The background features a collage of three images: a green field with an industrial facility in the distance, a close-up of a train track with gravel, and a blurred train in motion. A large, abstract blue and black graphic element is overlaid on the left side.

## **Investor Presentation**

### **Acquisition of Clean Earth**

### **Divestiture of Air-X-Changers**

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May 9, 2019

# SAFE HARBOR STATEMENT

## Conference Call and Access to Information

More information on Harsco's acquisition of Clean Earth and sale of Air-X-Changers, including the Company's press releases issued today and this presentation, is available on the Investor Relations portion of Harsco's website. Company management will discuss these transactions during a conference call today at 8:30 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. This presentation contains forward-looking statements concerning the closing of the agreement to purchase Clean Earth, the financing that Harsco intends to obtain to finance the purchase price and the anticipated benefits of the acquisition as well as the closing of the agreement to sell Harsco Industrial Air-X-Changers and the anticipated benefits of the sale. In addition, forward-looking statements contained herein could include, among other things, statements about management's confidence in and strategies for performance; expectations for new and existing products, technologies and opportunities; and expectations regarding growth, sales, cash flows, and earnings. Forward-looking statements can be identified by the use of such terms as "may," "could," "expect," "anticipate," "intend," "believe," "likely," "estimate," "outlook," "plan" or other comparable terms. Factors that could cause actual results to differ, perhaps materially, from those implied by forward-looking statements include, but are not limited to: (1) changes in the worldwide business environment in which the Company operates, including general economic conditions; (2) changes in currency exchange rates, interest rates, commodity and fuel costs and capital costs; (3) changes in the performance of equity and bond markets that could affect, among other things, the valuation of the assets in the Company's pension plans and the accounting for pension assets, liabilities and expenses; (4) changes in governmental laws and regulations, including environmental, occupational health and safety, tax and import tariff standards; (5) market and competitive changes, including pricing pressures, market demand and acceptance for new products, services and technologies; (6) the Company's inability or failure to protect its intellectual property rights from infringement in one or more of the many countries in which the Company operates; (7) failure to effectively prevent, detect or recover from breaches in the Company's cybersecurity infrastructure; (8) unforeseen business disruptions in one or more of the many countries in which the Company operates due to political instability, civil disobedience, armed hostilities, public health issues or other calamities; (9) disruptions associated with labor disputes and increased operating costs associated with union organization; (10) the seasonal nature of the Company's business; (11) the Company's ability to successfully enter into new contracts and complete new acquisitions or strategic ventures in the time-frame contemplated, or at all; (12) the integration of the Company's strategic acquisitions, including the acquisition of CEHI Acquisition Corporation and Subsidiaries ("Clean Earth"); (13) risks associated with the acquisition of Clean Earth and the sale of Harsco Industrial Air-X-Changers generally, such as the inability to obtain, or delays in obtaining, regulatory approval; (14) the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreements entered into for the acquisition of Clean Earth and the sale of Harsco Industrial Air-X-Changers; (15) potential severe volatility in the capital markets and the impact on the cost of the Company to obtain debt financing as may be necessary to consummate the acquisition of Clean Earth; (16) failure to retain key management and employees of Clean Earth and its subsidiaries; (17) the amount and timing of repurchases of the Company's common stock, if any; (18) the outcome of any disputes with customers, contractors and subcontractors; (19) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged and those with inadequate liquidity) to maintain their credit availability; (20) implementation of environmental remediation matters; (21) risk and uncertainty associated with intangible assets; and (22) 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, 2018. The Company cautions that these factors may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty to update forward-looking statements except as may be required by law.

## Explanatory Note Regarding Estimates

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

## Non-GAAP Measures

Throughout this presentation, the Company refers to certain non-GAAP measures, including without limitation, adjusted operating income (loss) from continuing operations, adjusted operating income margin, adjusted diluted earnings per share from continuing operations, adjusted return on invested capital, EBITDA, adjusted EBITDA, free cash flow and free cash flow before growth capital expenditures. For a reconciliation of non-GAAP measures to U.S. GAAP results and the Company's rationale for its usage of non-GAAP measures, see the Appendix in this presentation.

