HARSCO

Q1 2022

Quarterly Results and Outlook

Conference Call

May 3, 2022

ADMINISTRATIVE ITEMS

Conference Call and Access to Information
More information on Harsco's quarterly earnings, including the Company's earnings press release issued today and this presentation, is available on the Investor Relations portion of Harsco's website. Company management will discuss the Company's financial performance during a conference call today at 9:00 a.m. (ET). Both the presentation and access to the call are available at http://investors.harsco.com. A replay can also be accessed on the site for up to two weeks after the call.

Forward-Looking Statements
The Company's presentation contains forward-looking statements based on management's current expectations, estimates and projections. The nature of the Company's business and the many countries in which it operates subject it to changing economic, competitive, regulatory and technological conditions, risks and uncertainties. In accordance with the "safe harbor" provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, the Company provides the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the results contemplated by forward-looking statements, including the expectations and assumptions expressed or implied herein. Forward-looking statements contained herein could include, among other things, statements about management's confidence in and strategies for performance; expectations for new and existing products, technologies and opportunities; and expectations regarding growth, sales, cash flows, and earnings. Forward-looking statements can be identified by the use of such terms as "may," "could," "expect," "anticipate," "intend," "believe," "likely," "estimate," "outlook," "plan" or other comparable terms.

Factors that could cause actual results to differ, perhaps materially, from those implied by forward-looking statements include, but are not limited to: (1) changes in the worldwide business environment in which the Company operates, including changes in general economic conditions or changes due to COVID-19 and governmental and market reactions to COVID-19; (2) changes in currency exchange rates, interest rates, commodity and fuel costs and capital costs; (3) changes in the performance of equity and bond markets that could affect, among other things, the valuation of the assets in the Company's pension plans and the accounting for pension assets, liabilities and expenses; (4) changes in governmental laws and regulations, including environmental, occupational health and safety, tax and import tariff standards and amounts; (5) market and competitive changes, including pricing pressures, market demand and acceptance for new products, services and technologies; (6) the Company's inability or failure to protect its intellectual property rights from infringement in one or more of the many countries in which the Company operates; (7) failure to effectively prevent, detect or recover from breaches in the Company's cybersecurity infrastructure; (8) unforeseen business disruptions in one or more of the many countries in which the Company operates due to political instability, civil disobedience, armed hostilities, public health issues or other calamities; (9) disruptions associated with labor disputes and increased operating costs associated with union organization; (10) the seasonal nature of the Company's business; (11) the Company's ability to successfully enter into new contracts and complete new acquisitions or strategic ventures in the time-frame contemplated, or at all; (12) the Company's ability to negotiate, complete, and integrate strategic transactions; (13) failure to conduct and complete a satisfactory process for the divestiture of the Rail division, as announced on November 2, 2021; (14) potential severe volatility in the capital or commodity markets; (15) failure to retain key management and employees; (16) the outcome of any disputes with customers, contractors and subcontractors; (17) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged, have inadequate liquidity or whose business is significantly impacted by COVID-19) to maintain their credit availability; (18) implementation of environmental remediation matters; (19) risk and uncertainty associated with intangible assets and (20) other risk factors listed from time to time in the Company's SEC reports. A further discussion of these, along with other potential risk factors, can be found in Part I, Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended December 31, 2021. The Company cautions that these factors may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty to update forward-looking statements except as may be required by law.

