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FOR IMMEDIATE RELEASE

HARSCO CORPORATION REPORTS FOURTH QUARTER AND FULL-YEAR 2017 RESULTS

- **Q4 GAAP Operating Income of \$38 Million; Each Business Segment Contributed to Results That Exceeded Guidance Range**
- **Q4 Revenues Increased 26 Percent Compared with the Prior-Year Quarter**
- **Net Cash Provided by Operating Activities Totaled \$94 Million in Q4 and \$177 Million for 2017**
- **Free Cash Flow Totaled \$63 Million in Q4 and \$93 Million for the Full-Year; Company's Credit Agreement Net Leverage Ratio Declined as a Result to 1.9x at Year-End**
- **2018 GAAP and Adjusted Operating Income Expected to Increase to be Between \$150 Million to \$170 Million; Free Cash Flow Anticipated Within a Range of \$80 Million and \$100 Million**
- **2018 GAAP and Adjusted Diluted Earnings Per Share Expected Between \$0.97 and \$1.14**

CAMP HILL, PA (February 22, 2018) - Harsco Corporation (NYSE: HSC) today reported fourth quarter and full-year 2017 results. On a U.S. GAAP ("GAAP") basis, fourth quarter 2017 diluted loss per share from continuing operations was \$0.42, which included expenses incurred to reprice the Company's outstanding term loan as previously disclosed and a provisional non-cash adjustment to the Company's deferred tax assets due to the impact of U.S. tax reform. Excluding these items, diluted earnings per share from continuing operations in the fourth quarter of 2017 were \$0.20. These figures compare with fourth quarter of 2016 GAAP diluted loss per share from continuing operations of \$0.19 and diluted earnings per share from continuing operations of \$0.16, excluding unusual items such as early extinguishment of debt costs and a forward loss provision in Rail.

GAAP operating income from continuing operations for the fourth quarter of 2017 was \$38 million, which exceeded the guidance range of \$28 million to \$33 million previously provided by the Company.

"We finished the year with a strong fourth quarter, and I'm pleased with our achievements in the year," said President and CEO Nick Grasberger. "Execution of our strategic objectives along with positive market momentum led to a very successful year for Harsco. We exceeded the operating targets established at the beginning of the year, with positive contributions from each operating business. We also continued to

generate strong cash flow, realized a meaningful improvement in our ROIC and further strengthened our financial flexibility.”

“We expect that 2018 will be another year of positive momentum for Harsco, with each business again expected to see a year-over-year improvement in underlying performance. Our strategic priorities remain focused on portfolio growth and development as well as serving our customers and operational excellence. We announced a number of growth investments over the past year and I’m very enthusiastic about the pipeline of growth opportunities within our businesses. We remain confident that these opportunities and priorities, along with supportive markets, will further strengthen Harsco’s capital returns and create value for shareholders.”

Harsco Corporation—Selected Fourth Quarter Results

| (\$ in millions, except per share amounts) | Q4 2017 | | Q4 2016 | |
|--|---------|--------|---------|--------|
| Revenues | \$ | 455 | \$ | 360 |
| Operating income from continuing operations - GAAP | \$ | 38 | \$ | 24 |
| Operating margin from continuing operations - GAAP | | 8.5% | | 6.7% |
| Diluted EPS from continuing operations | \$ | (0.42) | \$ | (0.19) |
| Return on invested capital (TTM) - excluding unusual items | | 11.5% | | 6.9% |

Consolidated Fourth Quarter Operating Results

Total revenues were \$455 million, an increase of 26 percent compared with the prior-year quarter as a result of higher revenues in each of the Company's segments. The fourth quarter of 2017 included revenues of approximately \$42 million for a number of base vehicles and other related equipment under the Company's multi-year contracts with SBB, or the federal railway system in Switzerland.

GAAP operating income from continuing operations of \$38 million during the fourth quarter of 2017 compares with GAAP operating income of \$24 million and operating income of \$28 million excluding the unusual items in the same quarter last year. Operating income in each of the Company's operating segments improved in comparison with the prior-year quarter.

The Company's operating margin was 8.5 percent versus a GAAP operating margin of 6.7 percent and adjusted operating margin of 7.8 percent in the fourth quarter of 2016.

Harsco Corporation—Selected 2017 Results

| (\$ in millions, except per share amounts) | 2017 | | 2016 | |
|--|------|-------|------|--------|
| Revenues | \$ | 1,607 | \$ | 1,451 |
| Operating income/(loss) from continuing operations - GAAP | \$ | 143 | \$ | 63 |
| Operating margin from continuing operations - GAAP | | 8.9% | | 4.4% |
| Diluted EPS from continuing operations | \$ | 0.09 | \$ | (1.07) |
| Return on invested capital (TTM) - excluding unusual items | | 11.5% | | 6.9% |

Consolidated 2017 Results

Total revenues were \$1.6 billion in 2017, compared with \$1.5 billion in 2016, with each of the Company's segments realizing a growth in revenues during the year. Metals & Minerals' revenues were positively

impacted by higher customer steel output, new contracts, higher commodity prices and foreign exchange rates. Improved demand for air-cooled heat exchangers from U.S. energy customers led to higher revenues in Industrial, while Rail revenues increased as a result of higher demand for equipment and after-market parts from international customers (including SBB) and Protran Technology products.