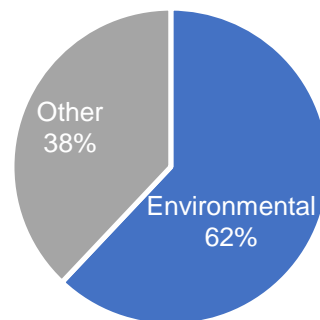
# AGENDA

- ▶ Review compelling strategic benefits, and business alignment of Clean Earth acquisition
  - ▶ Summary of Clean Earth transaction
  - ▶ Overview of the Clean Earth business model
  - ▶ Attractive market opportunity for specialty environmental services
  - ▶ Multiple growth levers for Clean Earth
  - ▶ Overview of synergy opportunities
- ▶ Discuss intended divestiture of Air-X-Changers business
- ▶ Pro forma financial overview

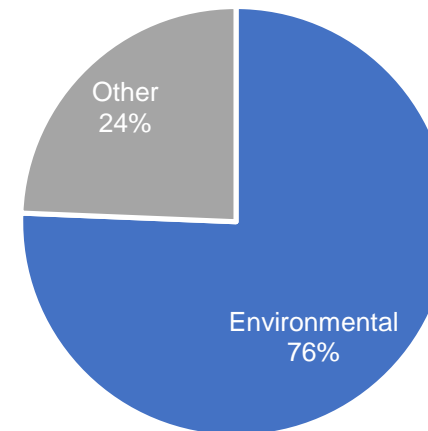
# TWO TRANSACTIONS THAT POSITION HARSCO AS LEADING GLOBAL PROVIDER OF ENVIRONMENTAL SOLUTIONS

- ▶ Accelerates Harsco's environmental strategy and transformation to single thesis company
- ▶ Optimizes the portfolio with a focus on value creation
- ▶ Decreases complexity and earnings volatility with focus on high growth and margin businesses
- ▶ Maintains Harsco's solid financial profile