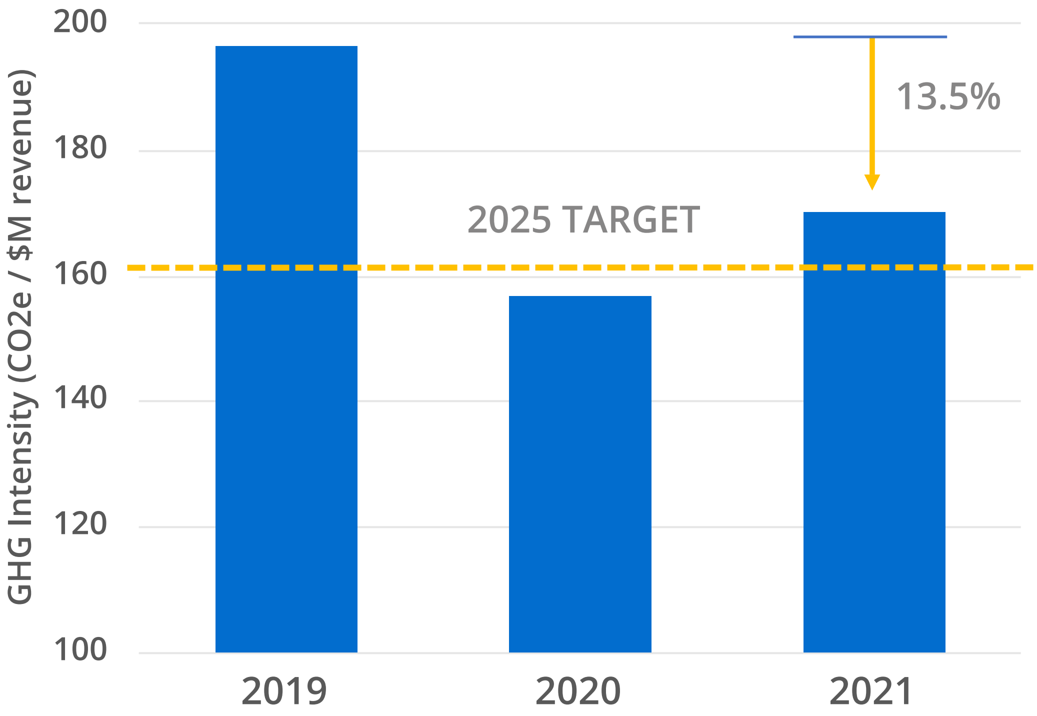
Non-GAAP Measures
Throughout this presentation, the Company refers to certain non-GAAP measures, including without limitation, adjusted EBITDA (Earnings Before Interest Taxes Depreciation and Amortization) from continuing operations, adjusted EBITDA margin, adjusted diluted earnings per share from continuing operations, free cash flow and free cash flow before growth capital. For a reconciliation of non-GAAP measures to GAAP results and the Company's rationale for its usage of non-GAAP measures, see the Appendix in this presentation.

HARSCO

CEO PERSPECTIVE

- First quarter results in-line with guidance; Continued strong execution at Environmental while Clean Earth was impacted by incremental cost inflation and ongoing labor and supply chain challenges
- 2022 Adjusted EBITDA guidance narrowed; mid-point lowered due to Clean Earth
- Clean Earth and Environmental still anticipated to see earnings growth in 2022; actions underway to mitigate inflationary headwinds
- Focus on sustainability continues to drive ESG progress; Harsco is uniquely positioned as a leading provider of recycling and re-use solutions and is on track to achieve its "15% by 2025" carbon intensity reduction goal
- Rail sale-process progressing as planned
- Reducing leverage and strengthening cash flow remain key financial priorities

PROGRESS ON ENTERPRISE GHG GOAL



1. Carbon intensity = tons of carbon emissions per million $ of revenue

Note: 2021 data excludes Rail

- Harsco's carbon intensity[1] has **declined 13.5%** since 2019
- Harsco-enterprise carbon reduction goal is to reduce the Company's carbon intensity **15% by 2025**
- The Company continues to pursue energy efficiency initiatives across HE's mobile assets as well as CE's truck fleet and soil treatment plants

CLEAN200™

- Harsco named to the 2022 **Carbon Clean 200** list, recognizing Harsco's recycling and carbon emissions reduction services

Q1 2022 FINANCIAL SUMMARY

KEY PERFORMANCE INDICATORS

- Revenues up 1%: HE +2%; CE +1%
- Q1 2022 Adjusted EBITDA in-line with guidance
- Environmental performance strong; Clean Earth impacted by further inflation
- Adjusted EPS of $(0.01); below guidance due to higher tax rate
- Free cash flow consistent with expectation; cash performance to improve during balance of year

