for the quarter ended June 30, 2025, 4.25x for the quarter ended December 31, 2025 and 4.00x thereafter. The Company's required coverage of consolidated interest charges is set at a minimum of 2.75x through the end of 2024 and increases to 3.00x beginning with the first quarter of 2025.

At September 30, 2024, the Company was in compliance with its debt covenants under the Senior Secured Credit Facilities, with a total net debt to Consolidated Adjusted EBITDA ratio of 3.99x and a total interest coverage ratio of 3.15x. The Company believes it will continue to maintain compliance with these covenants based on its current outlook. However, the Company's estimates of compliance with these covenants could change in the future with a deterioration in economic conditions, higher than forecasted interest rates, the timing of working capital including the collection of receivables, an inability to realize increased pricing and implement cost reduction initiatives that mitigate the impacts of inflation and other factors that may adversely impact its compliance with covenants.

Facility Fees and Debt-Related Income (Expense)

The components of the Condensed Consolidated Statements of Operations caption Facility fees and debt-related income (expense) were as follows:

(In thousands)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Gain (loss) on extinguishment of debt	\$ (325)	\$ —	\$ (325)	\$ —
Unused debt commitment and amendment fees	—	—	—	(12)
Securitization and factoring fees	(2,653)	(2,806)	(8,362)	(7,887)
Facility fees and debt-related income (expense)	<u>\$ (2,978)</u>	<u>\$ (2,806)</u>	<u>\$ (8,687)</u>	<u>\$ (7,899)</u>

10. Employee Benefit Plans

Defined Benefit Pension Plan Net Periodic Pension Cost (Benefit) (In thousands)	Three Months Ended September 30			
	U.S. Plans		International Plans	
	2024	2023	2024	2023
Service costs	\$ —	\$ —	\$ 334	\$ 314
Interest costs	2,419	2,543	7,551	7,664
Expected return on plan assets	(2,236)	(1,750)	(8,480)	(7,921)
Recognized prior service costs	—	—	119	116
Recognized actuarial losses	1,045	1,150	3,864	3,633
Defined benefit pension plan net periodic pension cost (benefit)	\$ 1,228	\$ 1,943	\$ 3,388	\$ 3,806

Defined Benefit Pension Plans Net Periodic Pension Cost (Benefit) (In thousands)	Nine Months Ended September 30			
	U.S. Plans		International Plans	
	2024	2023	2024	2023
Service costs	\$ —	\$ —	\$ 1,007	\$ 941
Interest costs	7,257	7,629	22,445	22,645
Expected return on plan assets	(6,708)	(5,250)	(25,194)	(23,404)
Recognized prior service costs	—	—	354	345
Recognized actuarial losses	3,135	3,451	11,459	10,732
Defined benefit pension plans net periodic pension cost (benefit)	\$ 3,684	\$ 5,830	\$ 10,071	\$ 11,259

Cash contributions to U.S. and international defined benefit pension plans totaled \$6.8 million and \$13.3 million for the nine months ended September 30, 2024, respectively. The Company's estimate of expected cash contributions to be paid during the remainder of 2024 for the U.S. and international defined benefit pension plans is \$0.4 million and \$4.4 million, respectively.

11. Income Taxes

Income tax expense from continuing operations for the three and nine months ended September 30, 2024 was \$13.4 million and \$31.4 million, respectively, compared with \$3.5 million and \$26.8 million for the three and nine months ended September 30, 2023, respectively. The income tax expense increase for the three months ended September 30, 2024, compared with the three months ended September 30, 2023, primarily includes \$5.7 million of tax expense related to the net gain from the Reed sale, the increased disallowed interest expense in the U.S. resulting from reduced income, the withholding tax on cash repatriation in certain foreign jurisdictions, as well as a change in the geographical mix of income, partially offset by the tax benefit resulting from an \$11.2 million additional forward loss provision recorded for Rail's Network Rail contract. The increase in income tax expense for the nine months ended September 30, 2024, compared with the nine months ended September 30, 2023, primarily includes \$5.7 million of tax expense related to the net gain from the Reed sale, the increased disallowed interest expense in the U.S. resulting from reduced income, the withholding tax on cash repatriation in certain foreign jurisdictions, as well as a change in the geographical mix of income, partially offset by the net tax benefit resulting from the year-over-year change in the forward loss provision recorded for Rail's Network Rail contract of \$36.8 million and a \$3.7 million valuation allowance for a deferred tax asset in a certain foreign jurisdiction in 2023, not recurring in 2024.

For the three and nine months ended September 30, 2024, the Company calculated its quarterly tax provision based on its best estimate of the full year tax rate applicable to the quarter. For the three and nine months ended September 30, 2023, due to the insignificant amount of pre-tax book loss relative to the size of permanent book-tax differences and a varying net income (loss) pattern projected for the year, the Company's tax provision estimate was determined using an actual year-to-date method.

The reserve for uncertain tax positions on September 30, 2024 and December 31, 2023 was \$3.6 million and \$3.4 million, respectively, including interest and penalties. Within the next twelve months, it is reasonably possible that \$0.6 million in unrecognized income tax benefits will be recognized upon settlement of tax examinations and the expiration of various statutes of limitations.

12. Commitments and Contingencies

Environmental

The Company is involved in a number of environmental remediation investigations and cleanups and, along with other companies, has been identified as a “potentially responsible party” for certain byproduct disposal sites. While each of these matters is subject to various uncertainties, it is probable that the Company will agree to make payments toward funding certain of these activities, and it is possible that some of these matters will be decided unfavorably to the Company. The Company has evaluated its potential liability and its financial exposure is dependent upon such factors as the continuing evolution of environmental laws and regulatory requirements, the availability and application of technology, the allocation of cost among potentially responsible parties, the years of remedial activity required and the remediation methods selected.

The Company evaluates its liability for future environmental remediation costs on a quarterly basis. Although actual costs to be incurred at identified sites in future periods may vary from the estimates, given inherent uncertainties in evaluating environmental exposures, the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with environmental matters in excess of the amounts accrued would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

The following table summarizes information related to the location and undiscounted amount of the Company's environmental liabilities:

(In thousands)	September 30 2024	December 31 2023
Current portion of environmental liabilities (a)	\$ 8,981	\$ 7,540
Long-term environmental liabilities	22,959	25,682
Total environmental liabilities	\$ 31,940	\$ 33,222

(a) The current portion of environmental liabilities is included in the caption Other current liabilities on the Condensed Consolidated Balance Sheets.

Legal Proceedings

In the ordinary course of business, the Company is a defendant or party to various claims and lawsuits, including those discussed below. Unless stated otherwise below, the Company has not determined a loss to be probable or estimable for the legal proceedings.

In November 2022, the EPA and the Kentucky Department for Environmental Protection (the “KDEP”) conducted an inspection of Clean Earth of Calvert City LLC’s facility in Calvert City, KY and alleged several violations for which the EPA proposed a civil penalty of \$0.8 million. On June 30, 2024, the EPA verbally agreed to a settlement involving a combination of civil penalties in the amount of \$0.2 million and a Supplemental Environmental Project estimated to cost approximately \$1.0 million that requires installing a concrete and storm water management system to enhance compliance and protection of the environment.

On January 27, 2020, the EPA issued a Notice of Potential Liability to the Company, along with several other companies, concerning the Newtown Creek Superfund Site located in Kings and Queens Counties in New York, which alleges certain facilities formerly owned or operated by subsidiaries of the Company may have resulted in the discharge of hazardous substances into Newtown Creek or its Dutch Kills tributary. The site has been subject to CERCLA response activities since approximately 2011. The EPA expects to issue a Record of Decision for the sitewide cleanup plan no sooner than 2028 and announced, in July 2021, that it would defer its decision on a potential early action response for the lower two miles of the Creek until the sitewide studies are completed. On August 28, 2024, the EPA released a proposed plan for clean up of the East Branch portion of Newtown Creek. The Company is one of 23 Potentially Responsible Parties (“PRPs”) that have received notices, though it is believed other PRPs may exist. The Company vigorously contests the allegations of this notice and currently does not believe that this matter will have a material effect on the Company’s financial position or results from operations.

On June 25 and 26, 2018, the DTSC conducted a compliance enforcement inspection of ESOL's facility in Rancho Cordova, California, which was then owned by Stericycle, Inc. On February 14, 2020, the DTSC filed an action in the Superior Court for the State of California, Sacramento Division, alleging violations of California's Hazardous Waste Control Law and the facility's hazardous waste permit arising from the inspection. On August 27, 2020, the DTSC issued a Notice of Denial of Hazardous Waste Facility Permit Application, denying the renewal of the facility's hazardous waste permit. The Company continues to utilize the site for non-hazardous waste and is evaluating additional potential alternate uses for the site. The DTSC investigation and compliance issues leading to the compliance tier assignment were ongoing well before the Company's acquisition of the ESOL business, and the Company was aware of the investigation and many of the issues raised in the investigation at the time of the purchase. Accordingly, the Company is indemnified for certain fines and other costs and expenses associated with this matter by Stericycle, Inc. In May 2024, Stericycle consummated a settlement, on behalf of itself and the Company, with the DTSC in the February 2020 Superior Court action for payment of \$3.1 million and other injunctive relief related to the ongoing closure of the hazardous waste facility. A final consent judgment for penalties and permanent injunction was approved and entered by the Court on June 6, 2024. In July 2024, on behalf of itself and the Company, Stericycle paid all fines in this matter.

The Company has had ongoing meetings with the SCE over processing salt cakes, a processing byproduct, stored at the Al Hafeerah site. The Company's Bahrain operations that produced the salt cakes has ceased operations. An Environmental Impact Assessment and Technical Feasibility Study for facilities to process the salt cakes was approved by the SCE during the first quarter of 2018. Commissioning of the facilities was completed during the third quarter of 2021 and the processing of the salt cakes has commenced. The Company's current reserve of \$4.9 million at September 30, 2024 continues to represent the Company's best estimate of the ultimate costs to be incurred to resolve this matter. The Company continues to evaluate this reserve and any future change in estimated costs which could be material to the Company's results of operations in any one period.

On July 27, 2018, Brazil's Federal and Rio de Janeiro State Public Prosecution Offices (the "MPF" and "MPE", respectively) filed a Civil Public Action against CSN, one of the Company's customers, the Company's Brazilian subsidiary, the Municipality of Volta Redonda, Brazil, and the Instituto Estadual do Ambiente, the state of Rio de Janeiro's environmental protection agency, seeking the implementation of various measures to limit and reduce the accumulation of customer-owned slag at the site in Brazil. On August 6, 2018, the 3rd Federal Court in Volta Redonda (the "Volta Redonda Court") granted the MPF and MPE an injunction against the defendants requiring, among other things, CSN and the Company's Brazilian subsidiary to limit the volume of slag sent to the site. Because the customer owns the site and the slag located on the site, the Company believes that complying with this injunction is the steel producer's responsibility. Nevertheless, the Volta Redonda Court issued two orders fining the Company and CSN for what it viewed as violations of the injunction. The Company appealed the fines and the underlying injunction and, beginning on March 25, 2022, the Volta Redonda Court entered a series of orders suspending the litigation proceedings and staying any additional fines and interest accruals while the parties discuss a possible resolution to the matter. The aggregate amount of fines levied against the Company, exclusive of interest, is approximately 32 million Brazilian reais (or approximately \$6 million as of September 30, 2024), plus interest. On October 5, 2024, the Volta Redonda Court determined that, as of August 1, 2024, the Company was not responsible for complying with the injunction because the Company no longer operates at the site. The Company and the other parties continue to discuss a potential resolution related to the portion of the authorities' claims that allegedly occurred prior to August 1, 2024. The Company does not believe that a loss relating to this matter is probable or estimable at this point.