2018A Revenue Breakdown

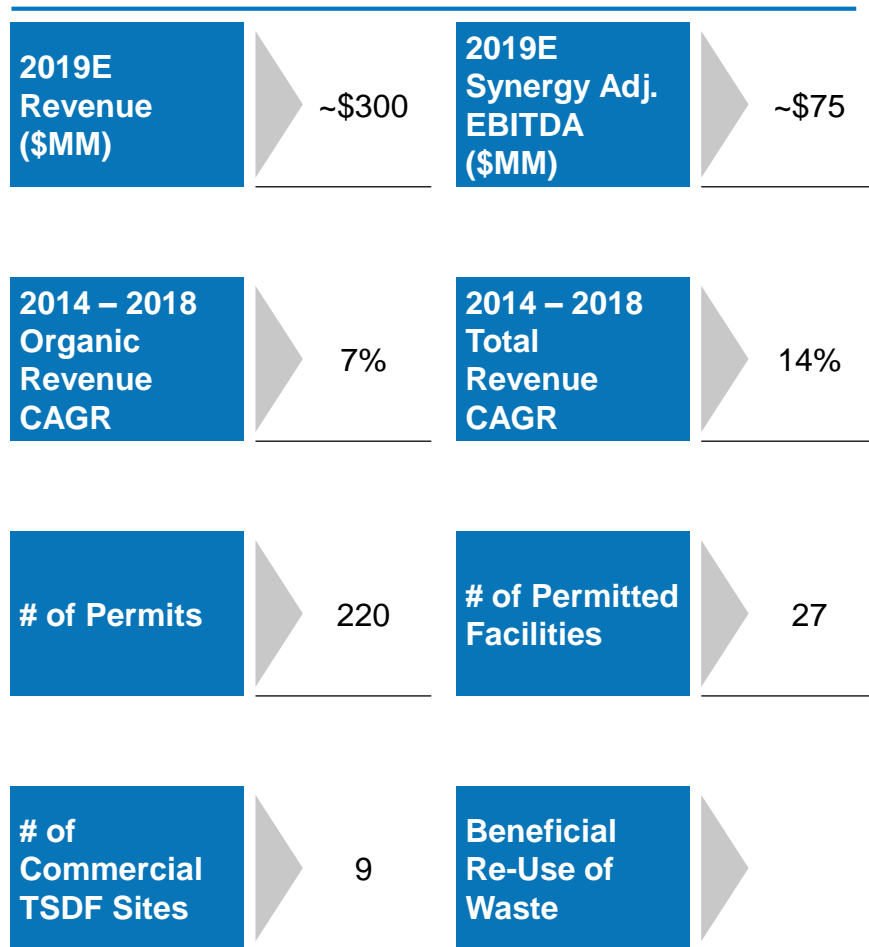


2018A PF Revenue Breakdown



# CLEAN EARTH IS A STRONG FIT AND LOGICAL EXPANSION OF HARSCO'S PORTFOLIO

## Key Facts and Figures<sup>(1)</sup>



- Provides entry into adjacent, high-margin environmental services markets with significant regulatory barriers of entry
- Diverse industrial customers with recurring and long-term customer relationships
- Focus on innovation with deep organizational process knowledge
- Resilient business model, with attractive financial characteristics
- Growth platform (strong organic growth, acquisitions)
- Strong alignment of values and cultures
- Management team with proven track record of financial, environmental and safety performance
- Opportunity for cross-selling with M&M and for global expansion over time

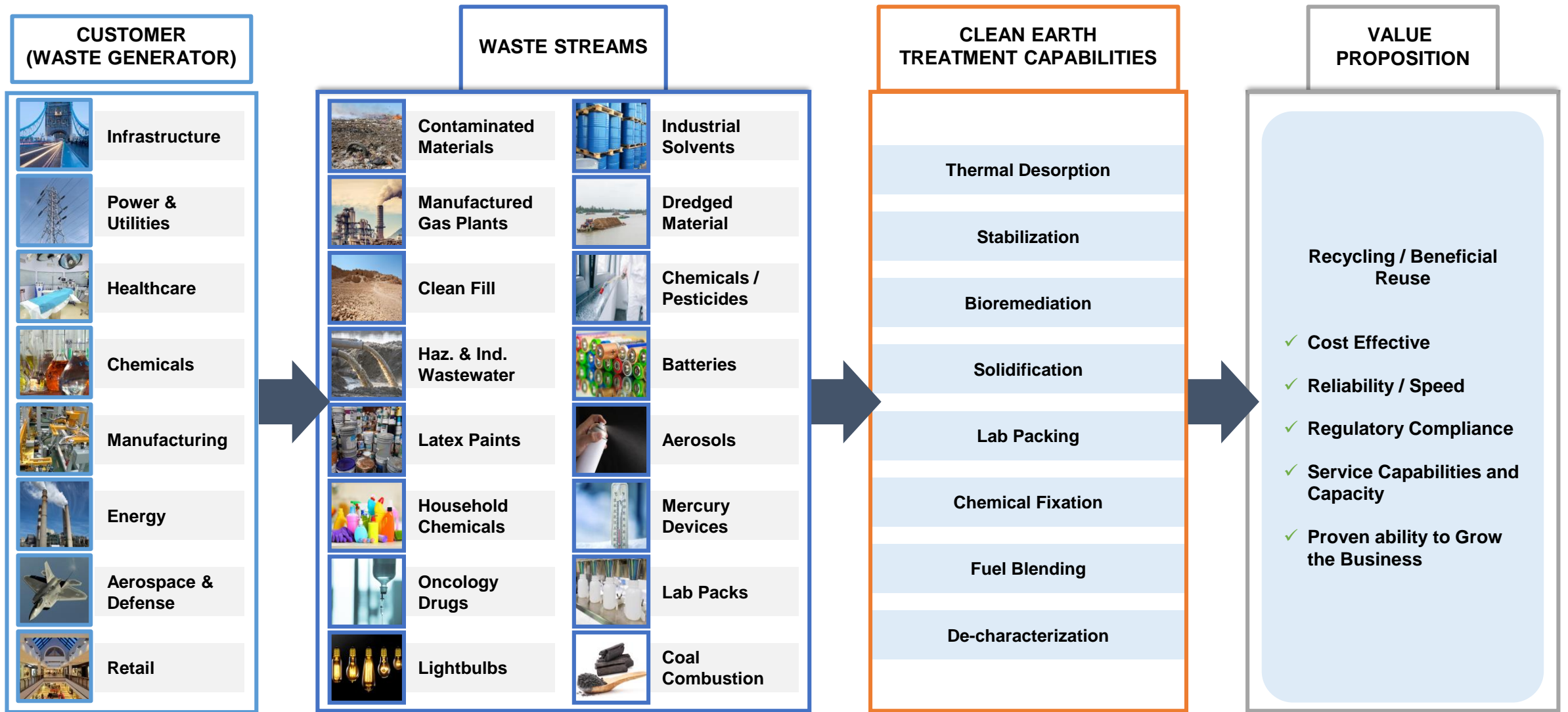
1. Clean Earth only financial details. 2019 Synergy Adjusted EBITDA translates to Clean Earth estimated Adjusted EBITDA for 2019 plus estimated synergies of \$10 million.