$ in millions except EPS; Continuing Operations	Q1 2022	Q1 2021	Change
Revenues, as reported	453	447	1%
Operating Income - GAAP	8	19	(59)%
Adjusted EBITDA[1]	49	59	(16)%
% of Sales[1]	*10.8%*	*13.1%*	*(230)bps*
GAAP Diluted Earnings (Loss) Per Share	(0.09)	(0.02)	nmf
Adjusted Diluted Earnings Per Share[1]	(0.01)	0.11	nmf
Free Cash Flow[2]	(29)	(16)	(79)%

nmf= not meaningful.
(1) Excludes unusual items. Adjusted diluted earnings per share also excludes acquisition amortization. See tables at end of presentation for GAAP to non-GAAP reconciliations.
(2) See tables at end of presentation for GAAP to non-GAAP reconciliations. Free Cash Flow excludes Rail.

Q1 2022 ENVIRONMENTAL

SUMMARY RESULTS

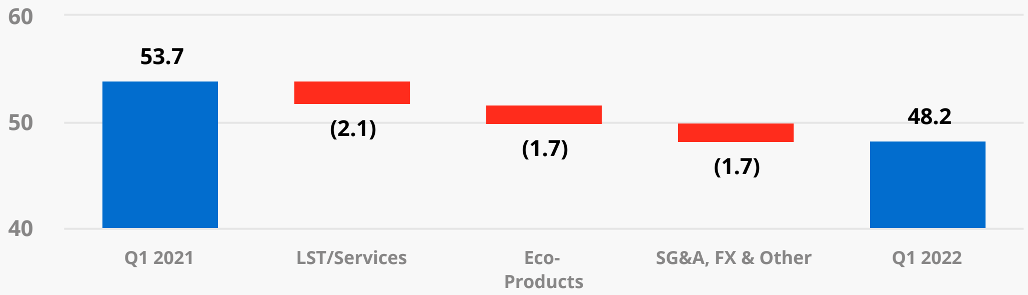
$ in millions

	Q1 2022	Q1 2021	%
Revenues, as reported	262	258	2%
Operating Income – GAAP	18	26	(30)%
Adjusted EBITDA[1]	48	54	(10)%
Adjusted EBITDA Margin[1]	18.4%	20.8%	

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

ADJUSTED EBITDA BRIDGE[1]

$ in millions



- Revenues increase compared with PY quarter due to higher demand for services and commodities pricing, partially offset by FX translation
- Adjusted EBITDA change YoY attributable to expected less favorable volume mix, inflation, FX translation and lower Brazil sales-tax recovery

Q1 2022 CLEAN EARTH

SUMMARY RESULTS

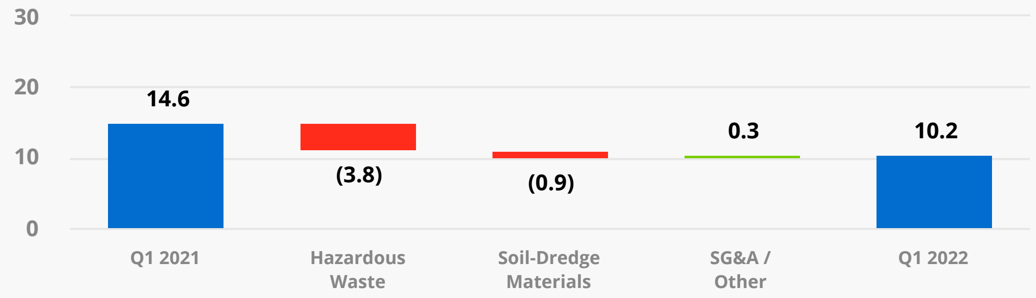
$ in millions

	Q1 2022	Q1 2021	%
Revenues, as reported	191	189	1%
Operating Income – GAAP	(1)	3	nmf
Adjusted EBITDA[1]	10	15	(30)%
Adjusted EBITDA Margin[1]	5.3%	7.7%	

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

ADJUSTED EBITDA BRIDGE[1]