In October 2021, the Company received a subpoena and two indictments before the Amsterdam District Court in the Netherlands concerning the Company's operations at a customer site IJmuiden, Netherlands. The Amsterdam Public Prosecutor's Office ("APPO") issued two indictments against the Company, alleging violations in connection with dust releases and/or events alleged to have occurred in 2018 through May 2020 at the site. The action cited provisions which permit fines for the alleged infractions and sought €0.1 million in fines with a smaller amount held in abeyance. On February 2, 2022, the APPO announced that it would further investigate residents' claims related to this matter. On February 25, 2022, the Amsterdam District Court ruled that the Company was liable for only one alleged violation and that this alleged violation was unintentional. The court issued a fine of €5 thousand, to be held in abeyance. Both the Company and the APPO appealed this ruling. An appellate hearing was held on July 5, 2024, with the APPO seeking €0.3 million in fines. On July 19, 2024, the Court of Appeals ruled that the Company was liable for two alleged intentional violations and issued a fine of €25 thousand. Both the Company and the APPO have appealed this ruling. The Company is vigorously contesting all allegations against it and is also working with its customer to ensure the control of emissions. The Company has contractual indemnity rights from its customer that it believes will substantially cover any fines or penalties.

DEA Investigation

Prior to the Company's acquisition of ESOL, Stericycle, Inc. notified the Company that the DEA had served an administrative subpoena on Stericycle, Inc. and executed a search warrant at a facility in Rancho Cordova, CA and an administrative inspection warrant at a facility in Indianapolis, IN. The Company has determined that the DEA and the DTSC have launched investigations involving, at least in part, the ESOL business of collecting, transporting, and destroying controlled substances from retail customers that transferred from Stericycle, Inc. to the Company. The Company is cooperating with these inquiries, which relate primarily to the period before the Company owned the ESOL business. Since the acquisition of the ESOL business, the Company has performed a vigorous review of ESOL's compliance program related to controlled substances and has made material changes to the manner in which controlled substances are transported from retail customers to DEA-registered facilities for destruction. Pursuant to an agreement with Stericycle, the Company has contractual recourse for any material loss the Company has determined is reasonably possible. The Company has not accrued any amounts in respect of these investigations and does not believe a loss is probable.

Brazilian Tax Disputes

The Company is involved in a number of tax disputes with federal, state and municipal tax authorities in Brazil. These disputes are at various stages of the legal process, including the administrative review phase and the collection action phase, and include assessments of fixed amounts of principal and penalties, plus interest charges that increase at statutorily determined amounts per month and are assessed on the aggregate amount of the principal and penalties. In addition, at the collection action or court of appeals phase, the losing party could be subject to a charge to cover statutorily mandated legal fees, which are generally calculated as a percentage of the total assessed amounts due, inclusive of penalty and interest. Many of the claims relate to ICMS, services and social security tax disputes. The largest proportion of the assessed amounts relate to ICMS claims filed by the SPRA, encompassing the period from January 2002 to May 2005.

In October 2009, the Company received notification of the SPRA's final administrative decision regarding the levying of ICMS in the State of São Paulo in relation to services provided to a customer in the State between January 2004 and May 2005. Another ICMS tax case involving the SPRA refers to the tax period from January 2002 to December 2003. On April 23, 2024, the Company's customer directed the Company to accept a settlement offer made by the SPRA and the Company accepted the settlement offer on April 26, 2024. Under the settlement, the Company will pay a total of \$3.5 million over sixty months, plus interest, in return for a full release from the SPRA as to both claims. Pursuant to our contractual rights, the Company is indemnified by its customer for this amount and the customer is making payments to the government on behalf of the Company. Therefore, the Company has recorded an indemnification receivable from the customer for this amount.

On December 30, 2020, the Company received an assessment from the municipal authority in Ipatinga, Brazil alleging \$1.9 million in unpaid service taxes from the period 2015 to 2020. After calculating the interest and penalties accrued, the Company estimates that the current overall potential liability for this case is approximately \$5.9 million. On July 21, 2023, the Company filed the last administrative appeal against the decision that maintained the assessment and a final administrative decision is still pending. Due to the multiple defenses that are available, the Company does not believe a loss is probable.

The Company intends to continue its practice of vigorously defending itself against these tax claims under various alternatives, including judicial appeal. The Company will continue to evaluate its potential liability with regard to these claims on a quarterly basis; however, it is not possible to predict the ultimate outcome of these tax-related disputes in Brazil. No loss provision has been recorded in the Company's Condensed Consolidated Financial Statements for the disputes described above because the loss contingency is not deemed probable, and the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with Brazilian tax disputes would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Asbestos Actions

The Company is named as one of many defendants in legal actions in the U.S. alleging personal injury from exposure to airborne asbestos over the past several decades. In their suits, the plaintiffs have named as defendants, among others, many manufacturers, distributors and installers of numerous types of equipment or products that allegedly contained asbestos.

At September 30, 2024, there were approximately 17,000 pending asbestos personal injury actions filed against the Company. The vast majority of these actions were filed in the New York Supreme Court (New York County), of which the majority of such actions were on the Deferred/Inactive Docket created by the New York Supreme Court in December 2002 for all pending and future asbestos actions filed by persons who cannot demonstrate that they have a malignant condition or discernible physical impairment. A relatively small portion of cases are on the Active or In Extremis docket in New York County or on active dockets in other jurisdictions. The complaints in most of those actions generally follow a form that contains a standard demand of significant damages, regardless of the individual plaintiff's alleged medical condition, and without identifying any Company product.

The Company will continue to vigorously defend against such claims and is confident that it will be successful in doing so. The Company has never been a producer, manufacturer or processor of asbestos fibers. Any asbestos-containing part of a Company product used in the past was purchased from a supplier and the asbestos encapsulated in other materials such that airborne exposure, if it occurred, was not harmful and is not associated with the types of injuries alleged in the pending actions.

The Company has liability insurance coverage under various primary and excess policies that the Company believes will be available, if necessary, to substantially cover any liability that might ultimately be incurred in the asbestos actions referred to above. The costs and expenses of the asbestos actions are being paid by the Company's insurers.

In view of the persistence of asbestos litigation in the U.S., the Company expects to continue to receive additional claims in the future. The Company intends to continue its practice of vigorously defending these claims and cases. At September 30, 2024, the Company has successfully dismissed approximately 28,500 cases by stipulation or summary judgment prior to trial.

It is not possible to predict the ultimate outcome of asbestos-related actions in the U.S. due to the unpredictable nature of this litigation, and no loss provision has been recorded in the Company's Condensed Consolidated Financial Statements because a loss contingency is not deemed probable or estimable. Despite this uncertainty, and although results of operations and cash flows for a given period could be adversely affected by asbestos-related actions, the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with asbestos litigation would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Other

On November 5, 2020, a worker suffered a fatal injury at a site owned by the Company's customer, Gerdau Ameristeel US, Inc. ("Gerdau"), in Midlothian, TX. Although the Company was not directly involved in the accident, the worker was employed by a sub-contractor of a sub-contractor of the Company. On May 11, 2023, the parties completed a formal settlement agreement, settling the claims brought by the worker's family. The Company paid its insurance deductible of \$5.0 million and has recorded an indemnification receivable from Gerdau for the recovery of certain losses based upon the contractual indemnity rights. On August 25, 2023, the Company initiated arbitration proceedings against Gerdau before the American Arbitration Association to enforce its contractual indemnity rights. There can be no assurances that the Company's position will ultimately prevail; however, any financial statement impact is not expected to be material.

The Company is subject to various other claims and legal proceedings covering a wide range of matters that arose in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or by established reserves, and, if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Insurance liabilities are recorded when it is probable that a liability has been incurred for a particular event and the amount of loss associated with the event can be reasonably estimated. Insurance reserves have been estimated based primarily upon actuarial calculations and reflect the undiscounted estimated liabilities for ultimate losses, including claims incurred but not reported. Inherent in these estimates are assumptions that are based on the Company's history of claims and losses, a detailed analysis of existing claims with respect to potential value, and current legal and legislative trends. If actual claims differ from those projected by management, changes (either increases or decreases) to insurance reserves may be required and would be recorded through income in the period the change was determined. When a recognized liability has been determined to be covered by third-party insurance, the Company records an insurance claim receivable to reflect the covered liability. Insurance claim receivables are included in Other receivables on the Company's Condensed Consolidated Balance Sheets. See Note 1, Summary of Significant Accounting Policies in Part II, Item 8 Financial Statements and Supplementary Data in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, under Accrued Insurance and Loss Reserves, for additional information.

13. Reconciliation of Basic and Diluted Shares

(In thousands, except per share amounts)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Income (loss) from continuing operations attributable to Enviri Corporation common stockholders	\$ (11,995)	\$ (9,663)	\$ (41,556)	\$ (28,539)
Weighted-average shares outstanding:				
Weighted-average shares outstanding - basic	80,165	79,850	80,085	79,767
Dilutive effect of stock-based compensation	—	—	—	—
Weighted-average shares outstanding - diluted	80,165	79,850	80,085	79,767
Earnings (loss) from continuing operations per common share, attributable to Enviri Corporation common stockholders:				
Basic	\$ (0.15)	\$ (0.12)	\$ (0.52)	\$ (0.36)
Diluted	\$ (0.15)	\$ (0.12)	\$ (0.52)	\$ (0.36)

The following average outstanding stock-based compensation units were not included in the computation of diluted earnings (loss) per share because the effect was either antidilutive or the market conditions for the performance share units were not met:

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Restricted stock units	1,607	969	1,650	997
Stock appreciation rights	2,618	2,380	2,764	2,427
Performance share units	1,833	1,341	1,852	1,382

14. Derivative Instruments, Hedging Activities and Fair Value

Derivative Instruments and Hedging Activities

The Company uses derivative instruments, including foreign currency exchange forward contracts and interest rate swaps to manage certain foreign currency and interest rate exposures. Derivative instruments are viewed as risk management tools by the Company and are not used for trading or speculative purposes. All derivative instruments are recorded on the Company's Condensed Consolidated Balance Sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risks, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs, such as forward rates, interest rates, the Company's credit risk and counterparties' credit risks, and which minimize the use of unobservable inputs. The Company is able to classify fair value balances based on the ability to observe those inputs. Foreign currency exchange forward contracts and interest rate swaps are based upon pricing models using market-based inputs (Level 2). Model inputs can be verified and valuation techniques do not involve significant management judgment.

The fair value of outstanding derivative contracts recorded as assets and liabilities on the Company's Condensed Consolidated Balance Sheets was as follows:

(In thousands)	Balance Sheet Location	Fair Value of Derivatives Designated as Hedging Instruments	Fair Value of Derivatives Not Designated as Hedging Instruments	Total Fair Value
September 30, 2024				
Asset derivatives (Level 2):				
Foreign currency exchange forward contracts	Other current assets	\$ 27	\$ 275	\$ 302
Total		<u>\$ 27</u>	<u>\$ 275</u>	<u>\$ 302</u>
Liability derivatives (Level 2):				
Foreign currency exchange forward contracts	Other current liabilities	\$ 1,296	\$ 6,954	\$ 8,250
Interest rate swaps	Other current liabilities	1,130	—	1,130
Interest rate swaps	Other liabilities	802	—	802
Total		<u>\$ 3,228</u>	<u>\$ 6,954</u>	<u>\$ 10,182</u>
December 31, 2023				
Asset derivatives (Level 2):				
Foreign currency exchange forward contracts	Other current assets	\$ 77	\$ 1,597	\$ 1,674
Interest rate swaps	Other current assets	1,443	—	1,443
Total		<u>\$ 1,520</u>	<u>\$ 1,597</u>	<u>\$ 3,117</u>
Liability derivatives (Level 2):				
Foreign currency exchange forward contracts	Other current liabilities	\$ 561	\$ 8,064	\$ 8,625
Interest rate swaps	Other liabilities	2,150	—	2,150
Total		<u>\$ 2,711</u>	<u>\$ 8,064</u>	<u>\$ 10,775</u>

All of the Company's derivatives are recorded on the Condensed Consolidated Balance Sheets at gross amounts and do not offset. All of the Company's interest rate swaps and certain foreign currency exchange forward contracts are transacted under ISDA documentation. Each ISDA master agreement permits the net settlement of amounts owed in the event of default. The Company's derivative assets and liabilities subject to enforceable master netting arrangements, if offset, would have resulted in net liabilities of \$1.9 million and \$0.5 million at September 30, 2024 and December 31, 2023, respectively.