# SUMMARY OF TRANSACTION: CLEAN EARTH ACQUISITION



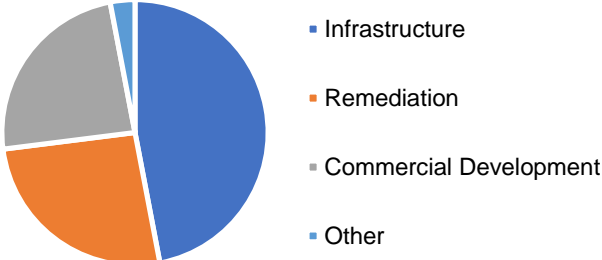
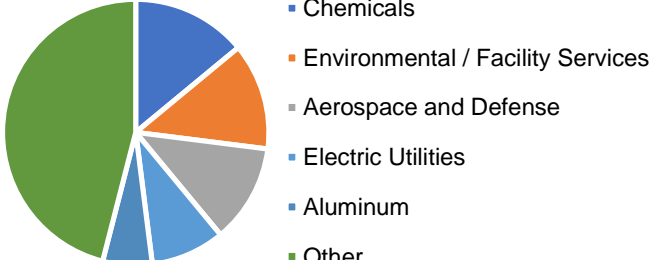
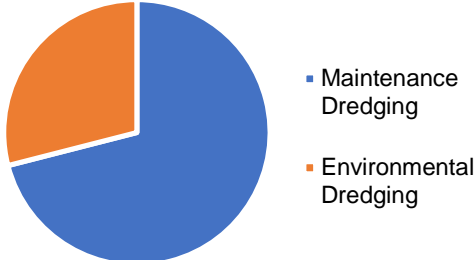
<b>Purchase Price</b>	<ul style="list-style-type: none"><li>● \$625 million purchase consideration, all cash</li><li>● Subject to post-closing adjustments</li></ul>
<b>Expected Full Year 2019 Impact</b>	<ul style="list-style-type: none"><li>● Revenue: ~\$300 million</li><li>● Adjusted EBITDA: ~\$65 million</li></ul>
<b>Synergies</b>	<ul style="list-style-type: none"><li>● Harsco expects to achieve up to \$10 million in annual run-rate synergies by 2020</li></ul>
<b>Financial Benefits</b>	<ul style="list-style-type: none"><li>● Transaction will be EBITDA margin enhancing as well as adjusted operating income and free cash flow accretive immediately</li><li>● Anticipated to be accretive to EPS by 2020, the first full-year after closing</li><li>● Updated guidance to be provided at a later date</li></ul>
<b>Financing</b>	<ul style="list-style-type: none"><li>● Committed bank financing</li><li>● Plan to pursue long-term, unsecured debt financing, as well as upsize and extend revolving credit facility</li><li>● Harsco will continue to maintain a conservative, flexible and low-cost capital structure</li></ul>
<b>Management</b>	<ul style="list-style-type: none"><li>● Existing Clean Earth management team will remain in place</li></ul>
<b>Closing</b>	<ul style="list-style-type: none"><li>● Expected to close in the next few months, subject to regulatory approvals and customary closing conditions</li></ul>