GAAP operating income from continuing operations was \$143 million in 2017, while GAAP operating income from continuing operations in 2016 was \$63 million. These figures are \$147 million and \$116 million, respectively, when excluding the unusual items in each of the periods. Financial performance in each segment improved compared with the previous year due mainly to the above factors as well as a more favorable mix of services and products in the Metals & Minerals and Industrial segments and operating efficiency improvements delivered through the course of the year. These benefits offset higher Corporate costs, resulting from increased pension and other benefit program costs as well as professional fees.

On a GAAP basis, diluted earnings per share from continuing operations in 2017 was \$0.09, including the fourth quarter items noted above and a third-quarter bad debt expense related to a Metals & Minerals customer that previously entered voluntary administration under Australian law. The figure compares with a diluted loss per share in 2016 of \$1.07, which included a site exit charge, Metals & Minerals Separation costs, debt refinancing costs and charges, a loss related to the sale of the Company's remaining interest in Brand Energy, and a forward loss provision related to the Company's railway maintenance equipment contracts with SBB.

Excluding unusual items, adjusted diluted earnings per share from continuing operations increased to \$0.74 in 2017 from \$0.48 in 2016.

Fourth Quarter Business Review

Metals & Minerals

| (\$ in millions) | Q4 2017 | Q4 2016 | %Change |
|---------------------------------------|---------|---------|---------|
| Revenues | \$ 250 | \$ 235 | 6% |
| Operating income - GAAP | \$ 22 | \$ 20 | 13% |
| Operating margin - GAAP | 8.9% | 8.4% | |
| Customer liquid steel tons (millions) | 37.4 | 34.5 | 8% |

Revenues increased 6 percent to \$250 million, as a result of higher steel output and service levels as well as foreign exchange translation. Meanwhile, GAAP operating income in the fourth quarter of 2017 totaled \$22 million compared with operating income of \$20 million and operating income of \$19 million after adjusting for the unusual items in the prior-year period. The improvement in operating earnings is attributable to higher underlying demand for mill services, which offset increased compensation expenses and professional fees. As a result, the segment's operating margin rose to 8.9 percent in the fourth quarter of 2017.

Industrial

| (\$ in millions) | Q4 2017 | Q4 2016 | %Change |
|-------------------------|---------|---------|---------|
| Revenues | \$ 82 | \$ 56 | 46% |
| Operating income - GAAP | \$ 10 | \$ 3 | nmf |
| Operating margin - GAAP | 12.7% | 5.5% | |

nmf=not meaningful

Revenues increased 46 percent to \$82 million, due to increased demand within each of the three product businesses. Operating income increased to \$10 million from \$3 million in the prior-year quarter, as improved demand as well as a more favorable sales mix offset higher compensation and commission expenses. As a result, the segment's operating margin increased to 12.7 percent from 5.5 percent in the comparable quarter last year.

Rail

| (\$ in millions) | Q4 2017 | Q4 2016 | %Change |
|-------------------------|---------|---------|---------|
| Revenues | \$ 123 | \$ 70 | 77% |
| Operating income - GAAP | \$ 14 | \$ 5 | 184% |
| Operating margin - GAAP | 11.3% | 7.1% | |

Revenues increased 77 percent to \$123 million, mainly as a result of higher equipment sales. As noted above, the fourth quarter of 2017 included revenues of approximately \$42 million from SBB (at zero margin). Operating income totaled \$14 million in comparison with operating income of \$5 million in the prior-year quarter. The 2016-quarter included a forward loss provision on the Company's contracts with SBB. Otherwise, the improvement in operating income is attributable to the demand trends noted above and a more favorable services mix, and these positive impacts offset lower contributions from after-market parts and additional compensation and administrative expenses. As a result, the segment's operating margin was 11.3 percent, or 17.2 percent excluding the SBB revenue, in the fourth quarter of 2017.

Cash Flow

Net cash provided by operating activities totaled \$94 million in the fourth quarter of 2017, compared with \$55 million in the prior-year period. Further, free cash flow was \$63 million in the fourth quarter of 2017, compared with \$38 million in the prior-year period. The year-over-year increase in free cash flow reflects higher net cash from operating activities principally as a result of the improvement in cash earnings and reduced inventories in Rail, offsetting the impact of higher capital investments in the quarter.

For the full-year, net cash provided by operating activities was \$177 million and free cash flow was \$93 million. These figures compare to \$160 million and \$100 million respectively in 2016. This change in free cash flow reflects incremental growth capital spending in Metals & Minerals and modest working capital investments, partially offset by higher cash earnings.