The effect of derivative instruments on the Company's Condensed Consolidated Statements of Comprehensive Income (Loss) was as follows:

Derivatives Designated as Hedging

(In thousands)	Gain (Loss) Recognized in OCI on Derivatives		Loss (Gain) Reclassified from AOCI into Income - Effective Portion or Equity	
	Three Months Ended September 30		Three Months Ended September 30	
	2024	2023	2024	2023
Foreign currency exchange forward contracts	\$ (1,188)	\$ 373	\$ 541	\$ (270)
Interest rate swaps	(3,284)	2,390	(866)	(825)
	<u>\$ (4,472)</u>	<u>\$ 2,763</u>	<u>\$ (325)</u>	<u>\$ (1,095)</u>
(In thousands)	Gain (Loss) Recognized in OCI on Derivatives		Loss (Gain) Reclassified from AOCI into Income - Effective Portion or Equity	
	Nine Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign currency exchange forward contracts	\$ (938)	\$ (748)	\$ 44	\$ 1,007
Interest rate swaps	1,394	5,655	(2,619)	(1,690)
	<u>\$ 456</u>	<u>\$ 4,907</u>	<u>\$ (2,575)</u>	<u>\$ (683)</u>

The location and amount of gain (loss) recognized on the Company's Condensed Consolidated Statements of Operations was as follows:

(In thousands)	Three Months Ended September 30			
	2024		2023	
	Product Revenues	Interest Expense	Product Revenues	Interest Expense
Total amounts in the Condensed Consolidated Statement of Operations in which the effects of derivatives designated as hedging instruments are recorded	\$ 85,495	\$ (28,813)	\$ 106,177	\$ (27,552)
Interest rate swaps:				
Gain (loss) reclassified from AOCI into income	—	866	—	825
Foreign exchange contracts:				
Gain (loss) reclassified from AOCI into income	(541)	—	270	—
(In thousands)	Nine Months Ended September 30			
	2024		2023	
	Product Revenues	Interest Expense	Product Revenues	Interest Expense
Total amounts in the Condensed Consolidated Statement of Operations in which the effects of derivatives designated as hedging instruments are recorded	\$ 291,368	\$ (84,869)	\$ 332,375	\$ (78,956)
Interest rate swaps:				
Gain (loss) reclassified from AOCI into income	—	2,619	—	1,690
Foreign exchange contracts:				
Gain (loss) reclassified from AOCI into income	(44)	—	(1,007)	—

Derivatives Not Designated as Hedging Instruments

(In thousands)	Location of Gain (Loss) Recognized in Income on Derivatives (a)	Amount of Gain (Loss) Recognized in Income on Derivatives (a)			
		Three Months Ended September 30		Nine Months Ended September 30	
		2024	2023	2024	2023
Foreign currency exchange forward contracts	Cost of services and products sold	\$ (18,569)	\$ 12,174	\$ (6,344)	\$ 13,739

(a) These gains (losses) offset other amounts recognized in cost of services and products sold principally as a result of intercompany or third party foreign currency exposures.

Foreign Currency Exchange Forward Contracts

The Company conducts business in multiple currencies and, accordingly, is subject to the inherent risks associated with foreign exchange rate movements. Foreign currency-denominated assets and liabilities are translated into U.S. dollars at the exchange rates existing at the respective consolidated balance sheet dates, and income and expense items are translated at the average exchange rates during the respective periods.

The Company uses derivative instruments to hedge cash flows related to foreign currency fluctuations. Foreign currency exchange forward contracts outstanding are part of a worldwide program to minimize foreign currency exchange operating income and balance sheet exposure by offsetting foreign currency exposures of certain future payments between the Company and various subsidiaries, suppliers or customers. The unsecured contracts are with major financial institutions. The Company may be exposed to credit loss in the event of non-performance by the contract counterparties. The Company evaluates the creditworthiness of the counterparties and does not expect default by them. Foreign currency exchange forward contracts are used to hedge commitments, such as foreign currency debt, firm purchase commitments and foreign currency cash flows for certain export sales transactions.

Changes in the fair value of derivatives used to hedge foreign currency denominated balance sheet items are reported directly in earnings, along with offsetting transaction gains and losses on the items being hedged. Derivatives used to hedge forecasted cash flows associated with foreign currency commitments may be accounted for as cash flow hedges, as deemed appropriate, if the criteria for hedge accounting are met. Gains and losses on derivatives designated as cash flow hedges are deferred in AOCI, a separate component of equity, and reclassified to earnings in a manner that matches the timing of the earnings impact of the hedged transactions. The ineffective portion of all hedges, if any, is recognized currently in earnings.

The recognized gains and losses offset amounts recognized in cost of services and products sold principally as a result of intercompany or third-party foreign currency exposures. At September 30, 2024 and December 31, 2023, the notional amounts of foreign currency exchange forward contracts were \$657.0 million and \$633.3 million, respectively. These contracts are primarily denominated in British Pound Sterling and Euros and mature through 2027.

In addition to foreign currency exchange forward contracts, the Company designates certain loans as hedges of net investments in international subsidiaries. The Company recorded a pre-tax net gain of \$0.9 million for the three months ended September 30, 2024 and a pre-tax net loss of \$0.3 million for the three months ended September 30, 2023, and pre-tax net gains of \$2.1 million and \$1.2 million for the nine months ended September 30, 2024 and September 30, 2023, respectively, in OCI.

Interest Rate Swaps

The Company uses interest rate swaps in conjunction with certain variable rate debt issuances in order to secure a fixed interest rate. Changes in the fair value attributed to the effect of the swaps' interest spread and changes in the credit worthiness of the counter-parties are recorded in OCI and are reclassified into income as interest payments are made.

In the first quarter of 2023, the Company entered into a series of interest rate swaps with a scheduled maturity of December 2025. The swaps have the effect of converting \$300.0 million of the Term Loan from a floating interest rate to a fixed interest rate and are classified as cash flow hedges. The fixed rates provided by these swaps, ranging from 4.16% to 4.21%, replace the adjusted SOFR rate in the interest calculation.

In October 2024, the Company entered into a new series of interest rate swaps that will be in effect upon the maturity of the existing interest rate swaps in December 2025 and will mature in March 2028. These forward swaps will continue to have the same effect of converting \$300.0 million from the Term Loan from a floating interest rate to a fixed interest rate and will be classified as cash flow hedges. These swaps will provide fixed interest rates that range from 3.06% to 3.12% and will continue to replace the adjusted SOFR rate in the interest calculation.

Fair Value of Other Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and short-term borrowings approximate fair value due to the short-term maturities of these assets and liabilities. At September 30, 2024 and December 31, 2023, the total fair value of long-term debt and current maturities, excluding deferred financing costs, was \$1,450.2 million and \$1,394.5 million, respectively, compared with a carrying value of \$1,463.4 million and \$1,429.0 million, respectively. Fair values for debt are based on pricing models using market-based inputs (Level 2) for similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

15. Review of Operations by Segment

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Revenues				
Harsco Environmental	\$ 279,148	\$ 285,877	\$ 871,196	\$ 848,659
Clean Earth	236,791	238,711	698,926	691,750
Harsco Rail	57,688	72,380	213,815	226,280
Total Revenues	<u>\$ 573,627</u>	<u>\$ 596,968</u>	<u>\$ 1,783,937</u>	<u>\$ 1,766,689</u>
Operating Income (Loss) from Continuing Operations				
Harsco Environmental	\$ 33,181	\$ 17,867	\$ 73,055	\$ 52,885
Clean Earth	26,833	21,497	71,308	61,002
Harsco Rail	(14,101)	(999)	(26,251)	10,270
Corporate	(8,541)	(9,605)	(23,672)	(29,795)
Total Operating Income (Loss) from Continuing Operations	<u>\$ 37,372</u>	<u>\$ 28,760</u>	<u>\$ 94,440</u>	<u>\$ 94,362</u>
Depreciation				
Harsco Environmental	\$ 27,554	\$ 28,793	\$ 83,793	\$ 84,707
Clean Earth	8,685	6,054	24,347	16,528
Harsco Rail	1,040	—	2,424	—
Corporate	300	550	961	1,658
Total Depreciation	<u>\$ 37,579</u>	<u>\$ 35,397</u>	<u>\$ 111,525</u>	<u>\$ 102,893</u>
Amortization				
Harsco Environmental	\$ 532	\$ 1,013	\$ 2,525	\$ 3,020
Clean Earth	5,991	6,330	18,147	18,472
Harsco Rail	68	—	157	—
Corporate (a)	1,318	952	3,260	2,835
Total Amortization	<u>\$ 7,909</u>	<u>\$ 8,295</u>	<u>\$ 24,089</u>	<u>\$ 24,327</u>
Capital Expenditures				
Harsco Environmental	\$ 24,905	\$ 20,735	\$ 69,674	\$ 75,826
Clean Earth	13,020	6,186	27,084	15,990
Harsco Rail	3,567	279	5,154	1,515
Corporate	82	89	182	299
Total Capital Expenditures	<u>\$ 41,574</u>	<u>\$ 27,289</u>	<u>\$ 102,094</u>	<u>\$ 93,630</u>

(a) Amortization expense on Corporate relates to the amortization of deferred financing costs.

Reconciliation of Segment Operating Income to Income (Loss) From Continuing Operations before Income Taxes and Equity Income

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Segment operating income (loss)	\$ 45,913	\$ 38,365	\$ 118,112	\$ 124,157
General Corporate expense	(8,541)	(9,605)	(23,672)	(29,795)
Operating income (loss) from continuing operations	37,372	28,760	94,440	94,362
Interest income	981	1,722	6,113	4,796
Interest expense	(28,813)	(27,552)	(84,869)	(78,956)
Facility fees and debt-related income (expense)	(2,978)	(2,806)	(8,687)	(7,899)
Defined benefit pension income (expense)	(4,257)	(5,430)	(12,599)	(16,159)
Income (loss) from continuing operations before income taxes and equity income	<u>\$ 2,305</u>	<u>\$ (5,306)</u>	<u>\$ (5,602)</u>	<u>\$ (3,856)</u>

16. Revenues

The Company recognizes revenues to depict the transfer of promised services and products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services and products. Service revenues include CE and the service components of HE and Rail. Product revenues include portions of HE and Rail.

A summary of the Company's revenues by primary geographical markets as well as by key product and service groups is as follows:

(In thousands)	Three Months Ended September 30, 2024			
	Harsco Environmental Segment	Clean Earth Segment	Harsco Rail Segment	Consolidated Totals
Primary Geographical Markets (a):				
North America	\$ 70,316	\$ 236,791	\$ 31,644	\$ 338,751
Western Europe	108,709	—	21,294	130,003
Latin America (b)	38,195	—	247	38,442
Asia-Pacific	31,333	—	4,503	35,836
Middle East and Africa	26,327	—	—	26,327
Eastern Europe	4,268	—	—	4,268
Total Revenues	\$ 279,148	\$ 236,791	\$ 57,688	\$ 573,627
Key Product and Service Groups:				
Environmental services related to resource recovery for metals manufacturing and related logistical services	\$ 235,490	\$ —	\$ —	\$ 235,490
Ecoproducts	36,663	—	—	36,663
Environmental systems for aluminum dross and scrap processing	6,995	—	—	6,995
Railway track maintenance equipment	—	—	19,099	19,099
After market parts and services; safety and diagnostic technology	—	—	23,495	23,495
Railway contracting services	—	—	15,094	15,094
Hazardous waste processing solutions	—	194,557	—	194,557
Soil and dredged materials processing and reuse solutions	—	42,234	—	42,234
Total Revenues	\$ 279,148	\$ 236,791	\$ 57,688	\$ 573,627
Three Months Ended September 30, 2023				
(In thousands)	Harsco Environmental Segment	Clean Earth Segment	Harsco Rail Segment	Consolidated Totals
Primary Geographical Markets (a):				
North America	\$ 78,528	\$ 238,711	\$ 50,322	\$ 367,561
Western Europe	109,473	—	20,294	129,767
Latin America (b)	44,351	—	700	45,051
Asia-Pacific	25,787	—	1,064	26,851
Middle East and Africa	22,673	—	—	22,673
Eastern Europe	5,065	—	—	5,065
Total Revenues	\$ 285,877	\$ 238,711	\$ 72,380	\$ 596,968