# CLEAN EARTH: DIVERSE CUSTOMER BASE AND INDUSTRY EXPOSURE, WITH OPERATIONAL EXPERTISE



Clean Earth Operations

# CLEAN EARTH: BUSINESS LINE OVERVIEW

	Contaminated Materials	Hazardous Waste	Dredge
<b>% of Revenue</b>	~50%	~40%	~10%
<b>Description</b>	Treats contaminated soil generated from industrial activities	Provides tracking, testing, processing, recycling, and disposal services for hazardous waste streams	Treats dredge material from both maintenance and environmental-driven projects
<b>Key Industry Exposures</b>	 <ul style="list-style-type: none"> <li>Infrastructure</li> <li>Remediation</li> <li>Commercial Development</li> <li>Other</li> </ul>	 <ul style="list-style-type: none"> <li>Chemicals</li> <li>Environmental / Facility Services</li> <li>Aerospace and Defense</li> <li>Electric Utilities</li> <li>Aluminum</li> <li>Other</li> </ul>	 <ul style="list-style-type: none"> <li>Maintenance Dredging</li> <li>Environmental Dredging</li> </ul>
<b># of Facilities</b>	14	11	2

- ▶ Clean Earth's business lines are unified by the following:
  - ▶ Focus on special wastes with ongoing processing needs
  - ▶ Industry leader with strong asset position
  - ▶ Processing demand driven by basic industry activity, infrastructure investments, environmental compliance and regular maintenance
  - ▶ Strong margin and cash flow business with limited capital requirements

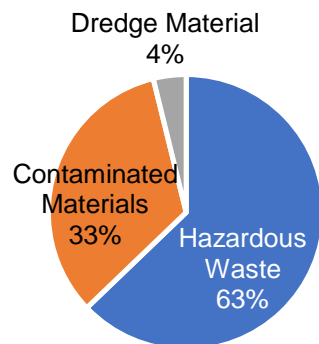


# ATTRACTIVE MARKET FUNDAMENTALS

## Large Addressable Market

- ▶ Highly fragmented industry provides ample runway for growth
- ▶ Meaningful additional M&A opportunities

**U.S. Addressable Market:**  
**~\$8 billion**



## Recurring Revenue Drivers

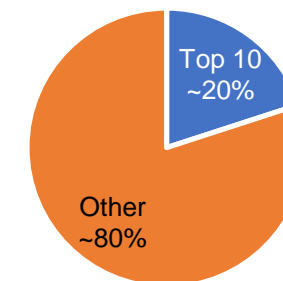
- ▶ Business is typically recession-resistant due to necessity of services and extensive regulatory framework
- ▶ Regulatory requirements drive high demand for service — customers must manage wastes in timely and compliant manner
- ▶ Years of improper disposal and treatment support future growth

Source: Company information and estimates

## Diverse Customers and Industry Exposures

- ▶ Widely diversified base of customers across a variety of industries
- ▶ Provides an avenue for Harsco to grow with broader industrial customer base