$ in millions



- Revenues increased modestly compared with prior-year quarter; driven by price
- Adjusted EBITDA decrease YoY due to cost inflation (mainly transportation and cost of containers) and labor constraints

RAIL - DISCONTINUED OPERATIONS

- Q1 GAAP Operating Loss of $36 million
- Q1 included $35 million charge for estimated future costs to complete three European fixed-price contracts
  - Driven by penalties due to supply-chain challenges and production delays
- Divestiture process on track; expect to complete a transaction in 2022

2022 OUTLOOK - CONSOLIDATED[3]

	2022 Outlook	Prior 2022 Outlook	2021 Actuals
GAAP OPERATING INCOME	**$81 - 96M**	$85 - 105M	$88M
ADJUSTED EBITDA[1]	**$250 - 265M**	$255 - 275M	$252M
GAAP DILUTED EARNINGS PER SHARE	**$0.02 - $0.10**	$0.15 - $0.32	$0.28
ADJUSTED DILUTED EARNINGS PER SHARE[1]	**$0.35 - $0.44**	$0.50 - $0.66	$0.69
FREE CASH FLOW[2]	**$25M - 40M**	$30M - 50M	$(2)M

(1) Excludes unusual items. Adjusted diluted earnings per share exclude acquisition amortization expense. See tables at end of presentation for GAAP to non-GAAP reconciliations
(2) See tables at end of presentation for GAAP to non-GAAP reconciliations.
(3) Figures exclude Rail which is reported as Discontinued Operations

Q2 2022 OUTLOOK[2]

- Adjusted EBITDA[1] is expected to be between
  $59M - $64M

- Adjusted diluted earnings per share[1] is expected to be between
  $0.07 - $0.11

- Corporate costs of approximately
  $10 to $11 million

(1) Adjusted operating income and adjusted diluted earnings per share are non-GAAP numbers. Adjusted diluted earnings per share exclude acquisition amortization. See tables at end of presentation for GAAP to non-GAAP reconciliations.
(2) Figures exclude Rail which is reported as Discontinued Operations

YEAR-OVER-YEAR CONSIDERATIONS INCLUDE:

HARSCO ENVIRONMENTAL

Adjusted EBITDA modestly lower due to business mix and FX translation

CleanEarth™

Adjusted EBITDA modestly lower as cost inflation (net of price) offsets volume growth

Q&A

Appendix

NON-GAAP MEASURES

Measurements of financial performance not calculated in accordance with GAAP should be considered as supplements to, and not substitutes for, performance measurements calculated or derived in accordance with GAAP. Any such measures are not necessarily comparable to other similarly-titled measurements employed by other companies.

Adjusted diluted earnings per share: Adjusted diluted earnings per share is a non-GAAP financial measure and consists of diluted earnings (loss) per share from continuing operations adjusted for unusual items and acquisition-related intangible asset amortization expense. It is important to note that such intangible assets contribute to revenue generation and that intangible asset amortization related to past acquisitions will recur in future periods until such intangible assets have been fully amortized. The Company's management believes Adjusted diluted earnings per share from continuing operations is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. Exclusion of acquisition-related intangible asset amortization expense, the amount of which can vary by the timing, size and nature of the Company's acquisitions, facilitates more consistent internal comparisons of operating results over time between the Company's newly acquired and long-held businesses, and comparisons with both acquisitive and non-acquisitive peer companies.

Adjusted EBITDA: Adjusted EBITDA is a non-GAAP financial measure and consists of income from continuing operations adjusted to add back income tax expense; equity income of unconsolidated entities, net; net interest expense; defined benefit pension income (expense); unused debt commitment fees, amendment fees and loss on extinguishment of debt; and depreciation and amortization (excluding amortization of deferred financing costs); and excludes unusual items. Segment Adjusted EBITDA consists of operating income from continuing operations adjusted to exclude unusual items and add back depreciation and amortization (excluding amortization of deferred financing costs). The sum of the Segments' Adjusted EBITDA and Corporate Adjusted EBITDA equals Consolidated Adjusted EBITDA. The Company's management believes Adjusted EBITDA is meaningful to investors because management reviews Adjusted EBITDA in assessing and evaluating performance.