Three Months Ended
September 30, 2023

(In thousands)	Harsco Environmental Segment	Clean Earth Segment	Harsco Rail Segment	Consolidated Totals
Key Product and Service Groups:				
Environmental services related to resource recovery for metals manufacturing and related logistical services	\$ 234,274	\$ —	\$ —	\$ 234,274
Ecoproducts	43,841	—	—	43,841
Environmental systems for aluminum dross and scrap processing	7,762	—	—	7,762
Railway track maintenance equipment	—	—	24,531	24,531
After market parts and services; safety and diagnostic technology	—	—	31,310	31,310
Railway contracting services	—	—	16,539	16,539
Hazardous waste processing solutions	—	194,927	—	194,927
Soil and dredged materials processing and reuse solutions	—	43,784	—	43,784
Total Revenues	\$ 285,877	\$ 238,711	\$ 72,380	\$ 596,968

Nine Months Ended
September 30, 2024

(In thousands)	Harsco Environmental Segment	Clean Earth Segment	Harsco Rail Segment	Consolidated Totals
Primary Geographical Markets (a):				
North America	\$ 238,553	\$ 698,926	\$ 129,119	\$ 1,066,598
Western Europe	328,604	—	61,318	389,922
Latin America (b)	122,396	—	3,205	125,601
Asia-Pacific	88,593	—	20,173	108,766
Middle East and Africa	79,858	—	—	79,858
Eastern Europe	13,192	—	—	13,192
Total Revenues	\$ 871,196	\$ 698,926	\$ 213,815	\$ 1,783,937
Key Product and Service Groups:				
Environmental services related to resource recovery for metals manufacturing and related logistical services	\$ 747,303	\$ —	\$ —	\$ 747,303
Ecoproducts	107,190	—	—	107,190
Environmental systems for aluminum dross and scrap processing	16,703	—	—	16,703
Railway track maintenance equipment	—	—	79,535	79,535
After-market parts and services; safety and diagnostic technology	—	—	89,502	89,502
Railway contracting services	—	—	44,778	44,778
Hazardous waste processing solutions	—	581,341	—	581,341
Soil and dredged materials processing and reuse solutions	—	117,585	—	117,585
Total Revenues	\$ 871,196	\$ 698,926	\$ 213,815	\$ 1,783,937

(In thousands)	Nine Months Ended September 30, 2023			
	Harsco Environmental Segment	Clean Earth Segment	Harsco Rail Segment	Consolidated Totals
Primary Geographical Markets (a):				
North America	\$ 238,617	\$ 691,750	\$ 163,934	\$ 1,094,301
Western Europe	318,177	—	44,858	363,035
Latin America (b)	127,486	—	1,865	129,351
Asia-Pacific	87,087	—	15,623	102,710
Middle East and Africa	62,195	—	—	62,195
Eastern Europe	15,097	—	—	15,097
Total Revenues	<u>\$ 848,659</u>	<u>\$ 691,750</u>	<u>\$ 226,280</u>	<u>\$ 1,766,689</u>
Key Product and Service Groups:				
Environmental services related to resource recovery for metals manufacturing and related logistical services	\$ 706,273	\$ —	\$ —	\$ 706,273
Ecoproducts	122,747	—	—	122,747
Environmental systems for aluminum dross and scrap processing	19,639	—	—	19,639
Railway track maintenance equipment	—	—	98,771	98,771
After-market parts and services; safety and diagnostic technology	—	—	93,633	93,633
Railway contracting services	—	—	33,876	33,876
Hazardous waste processing solutions	—	578,545	—	578,545
Soil and dredged materials processing and reuse solutions	—	113,205	—	113,205
Total Revenues	<u>\$ 848,659</u>	<u>\$ 691,750</u>	<u>\$ 226,280</u>	<u>\$ 1,766,689</u>

(a) Revenues are attributed to individual countries based on the location of the facility generating the revenue.

(b) Includes Mexico.

The Company may receive payments in advance of earning revenue (advances on contracts), which are included in Current portion of advances on contracts and Other liabilities on the Condensed Consolidated Balance Sheets. The Company may recognize revenue in advance of being able to contractually invoice the customer (contract assets), which is included in Current portion of contract assets and Other assets on the Condensed Consolidated Balance Sheets.

Contract assets are transferred to Trade accounts receivable, net, when the right to payment becomes unconditional. Contract assets and advances on contracts are reported as a net position, on a contract-by-contract basis, at the end of each reporting period. These instances are primarily related to Rail.

The Company had contract assets totaling \$107.9 million and \$86.9 million at September 30, 2024 and December 31, 2023, respectively. The Company had advances on contracts totaling \$28.3 million and \$38.6 million at September 30, 2024 and December 31, 2023, respectively. During the three and nine months ended September 30, 2024, the Company recognized \$4.8 million and \$25.3 million, respectively, of revenue related to amounts previously included in advances on contracts. During the three and nine months ended September 30, 2023, the Company recognized revenues of \$13.3 million and \$35.8 million, respectively, related to amounts previously included in advances on contracts.

At September 30, 2024, HE had remaining, fixed, unsatisfied performance obligations where the expected contract duration exceeds one year totaling \$73.7 million. Of this amount, \$21.7 million is expected to be fulfilled by September 30, 2025, \$17.7 million by September 30, 2026, \$14.1 million by September 30, 2027, \$11.8 million by September 30, 2028 and the remainder thereafter. These amounts exclude any variable fees, fixed fees subject to indexation and any performance obligations expected to be satisfied within one year.

At September 30, 2024, Rail had remaining, fixed, unsatisfied performance obligations where the expected contract duration exceeds one year totaling \$119.0 million. Of this amount, \$54.9 million is expected to be fulfilled by September 30, 2025, \$27.3 million by September 30, 2026, \$21.0 million by September 30, 2027, \$6.9 million by September 30, 2028 and the remainder thereafter. These amounts exclude any variable fees, fixed fees subject to indexation and any performance obligations expected to be satisfied within one year.

Rail is currently manufacturing highly-engineered equipment under large long-term fixed-price contracts with SBB, Network Rail, and Deutsche Bahn. As previously disclosed, the Company recognized estimated forward loss provisions in 2021, 2022 and 2023 related to these contracts due to several factors, such as material and labor cost inflation, supply chain delays, the bankruptcy of a key vendor and increased engineering efforts.

For the Network Rail contract, the Company recorded an additional loss provision of \$11.2 million in the third quarter of 2024, primarily related to delays in the estimated delivery of the machines and increased engineering and manufacturing costs primarily as a result of design changes. For the nine months ended September 30, 2024, the forward loss provision totaled \$13.3 million. It is possible there may be additional delays in the project requiring additional costs to be recorded in the future, which could have a material impact on the Company's results in that period. During the nine months ended September 30, 2023, the Company reversed a portion of its previous estimated loss provision adjustment in the amount of \$23.5 million. The favorable adjustment was the result of an amendment to the contract with Network Rail which extended the delivery schedule for the machines and reduced the estimate of liquidated damages. The majority of the reduction in liquidated damages was recorded as an increase to revenue and contract assets. Partially offsetting this were higher estimated material, engineering and labor costs due to additional experience gained during the manufacturing process.

For the Deutsche Bahn contract, the Company recorded an additional loss provision of \$7.2 million during the nine months ended September 30, 2024 related to supplier price increases, challenges with supplier quality on key components and increased engineering efforts that exceeded previous estimates. During the third quarter of 2023, the Company recorded an additional forward loss provision of \$2.4 million. For the nine months ended September 30, 2023, the forward loss provision totaled \$10.8 million. The additional loss provisions were due to increased costs related to a critical supplier that had filed for bankruptcy in 2022 and ceased operations during the second quarter of 2023, as well as an increase in estimated component costs and engineering costs.

For the SBB contract, during the third quarter of 2024, the Company recorded a favorable adjustment of \$0.7 million. For the nine months ended September 30, 2024, the net reduction totaled \$0.5 million. For the nine months ended September 30, 2023, the Company recorded an additional forward loss provision of \$6.1 million due to increased costs related to estimates for material, engineering and commissioning costs for the remaining vehicles.

The estimated forward loss provisions represent the Company's best estimate based on currently available information. It is possible that the Company's overall estimate of liquidated damages, penalties and costs to complete these contracts may change, which could result in an additional estimated forward loss provision at such time that could be material. The Company will continue to update its estimates to complete these contracts, which will include the effect of negotiations with the customers regarding price increases, change orders and extensions to delivery schedules.

As of September 30, 2024, the contracts with Network Rail, Deutsche Bahn and SBB are 63%, 46% and 90% complete, respectively, based on costs incurred.

The Company provides assurance type warranties primarily for product sales at Rail. These warranties are typically not priced or negotiated separately (there is no option to separately purchase the warranty) or the warranty does not provide customers with a service in addition to the assurance that the product complies with agreed-upon specifications. Accordingly, such warranties do not represent separate performance obligations.

17. Other Expense (Income), Net

The major components of this Condensed Consolidated Statements of Operations caption were as follows:

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Employee termination benefit costs	\$ 1,316	\$ 1,210	\$ 5,926	\$ 1,377
Other costs (income) for exit activities ^(a)	518	1,182	1,405	(6,306)
Impaired asset write-downs	753	88	5,365	88
Net gains on sale of assets	(2,547)	(20)	(6,096)	(250)
Other	—	405	—	1,039
Other (income) expenses, net	\$ 40	\$ 2,865	\$ 6,600	\$ (4,052)

(a) The nine months ended September 30, 2023 included a \$9.8 million net gain recognized related to a lease modification that resulted in lease incentive for the Company to relocate an HE site prior to the end of the expected lease term.

18. Components of Accumulated Other Comprehensive Loss

AOCI is included on the Condensed Consolidated Statements of Stockholders' Equity. The components of AOCI, net of the effect of income taxes, and activity for the nine months ended September 30, 2023 and 2024 were as follows:

(In thousands)	Components of AOCI, Net of Tax				Total
	Cumulative Foreign Exchange Translation Adjustments	Effective Portion of Derivatives Designated as Hedging Instruments	Cumulative Unrecognized Actuarial Losses on Pension Obligations	Unrealized Gain (Loss) on Marketable Securities	
Balance at December 31, 2022	\$ (213,104)	\$ 157	\$ (354,699)	\$ 10	\$ (567,636)
OCI before reclassifications	1,902 ^(a)	3,671 ^(b)	(3,433) ^(a)	2	2,142
Amounts reclassified from AOCI, net of tax	—	(547)	13,651	—	13,104
Total OCI	1,902	3,124	10,218	2	15,246
Less: OCI attributable to noncontrolling interests	2,056	—	—	—	2,056
OCI attributable to Enviri Corporation	3,958	3,124	10,218	2	17,302
Balance at September 30, 2023	\$ (209,146)	\$ 3,281	\$ (344,481)	\$ 12	\$ (550,334)

(In thousands)	Components of AOCI, Net of Tax				Total
	Cumulative Foreign Exchange Translation Adjustments	Effective Portion of Derivatives Designated as Hedging Instruments	Cumulative Unrecognized Actuarial Losses on Pension Obligations	Unrealized Gain (Loss) on Marketable Securities	
Balance at December 31, 2023	\$ (183,499)	\$ (470)	\$ (355,740)	\$ 15	\$ (539,694)
OCI before reclassifications	(4,355) ^(a)	304 ^(b)	(13,832) ^(a)	5	(17,878)
Amounts reclassified from AOCI, net of tax	—	(1,983)	14,160	—	12,177
Total OCI	(4,355)	(1,679)	328	5	(5,701)
Less: OCI attributable to noncontrolling interests	(225)	—	—	—	(225)
OCI attributable to Enviri Corporation	(4,580)	(1,679)	328	5	(5,926)
Balance at September 30, 2024	\$ (188,079)	\$ (2,149)	\$ (355,412)	\$ 20	\$ (545,620)

(a) Principally foreign currency fluctuation.

(b) Net change from periodic revaluations.