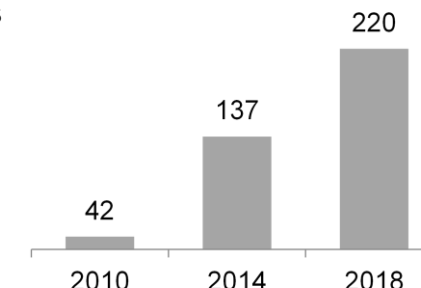
**Limited Customer Concentration**



## High Barriers to Entry

- ▶ Permits are scarce and very valuable — no new commercial Resource Conservation Recovery Act (RCRA) Part B permits for processing hazardous waste have been issued in over 30 years
- ▶ Maintains internal team dedicated to regulatory compliance — a key differentiator and core competency that drives quality processes

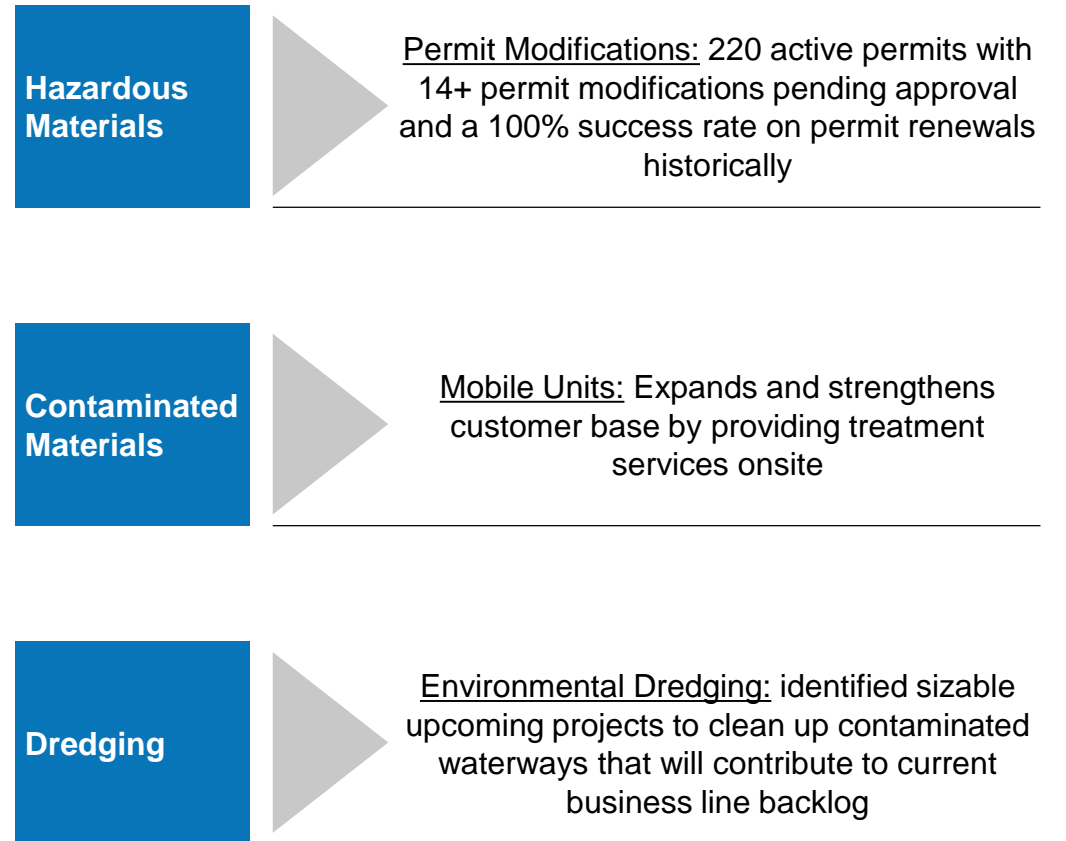
**Active Permits**



# GROWTH OPPORTUNITIES



## Recent Examples by Business Line



# SUMMARY OF TRANSACTION: AIR-X-CHANGERS DIVESTITURE



<b>Purchase Price</b>	<ul style="list-style-type: none"><li>● \$592 million all cash, subject to post-closing adjustments</li><li>● Translates to 12x TTM EBITDA, including value for acquired tax attributes</li></ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"><li>● Proceeds will be used to repay debt to maintain a conservative, flexible and low-cost capital structure and support further investment in the core environmental solutions business and the Harsco Rail Segment.</li></ul>
<b>Expected Full Year 2019 Impact</b>	<ul style="list-style-type: none"><li>● Revenue: ~\$275 million</li><li>● EBITDA: ~\$60 million</li></ul>
<b>Financial Considerations</b>	<ul style="list-style-type: none"><li>● Sizable book and tax gain; tax impact of approximately \$120 million</li><li>● Divestiture is well-timed and valuation attractive in relation to the mature industry cycle</li><li>● While dilutive to EPS, provides for stronger balance sheet</li></ul>
<b>Closing</b>	<ul style="list-style-type: none"><li>● Expected to close in the next few months, subject to regulatory approvals and customary closing conditions</li></ul>

# PRO FORMA FINANCIAL OVERVIEW

	Harsco	Harsco + Clean Earth	Harsco + Clean Earth - Air-X-Changers
<b>2018A Sales by Segment</b>	<ul style="list-style-type: none"> <li>Metals &amp; Minerals</li> <li>Industrial</li> <li>Rail</li> </ul>	<ul style="list-style-type: none"> <li>Metals &amp; Minerals</li> <li>Industrial</li> <li>Rail</li> <li>Clean Earth</li> </ul>	<ul style="list-style-type: none"> <li>Metals &amp; Minerals</li> <li>Industrial</li> <li>Rail</li> <li>Clean Earth</li> </ul>