Free cash flow: Free cash flow is a non-GAAP financial measure and consists of net cash provided (used) by operating activities less capital expenditures and expenditures for intangible assets; and plus capital expenditures for strategic ventures, total proceeds from sales of assets and transaction-related expenditures. The Company's management believes that Free cash flow is meaningful to investors because management reviews Free cash flow for planning and performance evaluation purposes. It is important to note that Free cash flow does not represent the total residual cash flow available for discretionary expenditures since other non-discretionary expenditures, such as mandatory debt service requirements and settlements of foreign currency forward exchange contracts, are not deducted from this measure. Free cash flow excludes the former Harsco Rail Segment since the segment is reported as discontinued operations. This presentation provides a basis for comparison of ongoing operations and prospects.

2022 SEGMENT OUTLOOK

Excluding unusual items			2022 VERSUS 2021
HARSCO ENVIRONMENTAL	REVENUES	▲	Low single-digit YoY growth, excluding FX translation impacts
	ADJUSTED EBITDA[1]	▲	Margins stable YoY
	DRIVERS	+	Services and ecoproduct™ demand growth, new contracts / sites
		–	Exited contracts / sites, FX translation
CleanEarth	REVENUES	▲	Low to mid single-digits YoY growth
	ADJUSTED EBITDA[1]	▲	Margins stable to up 100 basis points YoY
	DRIVERS	+	Organic growth in hazardous materials, cost-out program, price initiatives
		–	Inflation (transportation-containers), labor-market tightness
CORPORATE COSTS			$40 to $42 million for the full-year

(1) Excludes unusual items.

RECONCILIATION OF NON-GAAP MEASURES

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

	Three Months Ended March 31			
	2022		2021	
Diluted earnings (loss) per share from continuing operations as reported	$ (0.09)		$ (0.02)	
Corporate unused debt commitment fees, amendment fees and loss on extinguishment of debt (a)	0.01		0.07	
Corporate strategic costs (b)	(0.01)		—	
Harsco Clean Earth Segment severance costs (c)	—		—	
Taxes on above unusual items (d)	—		(0.01)	
Adjusted diluted earnings per share, including acquisition amortization expense	(0.09)		0.03	(f)
Acquisition amortization expense, net of tax (e)	0.08		0.08	
Adjusted diluted earnings per share	$ (0.01)		$ 0.11	

(a) Costs at Corporate related amending the Company's existing Senior Secured Credit Facilities to increase certain levels set forth in the total net leverage ration covenant (Q1 2022 $0.5 million pre-tax) and costs associated with amending the Company's existing Senior Secured Credit Facilities to establish a New Term Loan the proceeds of which were used to repay in full the outstanding Term Loan A and Term Loan B, to extend the maturity date of the Revolving Credit Facility and to increase certain levels set forth in the total net leverage ratio covenant (Q1 2021 $5.3 million pre-tax).
(b) Certain strategic costs incurred at Corporate associated with supporting and executing the Company's long-term strategies including relocation of the Company's headquarters (Q1 2022 $(0.4) million pre-tax).
(c) Severance and related costs incurred in the Harsco Clean Earth Segment (Q1 2022 $0.3 million pre-tax).
(d) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded, except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
(e) Acquisition amortization expense was $7.9 million pre-tax and $8.1 million pre-tax for Q1 2022 and Q1 2021, respectively, and after-tax was $6.2 million and $6.5 million for Q1 2022 and Q1 2021, respectively.
(f) Does not total due to rounding.