2018 Outlook

The Company's 2018 guidance reflects an overall positive outlook across its services and products businesses. For Metals & Minerals, adjusted operating income is expected to increase modestly as higher customer steel output and commodity prices, new site ramp-ups, operational savings and improved profitability in certain Applied Products businesses are expected to be only partially offset by exited sites, less favorable services mix, investments to support growth initiatives and pension. Meanwhile, Industrial earnings are projected to increase significantly due to improved demand for heat exchangers, industrial grating and commercial boilers as well as a more favorable product mix and manufacturing savings. And in Rail, adjusted operating income is also anticipated to be modestly higher compared with 2017, as increased demand for after-market parts and Protran Technology products will be partially offset by a less favorable mix of equipment

sales and lower contributions from contracting services. Lastly, Corporate spending is expected to be comparable with 2017.

This outlook also reflects:

- An anticipated 800 basis point to 1000 basis point reduction in Harsco's effective tax rate following recent U.S. tax reform;
- The implementation of the new pension classification standard and estimated net periodic pension costs, which are expected to be positive to overall Harsco earnings but negative to Metals & Minerals income as indicated above compared with 2017; and
- Expected impacts of the new revenue recognition standard that are not material to the overall guidance below for FY 2018 or Q1 2018.

Key highlights in the Outlook are included below.

Full Year 2018*

- GAAP and adjusted operating income for the full year is expected to range from \$150 million to \$170 million; compared with GAAP operating income of \$143 million and adjusted operating income of \$147 million in 2017.
- GAAP and adjusted earnings per share from continuing operations for the full year are expected in the range of \$0.97 to \$1.14; compared with GAAP earnings per share of \$0.09 and adjusted earnings per share of \$0.74 in 2017.
- Free cash flow is expected in the range of \$80 million to \$100 million, including total net capital expenditures of between \$125 million and \$145 million and growth-oriented capital spending of \$45 million to \$50 million; compared with \$93 million in 2017.
- Net interest expense is forecasted to range from \$34 million to \$36 million as a result of lower interest costs following the term loan repricing; compared with \$45 million in 2017.
- The effective tax rate is expected to range from 26 percent to 28 percent.
- Adjusted return on invested capital is expected to range from 12.0 percent to 13.5 percent; compared with 11.5 percent in 2017.

Q1 2018*

- GAAP and adjusted operating income of \$30 million to \$35 million; compared with GAAP and adjusted operating income of \$28 million in the prior-year quarter.
- GAAP and adjusted earnings per share from continuing operations of \$0.16 to \$0.21; compared with GAAP and adjusted earnings per share of \$0.11 in the prior-year quarter.

*Comparable 2017 figures do not reflect pension reclassification.

Conference Call

The Company will hold a conference call today at 9:00 a.m. Eastern Time to discuss its results and respond to questions from the investment community. The conference call will be broadcast live through the Harsco Corporation website at www.harsco.com. The Company will refer to a slide presentation that accompanies its formal remarks. The slide presentation will be available on the Company's website.

The call can also be accessed by telephone by dialing (800) 611-4920, or (973) 200-3957 for international callers. Enter Conference ID number 60474062. Listeners are advised to dial in at least five minutes prior to the call.

Replays will be available via the Harsco website and also by telephone through March 8, 2018 by dialing (800) 585-8367, (855) 859-2056 or (404) 537-3406.

Forward-Looking Statements

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 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; (13) the amount and timing of repurchases of the Company's common stock, if any; (14) the outcome of any disputes with customers, contractors and subcontractors; (15) 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; (16) implementation of environmental remediation matters; (17) risk and uncertainty associated with intangible assets; and (18) 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, 2016. 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.

About Harsco

Harsco Corporation serves key industries that are fundamental to worldwide economic development, including steel and metals production, railways and energy. Harsco's common stock is a component of the S&P SmallCap 600 Index and the Russell 2000 Index. Additional information can be found at www.harsco.com.

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HARSCO CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