Amounts reclassified from AOCI were as follows:

(In thousands)	Three Months Ended		Nine Months Ended		Location on the Condensed Consolidated Statements of Operations
	September 30		September 30		
	2024	2023	2024	2023	
Amortization of cash flow hedging instruments:					
Foreign currency exchange forward contracts	\$ 541	\$ (270)	\$ 44	\$ 1,007	Product revenues
Interest rate swaps	(866)	(825)	(2,619)	(1,690)	Interest expense
Total before income taxes	(325)	(1,095)	(2,575)	(683)	
Income taxes	63	229	592	136	
Total reclassification of cash flow hedging instruments, net of tax	\$ (262)	\$ (866)	\$ (1,983)	\$ (547)	
Amortization of defined benefit pension items (c):					
Actuarial losses	\$ 4,909	\$ 4,783	\$ 14,594	\$ 14,183	Defined benefit pension income (expense)
Prior service costs	119	116	354	345	Defined benefit pension income (expense)
Total before income taxes	5,028	4,899	14,948	14,528	
Income taxes	(263)	(292)	(788)	(877)	
Total reclassification of defined benefit pension items, net of tax	\$ 4,765	\$ 4,607	\$ 14,160	\$ 13,651	

(c) These AOCI components are included in the computation of net periodic pension costs. See Note 10, Employee Benefit Plans, for additional details.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the accompanying unaudited condensed consolidated financial statements as well as the audited consolidated financial statements of the Company, including the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 which includes additional information about the Company's critical accounting policies, contractual obligations, practices and the transactions that support the financial results, and provides a more comprehensive summary of the Company's outlook, trends and strategies for 2024 and beyond.

Forward-Looking Statements

The nature of the Company's business, together with the number of 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 "Exchange Act"), 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", "contemplate", "project", "target" 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) the Company's ability to successfully enter into new contracts and complete new acquisitions, divestitures, or strategic ventures in the time-frame contemplated or at all, including the Company's ability to divest the Rail business in the future;
- (2) the Company's inability to comply with applicable environmental laws and regulations;
- (3) the Company's inability to obtain, renew, or maintain compliance with its operating permits or license agreements;
- (4) various economic, business, and regulatory risks associated with the waste management industry;
- (5) the seasonal nature of the Company's business;
- (6) risks caused by customer concentration, the long-term nature of customer contracts, and the competitive nature of the industries in which the Company operates;

- (7) the outcome of any disputes with customers, contractors and subcontractors;
- (8) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged or have inadequate liquidity) to maintain their credit availability;
- (9) higher than expected claims under the Company's insurance policies, or losses that are uninsurable or that exceed existing insurance coverage;
- (10) market and competitive changes, including pricing pressures, market demand and acceptance for new products, services and technologies; changes in currency exchange rates, interest rates, commodity and fuel costs and capital costs;
- (11) the Company's ability to negotiate, complete, and integrate strategic transactions and joint ventures with strategic partners;
- (12) the Company's ability to effectively retain key management and employees, including due to unanticipated changes to demand for the Company's services, disruptions associated with labor disputes, and increased operating costs associated with union organizations;
- (13) 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;
- (14) failure to effectively prevent, detect or recover from breaches in the Company's cybersecurity infrastructure;
- (15) changes in the worldwide business environment in which the Company operates, including changes in general economic and industry conditions and cyclical slowdowns;
- (16) fluctuations in exchange rates between the U.S. dollar and other currencies in which the Company conducts business;
- (17) unforeseen business disruptions in one or more of the many countries in which the Company operates due to changes in economic conditions, changes in governmental laws and regulations, including environmental, occupational health and safety, tax and import tariff standards and amounts; political instability, civil disobedience, armed hostilities, public health issues or other calamities;
- (18) liability for and implementation of environmental remediation matters;
- (19) product liability and warranty claims associated with the Company's operations;
- (20) the Company's ability to comply with financial covenants and obligations to financial counterparties;
- (21) the Company's outstanding indebtedness and exposure to derivative financial instruments that may be impacted by, among other factors, changes in interest rates;
- (22) tax liabilities and changes in tax laws;
- (23) 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;
- (24) risk and uncertainty associated with intangible assets; and
- (25) the 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, 2023. 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.

Executive Overview

The Company is a market-leading, global provider of environmental solutions for industrial, retail and medical waste streams. The name and brand identity of Enviri reflect the Company's transformation over the past four years into an environmental solutions company that provides services to manage, recycle and beneficially reuse waste and byproduct materials across many industries. The Company has locations in approximately 30 countries, including the U.S. The Company was incorporated in 1956.

The Company's operations consist of three reportable segments: Harsco Environmental, Clean Earth and Harsco Rail. HE operates primarily under long-term contracts, providing critical environmental services and material processing to the global steel and metals industries, including zero waste solutions for manufacturing byproducts within the metals industry. CE provides specialty waste processing, treatment, recycling and beneficial reuse solutions for customers in the industrial, retail, healthcare and construction industries across a variety of waste needs, including hazardous, non-hazardous and contaminated soils and dredged materials. Rail is a provider of highly engineered maintenance equipment, after-market parts and safety and diagnostic systems and contracting solutions, which support railroad and transit customers worldwide.

The Company's Consolidated Financial Statements previously included the operating results of Rail as discontinued operations in the Consolidated Statements of Operations and the carrying value of the assets and liabilities of Rail were previously classified as Assets held-for-sale and Liabilities of assets held-for sale on the Consolidated Balance Sheets. However, since the sales process was paused and the held-for-sale criteria were no longer met as of March 31, 2024, Rail's operating results have been reclassified to continuing operations in the Consolidated Statements of Operations and its assets and liabilities have been reclassified to held-and-used in the Consolidated Balance Sheets for all periods presented.

As part of its asset sale goal, the Company completed the sale of Reed on August 29, 2024. Together with the sale of Performix during the second quarter of 2024, the Company has recognized \$57.7 million of proceeds from the sale of businesses during the nine months ended September 30, 2024. Refer to Note 3, Discontinued Operations and Dispositions in Part I, Item 1, Financial Statements for more information related to these transactions.

In September 2024, the Company amended its Senior Secured Credit Facilities to, among other things, extend the term of the Revolving Credit Facility to September 5, 2029, adjust the limit to \$625.0 million and increase certain levels of its net debt to consolidated adjusted EBITDA ratio. In addition, the Company retained \$50.0 million of its existing revolving commitments which mature on March 10, 2026. Refer to Note 9, Debt and Credit Agreements in Part I, Item 1, Financial Statements for more information related to this amendment.

In October 2024, the Company renewed the AR Facility for a three-year term expiring in October 2027. This facility is discussed further in Note 4, Accounts Receivable and Note Receivable in Part I, Item 1, Financial Statements.

The Company maintains a positive long-term outlook across the Company supported by favorable underlying growth characteristics in its businesses and investments by the Company to further supplement growth. The Company's view for 2024 and beyond is supported by the below factors, which should be considered in the context of other risks, trends and strategies in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

- HE: 2024 operating results are expected to decrease when compared with 2023 results, as the impact of foreign currency, the sale of certain operating businesses, including Performix and Reed, lower commodity prices and site exits or closures are expected to be only partially offset by higher service pricing, net of inflation, as well as operational improvement initiatives and higher environmental services demand at certain sites, including those linked to growth investments and new contracts. The global steel market has experienced a period of volatility in the recent past due to the Russia-Ukraine conflict and the resulting energy crisis in Europe, as well as inventory management through the steel industry supply-chain and a change to the economic conditions due to rising interest rates. Underlying business conditions are expected to stabilize in the future and, over the longer term, the Company expects HE to grow as a result of economic growth that supports higher global steel consumption, as well as investments and innovation that support the environmental solutions needs of customers.
- CE: 2024 operating results are anticipated to improve compared to 2023 as a result of higher services pricing, net of inflation, cost and operational improvements and an increase in environmental services demand across certain end-markets. These benefits will be partially offset by certain favorable items, including the settlement of a pricing dispute with a customer, that occurred in 2023 and are not expected to repeat in 2024. Longer-term, the Company expects this segment to benefit from positive underlying market trends, supported by increased environmental regulation, further growth opportunities, lower-than-peer capital requirements and its attractive asset position, as well as from the less cyclical and more recurring nature of this business.

- Rail: 2024 operating results, exclusive of the remeasurement of long-lived asset charge and the estimated forward loss provisions for the Network Rail, Deutsche Bahn and SBB contracts, are expected to improve from the prior year, as a result of higher global demand for rail maintenance equipment, technology products and contracted services. These benefits will be partially offset by lower contributions from after-market parts, resulting from lower volumes and a less favorable product mix. More broadly, Rail is supported by a strong backlog and the longer-term outlook for this business remains positive, supported by future infrastructure investments, economic development in emerging economies, rail electrification in certain geographies, safety awareness and automation.

Results of Operations

Amounts included in this Part I. Item 2. Results of Operations are rounded in millions and all percentages are calculated on actual amounts. As a result, minor differences may exist due to rounding.

Segment Results

(in millions, except percentages)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Revenues:				
Harsco Environmental	\$ 279.1	\$ 285.9	\$ 871.2	\$ 848.7
Clean Earth	236.8	238.7	698.9	691.8
Harsco Rail	57.7	72.4	213.8	226.3
Total Revenues	\$ 573.6	\$ 597.0	\$ 1,783.9	\$ 1,766.7
Operating income (loss):				
Harsco Environmental	\$ 33.2	\$ 17.9	\$ 73.1	\$ 52.9
Clean Earth	26.8	21.5	71.3	61.0
Harsco Rail	(14.1)	(1.0)	(26.3)	10.3
Corporate	(8.5)	(9.6)	(23.7)	(29.8)
Total operating income (loss)	\$ 37.4	\$ 28.8	\$ 94.4	\$ 94.4
Operating margin:				
Harsco Environmental	11.9 %	6.2 %	8.4 %	6.2 %
Clean Earth	11.3 %	9.0 %	10.2 %	8.8 %
Harsco Rail	(24.4)%	(1.4)%	(12.3)%	4.5 %
Consolidated operating margin	6.5 %	4.8 %	5.3 %	5.3 %

Harsco Environmental Segment:

Significant Effects on Revenues (in millions)	Three Months Ended	Nine Months Ended
Revenues — September 30, 2023	\$ 285.9	\$ 848.7
Net effects of price/volume changes, primarily attributable to volume changes and services mix	21.3	61.1
Net impact of new and lost contracts	(6.3)	0.4
Impact of divestitures	(15.4)	(22.6)
Impact of foreign currency translation	(6.4)	(16.4)
Revenues — September 30, 2024	\$ 279.1	\$ 871.2

The following factors contributed to the changes in operating income during the three and nine months ended September 30, 2024.

Factors Positively Affecting Operating Income:

- Higher revenues from environmental service contracts during the three and nine months ended September 30, 2024, partially due to higher overall service levels at certain sites, as well as revenues from new contracts, when compared to the prior year, partially offset by higher operating costs at certain sites.
- Net gains of \$8.2 million and \$10.0 million recognized during the three and nine months ended September 30, 2024, respectively, related to the divestitures of Reed and Performix.

- The prior year's operating income included an impairment charge of \$14.1 million recorded during the nine months ended September 30, 2023 related to abandoned equipment at an HE site in China, compared to asset impairment charges totaling \$5.3 million recorded during the nine months ended September 30, 2024, primarily related to the loss of a customer contract in Europe.
- An accounts receivable provision of \$5.3 million was recorded during the three and nine months ended September 30, 2023 related to a customer in the Middle East that had idled operations.

Factors Negatively Impacting Operating Income:

- The nine months ended September 30, 2023 included a \$9.8 million net gain related to a lease modification that resulted in a lease incentive for a site relocation in the U.S., offset by relocation costs incurred, which did not repeat in the nine months ended September 30, 2024.
- Higher selling, general and administrative expenses ("SG&A") of \$2.5 million and \$8.1 million during the three and nine months ended September 30, 2024, respectively, including an increase in the provision for expected credit losses of \$1.6 million and \$2.1 million for the three and nine months ended September 30, 2024, respectively, which excludes the \$5.3 million accounts receivable provision in 2023.
- The impact of foreign currency translation decreased operating income by \$1.4 million and \$4.2 million during the three and nine months ended September 30, 2024, respectively, when compared to the prior periods.

Clean Earth Segment:

Significant Effects on Revenues (in millions)	Three Months Ended	Nine Months Ended
Revenues — September 30, 2023	\$ 238.7	\$ 691.8
Net effects of price/volume changes, primarily attributable to pricing changes	(1.9)	13.1
Impact of pricing settlement	—	(6.0)
Revenues — September 30, 2024	\$ 236.8	\$ 698.9

The following factors contributed to the changes in operating income during the three and nine months ended September 30, 2024.