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RECONCILIATION OF NON-GAAP MEASURES

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

	Twelve Months Ended December 31 2021	
Diluted earnings per share from continuing operations as reported	$ 0.28	
Corporate unused debt commitment and amendment fees (a)	0.07	
Corporate strategic costs (b)	0.06	
Harsco Environmental Segment severance costs (c)	(0.01)	
Taxes on above unusual items (d)	(0.02)	
Adjusted diluted earnings per share from continuing operations, including acquisition amortization expense	0.37	(f)
Acquisition amortization expense, net of tax (e)	0.32	
Adjusted diluted earnings per share from continuing operations	$ 0.69	

(a) Costs at Corporate associated with amending the Company's existing Senior Secured Credit Facilities to establish a New Term Loan the proceeds of which were used to repay in full the outstanding Term Loan A and Term Loan B, to extend the maturity date of the Revolving Credit Facility and to increase certain levels set forth in the total net leverage ratio covenant (Full year 2021 $5.5 million pre-tax) and costs associated with amending the Company's existing Senior secured Credit Facilities, to increase the net debt to consolidated adjusted EBITDA covenant ratio).
(b) Certain strategic costs incurred at Corporate associated with supporting and executing the Company's long-term strategies including the divestiture of the Harsco Rail Segment (Full year 2021 $4.5 million pre-tax).
(c) Adjustment to Harsco Environmental Segment severance costs (Full year 2021 $0.9 million pre-tax).
(d) Unusual items are tax-effected at the global effective tax rate, before discrete items, in effect at the time the unusual item is recorded, except for unusual items from countries where no tax benefit can be realized, in which case a zero percent tax rate is used.
(e) Acquisition amortization expense was $32.3 million pre-tax for Full year 2021.
(f) Does not total due to rounding.

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION
RECONCILIATION OF PROJECTED ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE TO DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (a)
(Unaudited)

	Projected Three Months Ending June 30		Projected Twelve Months Ending December 31		
	2022		2022		
	Low	High	Low	High	
Diluted earnings per share from continuing operations	$ (0.01)	$ 0.03	$ 0.02	$ 0.10	
Corporate strategic costs	—	—	0.01	0.01	
Harsco Clean Earth Segment severance costs	—	—	0.01	0.01	
Taxes on above unusual items	—	—	(0.01)	(0.01)	
Adjusted diluted earnings per share, including acquisition amortization expense	(0.01)	0.03	0.03	0.11	
Estimated acquisition amortization expense, net of tax	0.08	0.08	0.32	0.32	
Adjusted diluted earnings per share	$ 0.07	$ 0.11	$ 0.35	$ 0.44	(b)

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

RECONCILIATION OF NON-GAAP MEASURES

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

(In thousands)	Harsco Environmental	Harsco Clean Earth	Corporate	Consolidated Totals
Three Months Ended March 31, 2022:				
Operating income (loss) as reported	$ 18,267	$ (1,297)	$ (9,222)	$ 7,748
Corporate strategic costs	—	—	(448)	(448)
Harsco Clean Earth Segment severance costs	—	300	—	300
Operating income (loss) excluding unusual items	18,267	(997)	(9,670)	7,600
Depreciation	28,072	5,101	431	33,604
Amortization	1,828	6,075	—	7,903
Adjusted EBITDA	48,167	10,179	(9,239)	49,107
Revenues as reported	$ 262,051	$ 190,746		$ 452,797
Adjusted EBITDA margin (%)	18.4 %	5.3 %		10.8 %

RECONCILIATION OF NON-GAAP MEASURES

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

(In thousands)	Harsco Environmental	Harsco Clean Earth (a)	Corporate	Consolidated Totals
Three Months Ended March 31, 2021:				
Operating income (loss) as reported	$ 25,935	$ 3,178	$ (9,995)	$ 19,118
Depreciation	25,717	5,337	483	31,537
Amortization	2,048	6,083	—	8,131
Adjusted EBITDA	53,700	14,598	(9,512)	58,786
Revenues as reported	$ 257,986	$ 189,279		$ 447,265
Adjusted EBITDA margin (%)	20.8 %	7.7 %		13.1 %