| (In thousands, except per share amounts) | Three Months Ended | | Twelve Months Ended | |
|---|--------------------|---------------------------------|-------------------------------|---------------------------------|
| | December 31 | | December 31 | |
| | 2017 | 2016 | 2017 | 2016 |
| Revenues from continuing operations: | | | | |
| Service revenues | \$ 243,613 | \$ 224,952 | \$ 981,672 | \$ 939,129 |
| Product revenues | 211,357 | 135,270 | 625,390 | 512,094 |
| Total revenues | 454,970 | 360,222 | 1,607,062 | 1,451,223 |
| Costs and expenses from continuing operations: | | | | |
| Cost of services sold | 192,176 | 184,983 | 767,081 | 759,120 |
| Cost of products sold | 157,579 | 99,212 | 453,641 | 411,343 |
| Selling, general and administrative expenses | 62,705 | 49,838 | 234,673 | 200,391 |
| Research and development expenses | 1,131 | 1,532 | 4,227 | 4,280 |
| Other expenses, net | 2,912 | 509 | 4,641 | 12,620 |
| Total costs and expenses | 416,503 | 336,074 | 1,464,263 | 1,387,754 |
| Operating income from continuing operations | 38,467 | 24,148 | 142,799 | 63,469 |
| Interest income | 854 | 715 | 2,469 | 2,475 |
| Interest expense | (11,371) | (11,660) | (47,552) | (51,584) |
| Loss on early extinguishment of debt | (2,265) | (35,337) | (2,265) | (35,337) |
| Change in fair value to the unit adjustment liability and loss on dilution and sale of equity method investment | — | — | — | (58,494) |
| Income (loss) from continuing operations before income taxes and equity income | 25,685 | (22,134) | 95,451 | (79,471) |
| Income tax benefit (expense) | (58,046) | 8,276 | (83,803) | (6,637) |
| Equity income of unconsolidated entities, net | — | — | — | 5,686 |
| Income (loss) from continuing operations | (32,361) | (13,858) | 11,648 | (80,422) |
| Discontinued operations: | | | | |
| Income (loss) on disposal of discontinued business | 844 | (727) | 306 | 1,061 |
| Income tax (expense) benefit related to discontinued business | (303) | 269 | (110) | (392) |
| Income (loss) from discontinued operations | 541 | (458) | 196 | 669 |
| Net income (loss) | (31,820) | (14,316) | 11,844 | (79,753) |
| Less: Net income attributable to noncontrolling interests | (1,584) | (1,322) | (4,022) | (5,914) |
| Net income (loss) attributable to Harsco Corporation | \$ (33,404) | \$ (15,638) | \$ 7,822 | \$ (85,667) |
| Amounts attributable to Harsco Corporation common stockholders: | | | | |
| Income (loss) from continuing operations, net of tax | \$ (33,945) | \$ (15,180) | \$ 7,626 | \$ (86,336) |
| Income (loss) from discontinued operations, net of tax | 541 | (458) | 196 | 669 |
| Net income (loss) attributable to Harsco Corporation common stockholders | \$ (33,404) | \$ (15,638) | \$ 7,822 | \$ (85,667) |
| Weighted-average shares of common stock outstanding | 80,651 | 80,379 | 80,553 | 80,333 |
| Basic earnings (loss) per common share attributable to Harsco Corporation common stockholders: | | | | |
| Continuing operations | \$ (0.42) | \$ (0.19) | \$ 0.09 | \$ (1.07) |
| Discontinued operations | 0.01 | (0.01) | — | 0.01 |
| Basic earnings (loss) per share attributable to Harsco Corporation common stockholders | \$ (0.41) | \$ (0.19) ^(a) | \$ 0.10 ^(a) | \$ (1.07) ^(a) |
| Diluted weighted-average shares of common stock outstanding | 80,651 | 80,379 | 82,840 | 80,333 |
| Diluted earnings (loss) per common share attributable to Harsco Corporation common stockholders: | | | | |
| Continuing operations | \$ (0.42) | \$ (0.19) | \$ 0.09 | \$ (1.07) |
| Discontinued operations | 0.01 | (0.01) | — | 0.01 |
| Diluted earnings (loss) per share attributable to Harsco Corporation common stockholders | \$ (0.41) | \$ (0.19) ^(a) | \$ 0.09 | \$ (1.07) ^(a) |

(a) Does not total due to rounding.

HARSCO CORPORATION
CONSOLIDATED BALANCE SHEETS (Unaudited)

| (In thousands) | December 31 2017 | December 31 2016 |
|--|---------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 62,098 | \$ 69,831 |
| Restricted cash | 4,111 | 2,048 |
| Trade accounts receivable, net | 288,034 | 236,554 |
| Other receivables | 20,224 | 21,053 |
| Inventories | 178,293 | 187,681 |
| Other current assets | 39,332 | 33,108 |
| Total current assets | 592,092 | 550,275 |
| Property, plant and equipment, net | 479,747 | 490,255 |
| Goodwill | 401,758 | 382,251 |
| Intangible assets, net | 38,251 | 41,567 |
| Deferred income tax assets | 51,574 | 106,311 |
| Other assets | 15,263 | 10,679 |
| Total assets | \$ 1,578,685 | \$ 1,581,338 |
| LIABILITIES | | |
| Current liabilities: | | |
| Short-term borrowings | \$ 8,621 | \$ 4,259 |
| Current maturities of long-term debt | 11,208 | 25,574 |
| Accounts payable | 126,249 | 107,954 |
| Accrued compensation | 60,451 | 46,658 |
| Income taxes payable | 5,106 | 4,301 |
| Insurance liabilities | 11,167 | 11,850 |
| Advances on contracts and other customer advances | 117,958 | 117,329 |
| Other current liabilities | 133,368 | 109,748 |
| Total current liabilities | 474,128 | 427,673 |
| Long-term debt | 566,794 | 629,239 |
| Insurance liabilities | 22,385 | 25,265 |
| Retirement plan liabilities | 259,367 | 319,597 |
| Other liabilities | 40,846 | 42,001 |
| Total liabilities | 1,363,520 | 1,443,775 |
| HARSCO CORPORATION STOCKHOLDERS' EQUITY | | |
| Common stock | 141,110 | 140,625 |
| Additional paid-in capital | 180,201 | 172,101 |
| Accumulated other comprehensive loss | (546,582) | (606,722) |
| Retained earnings | 1,157,801 | 1,150,688 |
| Treasury stock | (762,079) | (760,391) |
| Total Harsco Corporation stockholders' equity | 170,451 | 96,301 |
| Noncontrolling interests | 44,714 | 41,262 |
| Total equity | 215,165 | 137,563 |
| Total liabilities and equity | \$ 1,578,685 | \$ 1,581,338 |