Factors Positively Affecting Operating Income:

- Favorable changes in revenues attributable to the hazardous waste business of \$1.2 million and \$15.0 million for the three and nine months ended September 30, 2024, respectively, when compared to the three and nine months ended September 30, 2023, which are primarily related to pricing and mix, including hazardous soil projects, and operational cost reduction initiatives, partially offset by decreased revenues from reduced volumes from certain industries and cost increases as a result of inflation, primarily from labor costs, during the three and nine months ended September 30, 2024.
- Higher volumes processed in the soil and dredged materials business at certain sites, net of lower volumes at certain sites, led to a net increase in operating income of \$0.5 million and \$2.4 million during the three and nine months ended September 30, 2024, respectively, when compared to the three and nine months ended September 30, 2023.
- SG&A decreased \$3.5 million and \$0.6 million during the three and nine months ended September 30, 2024 from the same periods in 2023, mainly as a result of favorable adjustments to the Company's provision for expected credit losses recorded during 2024 and a reserve for a legal settlement in the third quarter of 2023, offset by higher compensation costs and professional fees incurred during the three and nine months ended September 30, 2024.

Factors Negatively Impacting Operating Income:

- The prior year's operating income was impacted by \$6.0 million related to the settlement of a pricing dispute over services performed in prior periods in the hazardous waste business recognized during the nine months ended September 30, 2023, which did not recur in the nine months ended September 30, 2024.

Harsco Rail Segment:

Significant Effects on Revenue (in millions)	Three Months		Nine Months Ended
	Ended		
Revenues — September 30, 2023	\$	72.4	\$ 226.3
Net effect of price/volume changes, primarily attributable to volume changes		(9.9)	7.5
Change in revenue adjustments as a result of certain estimated forward loss provisions ^(a)		(5.4)	(20.4)
Impact of foreign currency translation		0.6	0.4
Revenues — September 30, 2024	\$	57.7	\$ 213.8

(a) Includes principally Network Rail, Deutsche Bahn and SBB contracts.

The following factors contributed to the changes in operating income (loss) during the three and nine months ended September 30, 2024.

Factors Positively Affecting Operating Income:

- A favorable mix from the sale of rail track maintenance equipment, exclusive of the long-term contracts with Network Rail, Deutsche Bahn and SBB, of \$3.5 million during the nine months ended September 30, 2024, compared to the nine months ended September 30, 2023.
- An increase from the prior year of \$3.3 million from railway contracting services during the nine months ended September 30, 2024.
- Favorable mix and volume from the sale of safety and diagnostics technology systems which resulted in an increase of \$2.2 million during the nine months ended September 30, 2024 from the same period in 2023.

Factors Negatively Impacting Operating Income:

- An unfavorable net change in forward estimated loss provisions during the three and nine months ended September 30, 2024 of \$7.7 million and \$24.1 million, respectively, related principally to the Company's long-term contracts with Network Rail, Deutsche Bahn and SBB, when compared to the three and nine months ended September 30, 2023. See Note 16, Revenues in Part I, Financial Statements for further discussion.
- The nine months ended September 30, 2024 includes a charge for the remeasurement of long-lived assets for \$10.7 million related to the depreciation and amortization expense that would have been recognized during the periods that Rail's assets were classified as held-for-sale, had the assets been continuously classified as held-for-use.
- An unfavorable mix of after-market part sales for the three and nine months ended September 30, 2024 that resulted in a decrease of operating income of \$0.4 million and \$4.6 million, respectively, when compared to the same periods in the prior year.
- SG&A increased by \$1.7 million and \$4.6 million during the three and nine months ended September 30, 2024, when compared to the three and nine months ended September 30, 2023, primarily from higher compensation costs and agent commission fees.

General Corporate:

Operating income (loss) from continuing operations for the nine months ended September 30, 2024 was also positively impacted by a \$3.3 million net gain on sale of assets contributed by Corporate.

Consolidated Results

(in millions, except per share amounts and percentages)	September 30			
	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
Total revenues	\$ 573.6	\$ 597.0	\$ 1,783.9	\$ 1,766.7
Cost of services and products sold	454.7	470.9	1,413.2	1,397.7
Selling, general and administrative expenses	89.2	93.5	266.8	262.2
Research and development expenses	0.9	0.9	2.7	2.4
Property, plant and equipment impairment charge	—	—	—	14.1
Remeasurement of long-lived assets	—	—	10.7	—
Gain on sale of businesses, net	(8.6)	—	(10.5)	—
Other expense (income), net	—	2.9	6.6	(4.1)
Operating income (loss) from continuing operations	37.4	28.8	94.4	94.4
Interest income	1.0	1.7	6.1	4.8
Interest expense	(28.8)	(27.6)	(84.9)	(79.0)
Facility fees and debt-related income (expense)	(3.0)	(2.8)	(8.7)	(7.9)
Defined benefit pension income (expense)	(4.3)	(5.4)	(12.6)	(16.2)
Income (loss) from continuing operations before income taxes and equity income	2.3	(5.3)	(5.6)	(3.9)
Income tax benefit (expense) from continuing operations	(13.4)	(3.5)	(31.4)	(26.8)
Equity income (loss) of unconsolidated entities, net	—	(0.2)	(0.1)	(0.6)
Income (loss) from continuing operations	(11.1)	(9.0)	(37.1)	(31.3)
Income (loss) from discontinued businesses	(1.6)	(1.5)	(4.3)	(4.4)
Income tax benefit (expense) related to discontinued operations	0.4	0.4	1.1	1.1
Income (loss) from discontinued operations, net of tax	(1.2)	(1.1)	(3.2)	(3.2)
Net income (loss)	(12.3)	(10.1)	(40.2)	(34.5)
Total other comprehensive income (loss)	8.2	(6.3)	(5.7)	15.2
Total comprehensive income (loss)	(4.1)	(16.4)	(45.9)	(19.3)
Diluted earnings (loss) per common share from continuing operations attributable to Enviri Corporation common stockholders	\$ (0.15)	\$ (0.12)	\$ (0.52)	\$ (0.36)
Effective income tax rate for continuing operations	583.0 %	(65.9)%	(560.0)%	(696.2)%

Comparative Analysis of Consolidated Results

Total Revenues

Revenues for the three months ended September 30, 2024 decreased by \$23.3 million, or 3.9%, from the three months ended September 30, 2023. Revenues for the nine months ended September 30, 2024 increased by \$17.2 million, or 1.0%, from the nine months ended September 30, 2023. Foreign currency translation decreased revenues by \$5.8 million and \$16.0 million for the three and nine months ended September 30, 2024, respectively, compared with the same periods in the prior year. Refer to the discussion of segment results above for information pertaining to factors positively affecting and negatively impacting revenues.

Cost of Services and Products Sold

Cost of services and products sold for the three months ended September 30, 2024 decreased \$16.2 million, or 3.4%, from the three months ended September 30, 2023. Cost of services and products sold for the nine months ended September 30, 2024 increased by \$15.6 million, or 1.1%, from the nine months ended September 30, 2023. The changes in cost of services and products sold were attributable to the following significant items:

(in millions)	September 30, 2024	
	Three Months Ended	Nine Months Ended
Change in costs due to changes in revenue volume and mix	\$ (17.2)	\$ 10.1
Changes in costs from depreciation expense	3.3	10.4
Impact of foreign currency translation	(4.6)	(12.4)
Other	2.3	7.5
Total change in cost of services and products sold — 2024 vs. 2023	\$ (16.2)	\$ 15.6

Selling, General and Administrative Expenses

SG&A decreased for the three months ended September 30, 2024 by \$4.3 million, or 4.6%, from the three months ended September 30, 2023. The three months ended September 30, 2024 included a \$7.4 million decrease in the Company's provision for expected credit losses, mainly driven by HE and CE, partially offset by higher compensation costs of \$3.5 million from HE, CE and Rail, when compared to the three months ended September 30, 2023.

SG&A for the nine months ended September 30, 2024 increased by \$4.6 million, or 1.7%, from September 30, 2023. This increase was primarily due to higher compensation costs of \$7.4 million, contributed mostly by CE, HE and Rail, as well as a \$7.1 million increase in professional fees, contributed mainly by CE and Corporate, partially offset by SG&A decreases of \$7.3 million related to changes in the Company's provision for expected credit losses in CE and HE and a \$2.0 million legal settlement related to CE in 2023, not repeated in 2024.

Property, Plant and Equipment Impairment Charge

During the three months ended June 30, 2023, the Company recorded an impairment charge of \$14.1 million in the HE segment. No such charge was recorded during the three and nine months ended September 30, 2024. See Note 6, Property, Plant and Equipment in Part I, Financial Statements for further discussion regarding the impairment.

Remeasurement of Long-Lived Assets

During the nine months ended September 30, 2024, the Company recorded \$10.7 million in depreciation and amortization expense for Rail's property, plant and equipment and intangible assets that were previously classified in Assets held-for-sale and have been reclassified into its respective caption for assets-held-for-use on the Company's Consolidated Balance Sheets. This amount includes all of the depreciation and amortization expense that would have been recognized during the periods that these assets were classified as held-for-sale.

See Note 3, Discontinued Operations and Dispositions in Part I, Financial Statements for further discussion.

Gain on Sale of Businesses, Net

During the three and nine months ended September 30, 2024, the Company recorded net pre-tax gains of \$8.6 million and \$10.5 million, respectively, related to the dispositions of Reed on August 29, 2024 and Performix on April 1, 2024. See Note 3, Discontinued Operations and Dispositions in Part I, Financial Statements for further discussion.

Other (Income) Expenses, Net

The major components of this Condensed Consolidated Statements of Operations caption are as follows:

(In thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Employee termination benefit costs	\$ 1,316	\$ 1,210	\$ 5,926	\$ 1,377
Other (income) costs for exit activities ^(a)	518	1,182	1,405	(6,306)
Impaired asset write-downs	753	88	5,365	88
Net gains on sale of assets	(2,547)	(20)	(6,096)	(250)
Other	—	405	—	1,039
Other (income) expenses, net	\$ 40	\$ 2,865	\$ 6,600	\$ (4,052)

(a) Included a \$9.8 million net gain related to a lease modification that resulted in a lease incentive to the Company during the nine months ended September 30, 2023, as discussed above in the HE segment results.

Interest Expense

Interest expense during the three and nine months ended September 30, 2024 increased by \$1.3 million and \$5.9 million, respectively, compared with the three and nine months ended September 30, 2023. This increase is mainly driven by higher average borrowings during the nine months ended September 30, 2024 from the Company's Senior Secured Credit Facilities and finance leases, when compared to the nine months ended September 30, 2023.

Interest Income

Interest income was \$1.0 million and \$6.1 million for the three and nine months ended September 30, 2024, respectively, compared to \$1.7 million and \$4.8 million for the three and nine months ended September 30, 2023, respectively. The nine months ended September 30, 2024 included a \$2.7 million pre-tax gain recognized from the settlement the Company's note receivable from the buyer of IKG, which was settled in April 2024. No such income was received during the nine months ended September 30, 2023. See Note 4, Accounts Receivable and Notes Receivable, in Part I, Item 1, Financial Statements for additional details.

Facility Fees and Debt-Related Income (Expense)

The Company recognized facility fee expense mostly related to the Company's AR Facility of \$3.0 million and \$8.7 million during the three and nine months ended September 30, 2024, respectively, compared to \$2.8 million and \$7.9 million recognized during the three and nine months 2023, respectively. See Note 9, Debt and Credit Agreements, in Part I, Item 1, Financial Statements.

Defined Benefit Pension Income (Expense)

Defined benefit pension expense was \$4.3 million and \$5.4 million for the three months ended September 30, 2024 and 2023, respectively. Defined benefit pension expense was \$12.6 million and \$16.2 million for the nine months ended September 30, 2024 and 2023, respectively. This expense decrease is primarily related to a higher expected return on plan assets in the current year, compared to 2023, due to higher plan asset balances at December 31, 2023.

Income Tax Expense

Income tax expense from continuing operations for the three and nine months ended September 30, 2024 was \$13.4 million and \$31.4 million, respectively, compared to \$3.5 million and \$26.8 million for the three and nine months ended September 30, 2023, respectively. The increase in income tax expense during the three months ended September 30, 2024 primarily includes \$5.7 million of tax expense related to the net gain from the Reed divestiture, the increased disallowed interest expense in the U.S. resulting from reduced income, the withholding tax on cash repatriation in certain foreign jurisdictions, as well as a change in the geographical mix of income, partially offset by a tax benefit resulting from an \$11.2 million additional estimated forward loss provision recorded for Rail's Network Rail contract.