<b>2018A Sales by Geography</b>	<ul style="list-style-type: none"> <li>N. America</li> <li>W. Europe</li> <li>Other</li> </ul>	<ul style="list-style-type: none"> <li>N. America</li> <li>W. Europe</li> <li>Other</li> </ul>	<ul style="list-style-type: none"> <li>N. America</li> <li>W. Europe</li> <li>Other</li> </ul>
<b>2019E Sales</b>	\$1.9 bn	\$2.2 bn	\$2.0 bn
<b>2019E Adj. EBITDA</b>	\$350 mm <sup>(1)</sup>	\$425 mm <sup>(2)</sup>	\$365 mm
<b>2019E Net Leverage<sup>(3)</sup></b>	1.5x	2.7x	1.9x

1. Reflects midpoint of most recent operating income guidance + estimated FY 2019 D&A.

2. Includes \$10 mm of synergies.

3. Based on bank leverage calculation in accordance with credit facility.

## Appendix

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# RECONCILIATION OF NON-GAAP MEASURES

## HARSCO CORPORATION RECONCILIATION OF PROJECTED EBITDA AND PROJECTED ADJUSTED EBITDA EXCLUDING UNUSUAL ITEMS TO OPERATING INCOME (LOSS) (Unaudited)

(In millions)	Harsco Corporation	(+ Clean Earth (A))	Harsco Air-X-Changers <sup>(-)</sup>	Harsco Corporation - After Transactions (B)
<b>Projected Twelve Months Ended December 31, 2019</b>				
Operating income	\$ 200	\$ 66	\$ 55	\$ 211
Depreciation and amortization	137	9	5	141
EBITDA	337	75	60	352
Strategic and transaction related costs	13	—	—	13
Harsco Rail Segment improvement initiative costs	5	—	—	5
Harsco Metals & Minerals Segment cumulative translation adjustment liquidation	(2)	—	—	(2)
Harsco Metals & Minerals Segment change in fair value to contingent consideration liability	—	—	—	—
Adjusted EBITDA, excluding unusual items	\$ 353	\$ 75	\$ 60	\$ 368

(A) Estimates derived from Clean Earth unaudited financial information and incorporates estimated synergies of \$10 million.

(B) The results of Harsco Corporation after the acquisition of Clean Earth and the divestiture of Harsco Air-X-Changers is shown for illustrative purposes. Pro forma results in accordance with Article 11 of Regulation S-X could differ.

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

# HARSCO

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