HARSCO CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

| (In thousands) | Three Months Ended | | Twelve Months Ended | |
|---|--------------------|------------------|---------------------|------------------|
| | December 31 | | December 31 | |
| | 2017 | 2016 | 2017 | 2016 |
| Cash flows from operating activities: | | | | |
| Net income (loss) | \$ (31,820) | \$ (14,316) | \$ 11,844 | \$ (79,753) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | | |
| Depreciation | 30,320 | 30,799 | 121,839 | 129,083 |
| Amortization | 2,109 | 2,400 | 8,098 | 12,403 |
| Change in fair value to the unit adjustment liability and loss on dilution and sale of equity method investment | — | — | — | 58,494 |
| Contract estimated forward loss provision for Harsco Rail Segment | — | 5,000 | — | 45,050 |
| Loss on early extinguishment of debt | — | 35,337 | — | 35,337 |
| Deferred income tax expense (benefit) | 55,331 | (5,639) | 57,349 | (7,654) |
| Equity in income of unconsolidated entities, net | — | — | — | (5,686) |
| Dividends from unconsolidated entities | — | — | 93 | 16 |
| Other, net | (1,818) | 722 | 749 | 2,633 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (5,379) | 11,986 | (32,012) | 16,041 |
| Inventories | 49,669 | 11,982 | 19,557 | (12,313) |
| Accounts payable | 3,509 | (9,454) | 12,554 | (20,194) |
| Accrued interest payable | 151 | (9,442) | 438 | (3,197) |
| Accrued compensation | 10,147 | 4,384 | 11,126 | 8,865 |
| Advances on contracts and other customer advances | (10,277) | (867) | (16,811) | 14,485 |
| Retirement plan liabilities, net | (3,410) | (3,269) | (21,300) | (20,420) |
| Other assets and liabilities | (4,545) | (4,593) | 3,368 | (13,314) |
| Net cash provided by operating activities | 93,987 | 55,030 | 176,892 | 159,876 |
| Cash flows from investing activities: | | | | |
| Purchases of property, plant and equipment | (34,183) | (19,394) | (98,314) | (69,340) |
| Proceeds from sales of assets | 2,672 | 2,127 | 13,418 | 9,305 |
| Purchases of businesses, net of cash acquired | — | — | — | (26) |
| Proceeds from sale of equity investment | — | — | — | 165,640 |
| Net proceeds (payments) from settlement of foreign currency forward exchange contracts | (22,879) | 10,250 | (18,429) | 17,238 |
| Other investing activities, net | — | — | — | 70 |
| Net cash provided (used) by investing activities | (54,390) | (7,017) | (103,325) | 122,887 |
| Cash flows from financing activities: | | | | |
| Short-term borrowings, net | 3,146 | (823) | 5,061 | (2,350) |
| Current maturities and long-term debt: | | | | |
| Additions | 1,985 | 669,892 | 27,985 | 720,727 |
| Reductions | (43,035) | (703,799) | (108,280) | (979,567) |
| Cash dividends paid on common stock | — | — | — | (4,105) |
| Dividends paid to noncontrolling interests | (662) | — | (2,445) | (1,702) |
| Purchase of noncontrolling interests | — | — | (3,412) | (4,731) |
| Stock-based compensation - Employee taxes paid | (81) | — | (1,688) | (91) |
| Deferred pension underfunding payment to unconsolidated affiliate | — | — | — | (20,640) |
| Proceeds from cross-currency interest rate swap termination | — | — | — | 16,625 |
| Deferred financing costs | — | (15,584) | (42) | (16,530) |
| Other financing activities, net | (524) | — | (894) | — |
| Net cash used by financing activities | (39,171) | (50,314) | (83,715) | (292,364) |
| Effect of exchange rate changes on cash and cash equivalents, including restricted cash | 420 | (5,731) | 4,478 | 1,724 |
| Net increase (decrease) in cash and cash equivalents, including restricted cash | 846 | (8,032) | (5,670) | (7,877) |
| Cash and cash equivalents, including restricted cash, at beginning of period | 65,363 | 79,911 | 71,879 | 79,756 |
| Cash and cash equivalents, including restricted cash, at end of period | \$ 66,209 | \$ 71,879 | \$ 66,209 | \$ 71,879 |