The income tax expense increase during the nine months ended September 30, 2024 primarily includes \$5.7 million of tax expense related to the net gain from the Reed divestiture, the increased disallowed interest expense in the U.S. resulting from reduced income, the withholding tax on cash repatriation in certain foreign jurisdictions, as well as a change in the geographical mix of income, partially offset by the net tax benefit resulting from the year-over-year change in the forward loss provision recorded for Rail's Network Rail contract of \$36.8 million and a \$3.7 million valuation allowance for a deferred tax asset in a certain foreign jurisdiction in 2023, not recurring in 2024.

Income (Loss) from Continuing Operations

Loss from continuing operations was \$11.1 million and \$37.1 million for the three and nine months ended September 30, 2024, respectively, and \$9.0 million and \$31.3 million for the three and nine months ended September 30, 2023, respectively. The primary drivers for these changes are noted above.

Income (Loss) from Discontinued Businesses

The Company has incurred incremental costs that are directly attributable to retained contingent liabilities of previously disposed businesses and are included in Income (loss) from discontinued businesses.

Total Other Comprehensive Income (Loss)

Total other comprehensive income (loss) was \$8.2 million and \$(5.7) million for the three and nine months ended September 30, 2024, respectively, compared to other comprehensive income (loss) of \$(6.3) million and \$15.2 million for the three and nine months ended September 30, 2023, respectively. The primary driver of this change was the fluctuation of the U.S. dollar against certain currencies during the three and nine months ended September 30, 2024, inclusive of the impact of foreign currency translation of cumulative unrecognized actuarial losses on the Company's pension obligations.

Liquidity and Capital Resources

Cash Flow Summary

The Company currently expects to have sufficient financial liquidity and borrowing capacity to support the strategies within each of its businesses and its current operating and debt service needs. The Company currently expects operational and business needs to be met by cash provided by operations, supplemented with borrowings from time to time, principally under the Senior Secured Credit Facilities. The Company supplements the cash provided by operations with borrowings from time to time due to historical patterns of seasonal cash flow and the funding of various projects. The Company regularly assesses capital needs in the context of operational trends and strategic initiatives.

The Company's cash flows from operating, investing and financing activities, as reflected on the Condensed Consolidated Statements of Cash Flows, are summarized in the following table:

(In millions)	Nine Months Ended September 30	
	2024	2023
Net cash provided (used) by:		
Operating activities	\$ 41.8	\$ 46.2
Investing activities	(22.2)	(78.3)
Financing activities	(22.4)	49.9
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	(8.6)	(4.2)
Net change in cash and cash equivalents, including restricted cash	\$ (11.5)	\$ 13.6

Net cash (used) provided by operating activities — Net cash provided by operating activities in the nine months ended September 30, 2024 was \$41.8 million, a decrease in cash flows of \$4.4 million from the nine months ended September 30, 2023, primarily as a result of lower cash net income during the nine months ended September 30, 2024, offset by a net favorable change in working capital. Favorable working capital changes primarily included the timing of accounts receivable collections and the timing of customer advances related to Rail contracts, partially offset by unfavorable changes principally from increased payments for accrued compensation and increases to contract assets, mainly related to the timing of Rail contracts.

Net cash used by investing activities — Net cash used by investing activities during the nine months ended September 30, 2024 was \$22.2 million, a decrease of \$56.1 million from the cash used during the nine months ended September 30, 2023. The nine months ended September 30, 2024 included total net cash proceeds of \$57.7 million from the sales of Performix in April 2024 and Reed in August 2024, increased payments of \$5.8 million received from the Company's notes receivable and \$10.4 million from the increase in the sale of assets, mainly by HE and Corporate, when compared to the prior year. These cash inflows were offset by increased capital expenditures, principally for CE and Rail, of \$8.5 million and for the change in the settlement of foreign currency forward exchange contracts of \$8.2 million during the nine months ended September 30, 2024, compared to 2023.

Net cash (used) provided by financing activities — Net cash used by financing activities during the nine months ended September 30, 2024 was \$22.4 million, compared to net cash provided by financing activities of \$49.9 million during the nine months ended September 30, 2023. The change was primarily due to net repayments of the Company's net borrowings of \$2.0 million during the nine months ended 2024, compared to net borrowings of \$49.7 million during the nine months ended September 30, 2023, due principally to the changes in operating and investing activities. Net cash used by financing activities during the nine months ended September 30, 2024 also included dividend payments of \$16.0 million made to strategic venture partners for HE.

Effects of exchange rate changes on cash and cash equivalents, including restricted cash — The decrease of \$4.4 million is the result of exchange rate fluctuations due to the impact of the strengthening of the U.S. dollar against certain currencies, primarily the Egyptian pound, during 2024 on the global cash balances held by the Company in these currencies.

Sources and Uses of Cash

The Company's principal sources of liquidity are cash provided by operations on an annual basis and borrowings under the Senior Secured Credit Facilities, augmented by cash proceeds from asset sales. In addition, the Company has other bank credit facilities available throughout the world. The Company expects to continue to utilize all of these sources to meet future cash requirements for operations and growth initiatives.

Summary of Senior Secured Credit Facilities and Notes: (in millions)	September 30 2024	December 31 2023
By type:		
Term Loan	\$ 483.8	\$ 487.5
Revolving Credit Facility	437.0	422.0
5.75% Senior Notes	475.0	475.0
Total	\$ 1,395.8	\$ 1,384.5
By classification:		
Current	\$ 5.0	\$ 5.0
Long-term	1,390.8	1,379.5
Total	\$ 1,395.8	\$ 1,384.5

(In millions)	September 30, 2024			
	Facility Limit	Outstanding Balance	Outstanding Letters of Credit	Available Credit
Revolving credit facility	\$ 675.0 ^(a)	\$ 437.0	\$ 29.9	\$ 208.1

(a) Includes \$625.0 million of new revolving credit commitments scheduled to mature on September 5, 2029 under the September 2024 amendment to the Senior Secured Credit Facilities, in addition to the \$50.0 million retained under the existing revolving credit commitments scheduled to mature on March 10, 2026. Refer to Note 9, Debt and Credit Agreements in Part I, Financial Statements for more information related to this amendment.

Debt Covenants

Under the terms of the September 2024 amendment to the Company's Senior Secured Credit Facilities, the net debt to consolidated adjusted EBITDA ratio covenant is 4.75x for the quarter ended September 30, 2024, and decreases to 4.50x for the quarter ended June 30, 2025, 4.25x for the quarter ended December 31, 2025 and 4.00x thereafter. The Company's required coverage of consolidated interest charges is set at a minimum of 2.75x through the end of 2024 and increases to 3.00x beginning with the first quarter 2025.

At September 30, 2024, the Company was in compliance with these covenants, as the total net debt to Consolidated Adjusted EBITDA ratio was 3.99x and total interest coverage ratio was 3.15x. Based on balances and covenants in effect at September 30, 2024, the Company could increase net debt by \$261.0 million and remain in compliance with these debt covenants. Alternatively, Consolidated Adjusted EBITDA could decrease by \$43.5 million or interest expense could increase by \$15.8 million and the Company would remain in compliance with these covenants at September 30, 2024. The Company believes it will continue to maintain compliance with these covenants based on its current outlook. However, the Company's estimates of compliance with these covenants could change in the future with a deterioration in economic conditions, higher than forecasted interest rate increases, the timing of working capital, including the collection of receivables, an inability to successfully realize increased pricing and implement cost reduction initiatives that mitigate the impacts of inflation and other factors that may adversely impact its compliance with covenants.

AR Facility

The Company maintains a revolving trade receivables securitization facility to accelerate cash flows from trade accounts receivable, which was originally scheduled to mature in June 2025. On October 1, 2024, the maturity date was extended for another three-year term through October 2027. Under the AR Facility, the Company and its designated subsidiaries continuously sell their trade receivables as they are originated to the wholly-owned bankruptcy-remote SPE. The SPE transfers ownership and control of qualifying receivables to PNC up to a maximum purchase commitment of \$150.0 million. No proceeds were received from the AR Facility during the nine months ended September 30, 2024.

Cash Management

The Company has various cash management systems throughout the world that centralize cash in various bank accounts where it is economically justifiable and legally permissible to do so. These centralized cash balances are then redeployed to other operations to reduce short-term borrowings and to finance working capital needs or capital expenditures. Due to the transitory nature of cash balances, they are normally invested in bank deposits that can be withdrawn at will or in very liquid short-term bank time deposits and government obligations. The Company's policy is to use the largest banks in the various countries in which the Company operates. The Company monitors the creditworthiness of banks and, when appropriate, will adjust banking operations to reduce or eliminate exposure to less creditworthy banks.

At September 30, 2024, the Company's consolidated cash and cash equivalents included \$106.7 million held by non-U.S. subsidiaries and approximately 7.4% of the Company's consolidated cash and cash equivalents had regulatory restrictions that would preclude the transfer of funds with and among subsidiaries. Non-U.S. subsidiaries also held \$28.5 million of cash and cash equivalents in consolidated strategic ventures. The strategic venture agreements may require strategic venture partner approval to transfer funds with and among subsidiaries. While the Company's remaining non-U.S. cash and cash equivalents can be transferred with and among subsidiaries, the majority of these non-U.S. cash balances will be used to support the ongoing working capital needs and continued growth of the Company's non-U.S. operations.

Recently Adopted and Recently Issued Accounting Standards

Information on recently adopted and recently issued accounting standards is included in Note 2, Recently Adopted and Recently Issued Accounting Standards, in Part I, Item 1, Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks have not changed significantly from those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2024, an evaluation was performed, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a – 15 under the Securities and Exchange Act of 1934, as amended. Based upon that evaluation, such officers concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports it files or submits under the Securities and Exchange Act of 1934, as amended (1) is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information on legal proceedings is included in Note 12, Commitments and Contingencies, in Part I, Item 1, Financial Statements.

ITEM 1A. RISK FACTORS

The Company's risk factors as of September 30, 2024 have not changed materially from those described in Part 1, Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 5. OTHER INFORMATION

During the three months ended September 30, 2024, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted, modified, or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement for the purchase or sale of securities of the Company, within the meaning of Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

The following exhibits are included as part of this report by reference:

Exhibit Number	Description
10.1	Amendment No. 14 to Third Amended and Restated Credit Agreement, dated as of September 5, 2024, among Enviri Corporation, the Subsidiary Guarantors party thereto, Bank of America, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated September 5, 2024, Commission File Number 001-03970).
10.2	Omnibus Amendment, dated as of October 1, 2024, including the Third Amendment to the Receivables Purchase Agreement, by and among Harsco Receivables LLC, Enviri Corporation, and PNC Bank, National Association, as administrative agent and as a purchaser; and the Third Amendment to the Purchase and Contribution Agreement, by and among Enviri Corporation, the various entities listed as originators, and Harsco Receivables, LLC.* †
31.1	Certification Pursuant to Rule 13a-14(a) or 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chairman, President and Chief Executive Officer).*
31.2	Certification Pursuant to Rule 13a-14(a) or 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).*
32	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chairman, President and Chief Executive Officer and Chief Financial Officer).**
101.Def	Definition Linkbase Document
101.Pre	Presentation Linkbase Document
101.Lab	Labels Linkbase Document
101.Cal	Calculation Linkbase Document
101.Sch	Schema Document
101.Ins	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

† Schedules and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company will furnish copies of any such schedules and attachments to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENVIRI CORPORATION

(Registrant)

DATE October 31, 2024

/s/ TOM VADAKETH

Tom Vadaketh

Senior Vice President and Chief Financial Officer

(On behalf of the registrant and as Principal Financial Officer)

DATE October 31, 2024

/s/ SAMUEL C. FENICE

Samuel C. Fenice

Vice President and Corporate Controller

(Principal Accounting Officer)

OMNIBUS AMENDMENT

This OMNIBUS AMENDMENT (this “Amendment”), dated as of October 1, 2024, is the:

(i) THIRD AMENDMENT TO RECEIVABLES PURCHASE AGREEMENT, among HARSCO RECEIVABLES LLC, as seller (the “Seller”), ENVIRI CORPORATION (F/K/A HARSCO CORPORATION), as initial servicer (in such capacity, the “Servicer”), and PNC BANK, NATIONAL ASSOCIATION (“PNC”), as administrative agent (in such capacity, the “Administrative Agent”) and a purchaser; and

(ii) THIRD AMENDMENT TO PURCHASE AND CONTRIBUTION AGREEMENT, among the Servicer, VARIOUS ENTITIES LISTED ON THE SIGNATURE PAGES HERETO AS ORIGINATORS (each an “Originator”; and collectively, the “Originators”), and HARSCO RECEIVABLES LLC, as buyer (in such capacity, the “Buyer”).