RECONCILIATION OF NON-GAAP MEASURES

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

	Three Months Ended March 31	
(In thousands)	**2022**	**2021**
Consolidated income (loss) from continuing operations	$ (6,174)	$ (135)
Add back (deduct):		
Equity in (income) loss of unconsolidated entities, net	131	119
Income tax expense (benefit)	1,221	2,101
Defined benefit pension income	(2,410)	(3,934)
Unused debt commitment, amendment fees and loss on extinguishment of debt	532	5,258
Interest expense	15,092	16,256
Interest income	(644)	(547)
Depreciation	33,604	31,537
Amortization	7,903	8,131
Unusual items:		
Corporate strategic costs	(448)	—
Harsco Clean Earth Segment severance costs	300	—
Consolidated Adjusted EBITDA	$ 49,107	$ 58,786

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION

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

	Twelve Months Ended December 31
(In thousands)	**2021**
Consolidated loss from continuing operations	$ 28,115
Add back (deduct):	
Equity in income of unconsolidated entities, net	302
Income tax expense	9,089
Defined benefit pension income	(15,640)
Unused debt commitment and amendment fees	5,506
Interest expense	63,235
Interest income	(2,231)
Depreciation	127,402
Amortization	32,232
Unusual items:	
Corporate strategic costs	4,450
Harsco Environmental Segment severance costs	(900)
Harsco Clean Earth Segment severance costs	390
Adjusted EBITDA	$ 251,950

RECONCILIATION OF NON-GAAP MEASURES

HARSCO CORPORATION

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

(Unaudited)

	Projected Three Months Ending June 30 2022		Projected Twelve Months Ending December 31 2022	
(In millions)	**Low**	**High**	**Low**	**High**
Consolidated income from continuing operations	$ 1	$ 5	$ 9	$ 17
Add back (deduct):				
Income tax (income) expense	1	3	13	22
Net interest	17	16	70	68
Defined benefit pension income	(3)	(3)	(10)	(10)
Depreciation and amortization	42	42	167	167
Unusual items:				
Corporate strategic costs	—	—	1	1
Harsco Clean Earth Segment severance costs	—	—	1	1
Consolidated Adjusted EBITDA	$ 59 (b)	$ 64 (b)	$ 250 (b)	$ 265 (b)

(a) Excludes Harsco Rail Segment

(b) Does not total due to rounding.

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RECONCILIATION OF NON-GAAP MEASURES

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

(In thousands)	Three Months Ended March 31 2022	Three Months Ended March 31 2021
Net cash used by operating activities	$ (34,315)	$ (23,173)
Less capital expenditures	(32,958)	(27,382)
Less expenditures for intangible assets	(54)	(68)
Plus capital expenditures for strategic ventures (a)	328	872
Plus total proceeds from sales of assets (b)	5,976	3,862
Plus transaction-related expenditures (c)	878	14,084
Harsco Rail free cash flow deficit	$ 31,321	$ 15,684
Free cash flow	$ (28,824)	$ (16,121)

(a) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's condensed consolidated financial statements.
(b) Asset sales are a normal part of the business model, primarily for the Harsco Environmental Segment.
(c) Expenditures directly related to the Company's acquisition and divestiture transactions and costs at Corporate associated with amending the Company's existing Senior Secured Credit Facilities.

RECONCILIATION OF NON-GAAP MEASURES

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

		Twelve Months Ended December 31
(In thousands)		**2021**
Net cash provided by operating activities	$	72.197
Less capital expenditures		(158.326)
Less expenditures for intangible assets		(0.358)
Plus capital expenditures for strategic ventures (a)		3.66
Plus total proceeds from sales of assets (b)		16.724
Plus transaction-related expenditures (c)		18.938
Harsco Rail free cash flow deficit		45.611
Free cash flow		(1.554)

(a) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's consolidated financial statements.
(b) Asset sales are a normal part of the business model, primarily for the Harsco Environmental Segment.
(c) Expenditures directly related to the Company's acquisition and divestiture transactions.

RECONCILIATION OF NON-GAAP MEASURES

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

	Projected Twelve Months Ending December 31	
	2022	
(In millions)	**Low**	**High**
Net cash provided by operating activities	$ 150	$ 170
Less net capital expenditures	(125)	(130)
Free cash flow from continuing operations	25	40

(a) Excludes former Harsco Rail Segment

HARSCO