HARSCO CORPORATION
REVIEW OF OPERATIONS BY SEGMENT (Unaudited)

| (In thousands) | Three Months Ended December 31, 2017 | | Three Months Ended December 31, 2016 | |
|--------------------------|---|----------------------------|---|----------------------------|
| | Revenues | Operating Income (Loss) | Revenues | Operating Income (Loss) |
| Harsco Metals & Minerals | \$ 249,825 | \$ 22,324 | \$ 234,617 | \$ 19,700 |
| Harsco Industrial | 81,826 | 10,355 | 55,981 | 3,099 |
| Harsco Rail | 123,283 | 13,983 | 69,590 | 4,916 |
| Corporate | 36 | (8,195) | 34 | (3,567) |
| Consolidated Totals | <u>\$ 454,970</u> | <u>\$ 38,467</u> | <u>\$ 360,222</u> | <u>\$ 24,148</u> |

| (In thousands) | Twelve Months Ended December 31, 2017 | | Twelve Months Ended December 31, 2016 | |
|--------------------------|--|----------------------------|--|----------------------------|
| | Revenues | Operating Income (Loss) | Revenues | Operating Income (Loss) |
| Harsco Metals & Minerals | \$ 1,011,328 | \$ 105,257 | \$ 965,540 | \$ 81,634 |
| Harsco Industrial | 299,592 | 35,174 | 247,542 | 23,182 |
| Harsco Rail | 295,999 | 32,091 | 238,107 | (17,527) |
| Corporate | 143 | (29,723) | 34 | (23,820) |
| Consolidated Totals | <u>\$ 1,607,062</u> | <u>\$ 142,799</u> | <u>\$ 1,451,223</u> | <u>\$ 63,469</u> |

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

| | Three Months Ended | | Twelve Months Ended | |
|---|--------------------|--------------------|---------------------|----------------|
| | December 31 | | December 31 | |
| | 2017 | 2016 | 2017 | 2016 |
| Diluted earnings (loss) per share from continuing operations as reported | \$ (0.42) | \$ (0.19) | \$ 0.09 | \$ (1.07) |
| Impact of U.S. tax reform on income tax benefit (expense) (a) | 0.59 | — | 0.59 | — |
| Harsco Metals & Minerals Segment bad debt expense (b) | — | — | 0.06 | — |
| Loss on early extinguishment of debt (c) | 0.03 | 0.43 | 0.03 | 0.44 |
| Net loss on dilution and sale of equity method investment (d) | — | — | — | 0.66 |
| Harsco Rail Segment forward contract loss provision (e) | — | 0.06 | — | 0.56 |
| Harsco Metals & Minerals Segment site exit charges and underperforming contract charges (f) | — | — | — | 0.06 |
| Harsco Metals & Minerals Segment separation costs (g) | — | — | — | 0.04 |
| Expense of deferred financing costs (h) | — | — | — | 0.01 |
| Harsco Metals & Minerals Segment cumulative translation adjustment liquidation (i) | — | (0.01) | — | (0.01) |
| Taxes on above unusual items (j) | (0.01) | (0.14) | (0.02) | (0.21) |
| Adjusted diluted earnings per share from continuing operations excluding unusual items | \$ 0.20 (k) | \$ 0.16 (k) | \$ 0.74 (k) | \$ 0.48 |

(a) The Company recorded a charge as a result of revaluing net deferred tax assets and liabilities as a result of U.S. tax reform (Q4 and Full year 2017 \$48.7 million).

(b) Bad debt expense incurred in the Harsco Metals & Minerals Segment (Full year 2017 \$4.6 million pre-tax).

(c) Loss on early extinguishment of debt recorded at Corporate (Q4 and Full year 2017 \$2.3 million pre-tax; Q4 and Full year 2016 \$35.3 million pre-tax).

(d) Loss on the dilution and sale of the Company's investment in Brand Energy & Infrastructure Services recorded at Corporate (Full year 2016 \$53.8 million pre-tax).

(e) Harsco Rail Segment forward contract loss provision related to the Company's contracts with the federal railway system of Switzerland (Q4 2016 \$5.0 million pre-tax; Full year 2016 \$45.1 million pre-tax).

(f) Harsco Metals & Minerals Segment charges primarily attributable to site exit and underperforming contract costs (Full year 2016 \$5.1 million pre-tax).

(g) Costs associated with Harsco Metals & Minerals Segment separation recorded at Corporate (Full year 2016 \$3.3 million pre-tax).

(h) Expense of deferred financing costs associated with the Company's repayment of approximately \$85 million on its Term Loan Facility recorded at Corporate (Full year 2016 \$1.1 million pre-tax).

(i) Harsco Metals & Minerals Segment gain related to the liquidation of cumulated translation adjustment related to an exited country (Q4 and Full year 2016 \$1.2 million pre-tax).

(j) 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.

(k) Does not total due to rounding.