Capitalized terms used but not otherwise defined herein (including such terms used above) have the respective meanings assigned thereto in the Receivables Purchase Agreement described below.

BACKGROUND

A. The Seller, the Servicer, PNC and PNC Capital Markets LLC have entered into that certain Receivables Purchase Agreement, dated as of June 24, 2022 (as may be amended, restated, supplemented or otherwise modified from time to time, the “Receivables Purchase Agreement”);

B. The Servicer, the Originators and the Buyer have entered into that certain Purchase and Contribution Agreement, dated as of June 24, 2022 (as may be amended, restated, supplemented or otherwise modified from time to time, the “Purchase and Contribution Agreement”) and together with the Receivables Purchase Agreement, the “Agreements”);

C. Concurrently herewith, Enviri Corporation (f/k/a Harsco Corporation) (“Enviri”), as the performance guarantor (in such capacity, the “Performance Guarantor”), is entering into that certain Amended and Restated Performance Guaranty, dated as of the date hereof, in favor of the Administrative Agent for the benefit of the Secured Parties (as may be amended, restated, supplemented or otherwise modified from time to time, the “Performance Guaranty”);

D. Concurrently herewith, the parties hereto are entering into an Amended and Restated Purchaser Fee Letter (the “Fee Letter”, and together with the Performance Guaranty, the “Related Agreements”), dated as of the date hereof; and

E. The parties hereto desire to amend the Agreements, in each case, as set forth herein.

AMENDMENT

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Amendments to the Receivables Purchase Agreement. The Receivables Purchase Agreement is hereby amended to incorporate the changes shown on the marked pages of the Receivables Purchase Agreement attached hereto as Exhibit A.

2. Amendments to the Purchase and Contribution Agreement. The Purchase and Contribution Agreement is hereby amended to incorporate the changes shown on the marked pages of the Purchase and Contribution Agreement attached hereto as Exhibit B.

3. Representations and Warranties of the Seller, Servicer, Originators and Buyer. The Seller, Servicer, each of the Originators, and the Buyer each hereby represent and warrant to each of the parties hereto as of the date hereof as follows:

(a) *Representations and Warranties*. Immediately after giving effect to this Amendment and the Assignment Agreement, each of the representations and warranties made by it under the applicable Agreements and each of the Transaction Documents to which it is a party are true and correct in all material respects as of the date hereof (unless stated to relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date).

(b) *Enforceability*. The execution and delivery by it of this Amendment and the Assignment Agreement, and the performance of its obligations under this Amendment and the Assignment Agreement, the applicable Agreements, as amended hereby, and the other Transaction Documents to which it is a party, are within its organizational powers and have been duly authorized by all necessary organizational action on its part. This Amendment, the Assignment Agreement, the applicable Agreements, as amended hereby, and the other Transaction Documents to which it is a party are (assuming due authorization and execution by the other parties thereto) are its valid and legally binding obligations, enforceable in accordance with its respective terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(c) *No Default*. Immediately after giving effect to this Amendment, the Assignment Agreement and the transactions contemplated hereby and thereby, no Purchase and Contribution Termination Event, Unmatured Purchase and Contribution Termination Event, Event of Default or Unmatured Event of Default exists or shall exist.

(d) *No Capital Coverage Deficit.* No Capital Coverage Amount Deficit exists or would exist after giving effect to this Amendment, the Assignment Agreement and the transactions contemplated hereby and thereby.

4. Entire Agreement. Except as otherwise amended hereby, all of the other terms and provisions of each Agreement are and shall remain in full force and effect and the Agreements, as amended and supplemented by this Amendment, is hereby ratified and confirmed by the parties hereto. After this Amendment becomes effective, (i) all references in the Receivables Purchase Agreement (or in any other Transaction Document) to “this Agreement”, “hereof”, “herein” or words of similar effect referring to the Receivables Purchase Agreement shall be deemed to be references to the Receivables Purchase Agreement as amended by this Amendment and (ii) all references in the Purchase and Contribution Agreement (or in any other Transaction Document) to “this Agreement”, “hereof”, “herein” or words of similar effect referring to the Purchase and Contribution Agreement shall be deemed to be references to the Purchase and Contribution Agreement as amended by this Amendment. This Amendment contains the entire understanding of the parties with respect to the provisions of the Agreements amended and supplemented hereby and may not be modified except in writing signed by all parties. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of either Agreement other than as set forth herein.

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart hereof by facsimile or other electronic means shall be equally effective as delivery of an originally executed counterpart. The words “execution”, “executed”, “signed”, “signature”, and words of like import in this Amendment and the other Transaction Documents shall be deemed to include electronic signatures or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

6. Severability. Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7. Effectiveness. This Amendment shall become effective subject to the conditions precedent that the Administrative Agent shall have received the following (or waived the receipt thereof in writing):

(a) counterparts to this Amendment and the Related Agreements executed by each of the parties hereto and thereto; and

(b) confirmation that the “Closing Fee” (as defined in and owing under the Fee Letter) has been paid in full.

8. Governing Law.

(a) THIS AMENDMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF, EXCEPT TO THE EXTENT THAT THE PERFECTION, THE EFFECT OF PERFECTION OR PRIORITY OF THE INTERESTS OF ADMINISTRATIVE AGENT OR ANY PURCHASER IN THE SOLD ASSETS OR SELLER COLLATERAL IS GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK).

(b) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO (I) WITH RESPECT TO THE SELLER AND THE SERVICER, THE EXCLUSIVE JURISDICTION, AND (II) WITH RESPECT TO EACH OF THE OTHER PARTIES HERETO, THE NON-EXCLUSIVE JURISDICTION, IN EACH CASE, OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT, AND EACH PARTY HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING (I) IF BROUGHT BY THE SELLER, THE SERVICER OR ANY AFFILIATE THEREOF, SHALL BE HEARD AND DETERMINED, AND (II) IF BROUGHT BY ANY OTHER PARTY TO THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT, MAY BE HEARD AND DETERMINED, IN EACH CASE, IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. NOTHING IN THIS CLAUSE SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER PURCHASER PARTY TO BRING ANY ACTION OR PROCEEDING AGAINST THE SELLER OR THE SERVICER OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS. EACH OF THE SELLER AND THE SERVICER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING. THE PARTIES HERETO AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH OF THE SELLER AND THE SERVICER CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO IT AT ITS ADDRESS SPECIFIED IN SCHEDULE III OF THE RECEIVABLES PURCHASE AGREEMENT. NOTHING IN THIS CLAUSE SHALL

AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER PURCHASER PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. EACH PARTY HERETO HEREBY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT.

9. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Agreements or any provision hereof or thereof.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

HARSCO RECEIVABLES LLC,
as the Seller and as the Buyer

By:
Name: Michael Kolinsky
Title: Vice President

ENVIRI CORPORATION,
as the Servicer, as an Originator and as the Performance Guarantor

By:
Name: Michael Kolinsky
Title: Vice President - Treasurer, Tax and Real Estate

HARSCO CLEAN EARTH HOLDINGS, LLC, as an Originator

By: _____
Name:
Title:

**21ST CENTURY ENVIRONMENTAL
MANAGEMENT OF NEVADA, LLC
21ST CENTURY ENVIRONMENTAL
MANAGEMENT, LLC OF RHODE ISLAND
ADVANCED REMEDIATION & DISPOSAL
TECHNOLOGIES OF DELAWARE, LLC
AERC ACQUISITION CORPORATION
ALLIED ENVIRONMENTAL GROUP, LLC
ALLWORTH, LLC
BURLINGTON ENVIRONMENTAL, LLC
CEHI ACQUISITION, LLC**

**CEI HOLDING, LLC
CHEMICAL POLLUTION CONTROL OF
FLORIDA, LLC
CHEMICAL RECLAMATION SERVICES, LLC
CHEMICAL POLLUTION CONTROL, LLC OF
NEW YORK
CLEAN EARTH ENVIRONMENTAL
SERVICES, INC.
AES ASSET ACQUISITION CORPORATION
CLEAN EARTH ENVIRONMENTAL
SOLUTIONS, INC.
CLEAN EARTH, LLC
CLEAN EARTH HOLDINGS, LLC
CLEAN EARTH SPECIALTY WASTE
SOLUTIONS, INC.
CLEAN EARTH OF ALABAMA, INC.
CLEAN EARTH OF CARTERET, LLC
CLEAN EARTH DREDGING TECHNOLOGIES, LLC CLEAN EARTH OF GEORGIA,
LLC
CLEAN EARTH OF GREATER WASHINGTON,
LLC
CLEAN EARTH OF MARYLAND, LLC
CLEAN EARTH OF NEW CASTLE, LLC
CLEAN EARTH OF NORTH JERSEY, INC.
CLEAN EARTH OF PHILADELPHIA, LLC
CLEAN EARTH OF SOUTHEAST PENNSYLVANIA, LLC
CLEAN EARTH OF SOUTHERN FLORIDA, LLC
CLEAN EARTH OF WILLIAMSPORT, LLC
CLEAN EARTH OF MICHIGAN, LLC
CLEAN ROCK PROPERTIES LTD.
ESOL TOPCO LLC
GENERAL ENVIRONMENTAL
MANAGEMENT OF RANCHO CORDOVA LLC
LUNTZ ACQUISITION (DELAWARE), LLC
NORTHLAND ENVIRONMENTAL, LLC
NORTRU, LLC
PHILIP RECLAMATION SERVICES,
HOUSTON, LLC
PSC ENVIRONMENTAL SERVICES LLC
PSC RECOVERY SYSTEMS, LLC
REAL PROPERTY ACQUISITION LLC
REPUBLIC ENVIRONMENTAL RECYCLING (NEW JERSEY), INC.
REPUBLIC ENVIRONMENTAL SYSTEMS**

**(PENNSYLVANIA), LLC
REPUBLIC ENVIRONMENTAL SYSTEMS
(TRANSPORTATION GROUP), LLC
RHO-CHEM, LLC
SOLVENT RECOVERY, LLC
GARDNER ROAD OIL, LLC
CLEAN EARTH MOBILE SERVICES, LLC
CLEAN EARTH OF PUERTO RICO, LLC
ENVIRONMENTAL SOIL MANAGEMENT,
INC.
ENVIRONMENTAL SOIL MANAGEMENT OF NEW YORK, LIMITED LIABILITY
COMPANY MKC ACQUISITION CORPORATION,
CLEAN EARTH CORPORATE SERVICES, LLC CLEAN EARTH GOVERNMENT
SERVICES, LLC,
as Originators**

By: _____
Name: Sarah Kowalczyk
Title: Secretary

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By:
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as a Purchaser

By:
Name:
Title:

ENVIRI CORPORATION
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, F. Nicholas Grasberger, III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Enviri Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 31, 2024

/s/ F. NICHOLAS GRASBERGER III

F. Nicholas Grasberger III

Chairman, President and Chief Executive Officer

ENVIRI CORPORATION
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tom Vadaketh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Enviri Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 31, 2024

/s/ TOM VADAKETH

Tom Vadaketh

Senior Vice President and Chief Financial Officer

ENVIRI CORPORATION
CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Enviri Corporation (the "Company") on Form 10-Q for the period ending September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 31, 2024

/s/ F. NICHOLAS GRASBERGER III

F. Nicholas Grasberger III
Chairman, President and Chief Executive Officer

/s/ TOM VADAKETH

Tom Vadaketh
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Enviri Corporation and will be retained by Enviri Corporation and furnished to the Securities and Exchange Commission or its staff upon request.