The Company's management believes Adjusted diluted earnings per share from continuing operations excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION
 REVIEW OF OPERATIONS BY SEGMENT EXCLUDING UNUSUAL ITEMS (Unaudited)

| (In thousands) | Harsco Metals & Minerals | Harsco Industrial | Harsco Rail | Corporate | Consolidated Totals |
|--|--------------------------------|----------------------|----------------|-------------|------------------------|
| Three Months Ended December 31, 2017: | | | | | |
| Operating income (loss) as reported (a) | \$ 22,324 | \$ 10,355 | \$ 13,983 | \$ (8,195) | \$ 38,467 |
| Revenues as reported | \$ 249,825 | \$ 81,826 | \$ 123,283 | \$ 36 | \$ 454,970 |
| Operating margin (%) | 8.9% | 12.7% | 11.3% | | 8.5% |
| Three Months Ended December 31, 2016: | | | | | |
| Adjusted operating income (loss) excluding unusual items | \$ 18,543 | \$ 3,099 | \$ 9,916 | \$ (3,567) | \$ 27,991 |
| Revenues as reported | \$ 234,617 | \$ 55,981 | \$ 69,590 | \$ 34 | \$ 360,222 |
| Operating margin (%) | 7.9% | 5.5% | 14.2% | | 7.8% |
| Twelve Months Ended December 31, 2017: | | | | | |
| Adjusted operating income (loss) excluding unusual items | \$ 109,846 | \$ 35,174 | \$ 32,091 | \$ (29,723) | \$ 147,388 |
| Revenues as reported | \$ 1,011,328 | \$ 299,592 | \$ 295,999 | \$ 143 | \$ 1,607,062 |
| Operating margin (%) | 10.9% | 11.7% | 10.8% | | 9.2% |
| Twelve Months Ended December 31, 2016: | | | | | |
| Adjusted operating income (loss) excluding unusual items | \$ 85,577 | \$ 23,182 | \$ 27,523 | \$ (20,533) | \$ 115,749 |
| Revenues as reported | \$ 965,540 | \$ 247,542 | \$ 238,107 | \$ 34 | \$ 1,451,223 |
| Adjusted operating margin (%) excluding unusual items | 8.9% | 9.4% | 11.6% | | 8.0% |

(a) No unusual items were excluded from operating income in the three months ended December 31, 2017.

The Company's management believes Adjusted operating margin (%) excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

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

| (In thousands) | Harsco Metals & Minerals | Harsco Industrial | Harsco Rail | Corporate | Consolidated Totals |
|--|--------------------------------|----------------------|----------------|------------|------------------------|
| Three Months Ended December 31, 2017: | | | | | |
| Operating income (loss) as reported (a) | \$ 22,324 | \$ 10,355 | \$ 13,983 | \$ (8,195) | \$ 38,467 |
| Revenues as reported | \$ 249,825 | \$ 81,826 | \$ 123,283 | \$ 36 | \$ 454,970 |
| Three Months Ended December 31, 2016: | | | | | |
| Operating income (loss) as reported | \$ 19,700 | \$ 3,099 | \$ 4,916 | \$ (3,567) | \$ 24,148 |
| Harsco Rail Segment forward contract loss provision | — | — | 5,000 | — | 5,000 |
| Harsco Metals & Minerals Segment cumulative translation adjustment liquidation | (1,157) | — | — | — | (1,157) |
| Adjusted operating income (loss) excluding unusual items | \$ 18,543 | \$ 3,099 | \$ 9,916 | \$ (3,567) | \$ 27,991 |
| Revenues as reported | \$ 234,617 | \$ 55,981 | \$ 69,590 | \$ 34 | \$ 360,222 |

(a) No unusual items were excluded in the three months ended December 31, 2017.

The Company's management believes Adjusted operating income (loss) excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION

RECONCILIATION OF ADJUSTED OPERATING INCOME (LOSS) EXCLUDING UNUSUAL ITEMS BY SEGMENT TO OPERATING INCOME (LOSS) AS REPORTED BY SEGMENT (Unaudited)

| (In thousands) | Harsco Metals & Minerals | Harsco Industrial | Harsco Rail | Corporate | Consolidated Totals |
|--|--------------------------------|----------------------|----------------|-------------|------------------------|
| Twelve Months Ended December 31, 2017: | | | | | |
| Operating income (loss) as reported | \$ 105,257 | \$ 35,174 | \$ 32,091 | \$ (29,723) | \$ 142,799 |
| Harsco Metals & Minerals bad debt expense | 4,589 | — | — | — | 4,589 |
| Adjusted operating income (loss), excluding unusual items | \$ 109,846 | \$ 35,174 | \$ 32,091 | \$ (29,723) | \$ 147,388 |
| Revenues as reported | \$ 1,011,328 | \$ 299,592 | \$ 295,999 | \$ 143 | \$ 1,607,062 |
| Twelve Months Ended December 31, 2016: | | | | | |
| Operating income (loss) as reported | \$ 81,634 | \$ 23,182 | \$ (17,527) | \$ (23,820) | \$ 63,469 |
| Harsco Rail Segment forward contract loss provision | — | — | 45,050 | — | 45,050 |
| Harsco Metals & Minerals Segment site exit charges | 5,100 | — | — | — | 5,100 |
| Harsco Metals & Minerals Segment separation costs | — | — | — | 3,287 | 3,287 |
| Harsco Metals & Minerals Segment cumulative translation adjustment liquidation | (1,157) | — | — | — | (1,157) |
| Adjusted operating income (loss) excluding unusual items | \$ 85,577 | \$ 23,182 | \$ 27,523 | \$ (20,533) | \$ 115,749 |
| Revenues as reported | \$ 965,540 | \$ 247,542 | \$ 238,107 | \$ 34 | \$ 1,451,223 |

The Company's management believes Adjusted operating income (loss) excluding unusual items, which is a non-U.S. GAAP financial measure, is useful to investors because it provides an overall understanding of the Company's historical and future prospects. Exclusion of unusual items permits evaluation and comparison of results for the Company's core business operations, and it is on this basis that management internally assesses the Company's performance. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION

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

| (In thousands) | Three Months Ended | | Twelve Months Ended | |
|--|--------------------|------------------|---------------------|-------------------|
| | December 31 | | December 31 | |
| | 2017 | 2016 | 2017 | 2016 |
| Net cash provided by operating activities | \$ 93,987 | \$ 55,030 | \$ 176,892 | \$ 159,876 |
| Less capital expenditures | (34,183) | (19,394) | (98,314) | (69,340) |
| Plus capital expenditures for strategic ventures (a) | 433 | 58 | 865 | 170 |
| Plus total proceeds from sales of assets (b) | 2,672 | 2,127 | 13,418 | 9,305 |
| Free cash flow | <u>\$ 62,909</u> | <u>\$ 37,821</u> | <u>\$ 92,861</u> | <u>\$ 100,011</u> |

(a) Capital expenditures for strategic ventures represent the partner's share of capital expenditures in certain ventures consolidated in the Company's financial statements.

(b) Asset sales are a normal part of the business model, primarily for the Harsco Metals & Minerals Segment.

The Company's management believes that free cash flow, which is a non-U.S. GAAP financial measure, is meaningful to investors because management reviews cash flows generated from operations less capital expenditures net of asset sales proceeds 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 the measure. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION

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

| (In millions) | Projected Twelve Months Ending December 31 | |
|--|--|--------|
| | 2018 | |
| | Low | High |
| Net cash provided by operating activities | \$ 205 | \$ 245 |
| Less capital expenditures | (130) | (149) |
| Plus total proceeds from asset sales and capital expenditures for strategic ventures | 5 | 4 |
| Free Cash Flow | \$ 80 | \$ 100 |

The Company's management believes that free cash flow, which is a non-U.S. GAAP financial measure, is meaningful to investors because management reviews cash flows generated from operations less capital expenditures net of asset sales proceeds 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 the measure. This measure should be considered in addition to, rather than as a substitute for, other information provided in accordance with U.S. GAAP.

HARSCO CORPORATION
RECONCILIATION OF RETURN ON INVESTED CAPITAL EXCLUDING UNUSUAL ITEMS TO NET INCOME (LOSS) FROM CONTINUING OPERATIONS AS REPORTED (a) (Unaudited)

| (In thousands) | Year Ended December 31 | |
|--|------------------------|------------------|
| | 2017 | 2016 |
| Income (loss) from continuing operations | \$ 11,648 | \$ (80,422) |
| Unusual items: | | |
| Impact of U.S. tax reform on income tax benefit (expense) | 48,680 | — |
| Harsco Metals & Minerals Segment bad debt expense | 4,589 | — |
| Loss on early extinguishment of debt | 2,265 | 35,337 |
| Net loss on dilution and sale of equity investment | — | 53,822 |
| Harsco Rail Segment forward contract loss provision | — | 45,050 |
| Harsco Metals & Minerals Segment site exit and underperforming contract charges, net | — | 5,100 |
| Harsco Metals & Minerals Segment separation costs | — | 3,287 |
| Expense of deferred financing costs | — | 1,125 |
| Harsco Metals & Minerals Segment cumulative translation adjustment liquidation | — | (1,157) |
| Taxes on above unusual items (b) | (2,052) | (17,335) |
| Net income from continuing operations, as adjusted | 65,130 | 44,807 |
| After-tax interest expense (c) | 29,957 | 31,790 |
| Net operating profit after tax as adjusted | \$ 95,087 | \$ 76,597 |
| Average equity | \$ 189,560 | \$ 290,995 |
| Plus average debt | 638,964 | 821,559 |
| Average capital | \$ 828,524 | \$ 1,112,554 |
| Return on invested capital excluding unusual items | 11.5% | 6.9% |

- (a) Return on invested capital excluding unusual items is net income (loss) from continuing operations excluding unusual items, and after-tax interest expense, divided by average capital for the year. The Company uses a trailing twelve month average for computing average capital.
- (b) 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.
- (c) The Company's effective tax rate approximated 37% on an adjusted basis for both periods for interest expense.

The Company's management believes Return on invested capital excluding unusual items, which is a non-U.S. GAAP financial measure, is meaningful in evaluating the efficiency and effectiveness of the capital invested in the Company's business. 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. This measure should be considered in addition to, rather than as a substitute for, net income or other information provided in accordance with U.S. GAAP.