

STERIS plc
Consolidated Condensed Statements of Operations
(In thousands, except per share data)

	Three Months Ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited) (Recast)*
Revenues	\$ 968,422	\$ 668,932
Cost of revenues	542,140	381,548
Gross profit	426,282	287,384
Operating expenses:		
Selling, general, and administrative	393,752	155,170
Research and development	18,192	16,231
Restructuring expenses	14	166
Total operating expenses	411,958	171,567
Income from operations	14,324	115,817
Non-operating expenses, net	43,301	7,203
Income tax (credit) expense	(7,075)	19,083
Net (loss) income	\$ (21,902)	\$ 89,531
Less: Net (loss) income attributable to noncontrolling interests	(95)	(66)
Net (loss) income attributable to shareholders	\$ (21,807)	\$ 89,597
Earnings per ordinary share (EPS) data:		
Basic	\$ (0.24)	\$ 1.05
Diluted	\$ (0.24)	\$ 1.05
Cash dividends declared per share ordinary outstanding	\$ 0.40	\$ 0.37
Weighted average number of shares outstanding used in EPS computation:		
Basic number of shares outstanding	90,152	84,959
Diluted number of shares outstanding	90,152	85,676

STERIS plc
Consolidated Condensed Balance Sheets
(in thousands)

	June 30,	March 31
	2021	2021
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 534,774	\$ 220,531
Accounts receivable, net	743,420	609,406
Inventories, net	593,067	315,067
Prepaid expenses and other current assets	136,599	66,750
Total current assets	2,007,860	1,211,754
Property, plant, and equipment, net	1,499,448	1,235,400
Lease right-of-use assets, net	207,341	150,142
Goodwill	5,286,594	3,026,049
Intangibles, net	3,048,319	898,406
Other assets	51,445	52,720
Total assets	\$ 12,101,007	\$ 6,574,471
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 232,186	\$ 156,950
Other current liabilities	912,839	420,970
Total current liabilities	1,145,025	577,920
Long-term indebtedness	3,256,714	1,650,540
Other liabilities	1,114,253	454,543
Total equity	6,585,015	3,891,468
Total liabilities and equity	\$ 12,101,007	\$ 6,574,471

*Certain amounts have been recast to reflect the change in inventory accounting method, as described our Annual Report on Form 10-K filed with the SEC on May 28, 2021.

STERIS plc
Segment Data

Financial information for each of the segments is presented in the following table. We disclose a measure of segment income that is consistent with the way management operates and views the business. The accounting policies for reportable segments are the same as those for the consolidated Company. Segment income is calculated as the segment's gross profit less direct costs and indirect costs if the resources are dedicated to a single segment. Corporate costs include corporate and administrative functions, public company costs, legacy post-retirement benefits, and certain services and facilities related to distribution and research and development that are shared by multiple segments.

	Three Months Ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
	(Recast)*	
Revenues:		
Healthcare	\$ 602,817	\$ 399,658
Applied Sterilization Technologies	208,902	152,362
Life Sciences	121,471	116,912
Dental	35,232	—
Total revenues	\$ 968,422	\$ 668,932
Operating income (loss):		
Healthcare	\$ 136,160	\$ 84,173
Applied Sterilization Technologies	101,927	63,955
Life Sciences	49,088	48,461
Dental	10,119	—
Corporate	(75,060)	(52,367)
Total operating income before adjustments	\$ 222,234	\$ 144,222
Less: Adjustments		
Amortization of acquired intangible assets	\$ 41,741	\$ 17,500
Acquisition and integration related charges	140,996	1,286
Tax restructuring costs	(49)	170
Net loss on divestiture of businesses	419	10
Amortization of inventory and property "step up" to fair value	24,789	603
COVID-19 incremental costs	—	8,670
Restructuring charges	14	166
Total operating income	\$ 14,324	\$ 115,817

*Certain amounts have been recast to reflect the change in inventory accounting method, as described our Annual Report on Form 10-K filed with the SEC on May 28, 2021.

STERIS plc
Consolidated Condensed Statements of Cash Flows
(in thousands)

	Three Months Ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
		(Recast)*
Operating activities:		
Net (loss) income	\$ (21,902)	\$ 89,531
Non-cash items	132,509	60,191
Changes in operating assets and liabilities	(13,181)	(15,600)
Net cash provided by operating activities	97,426	134,122
Investing activities:		
Purchases of property, plant, equipment, and intangibles, net	(56,396)	(66,861)
Proceeds from the sale of property, plant, equipment, and intangibles	217	137
Acquisition of businesses, net of cash acquired	(547,353)	—
Net cash used in investing activities	(603,532)	(66,724)
Financing activities:		
Proceeds from the issuance of senior public notes	1,350,000	—
Proceeds from term loan	650,000	—
Payments on term loan	(125,000)	—
Payments on long-term obligations	(721,284)	—
Payments under credit facilities, net	(249,421)	(95,837)
Deferred financing fees and debt issuance costs	(17,227)	—
Acquisition related deferred or contingent consideration	(25,150)	(21)
Repurchases of ordinary shares	(10,670)	(14,296)
Cash dividends paid to ordinary shareholders	(34,148)	(31,471)
Contributions from noncontrolling interest holders	—	2,258
Stock option and other equity transactions, net	1,710	5,367
Net cash provided by (used in) financing activities	818,810	(134,000)
Effect of exchange rate changes on cash and cash equivalents	1,539	2,648
Increase (decrease) in cash and cash equivalents	314,243	(63,954)
Cash and cash equivalents at beginning of period	220,531	319,581
Cash and cash equivalents at end of period	\$ 534,774	\$ 255,627

The following table presents a financial measure which is considered to be "non-GAAP financial measures" under Securities Exchange Commission rules. Free cash flow is defined by the Company as cash flows from operating activities less purchases of property, plant, equipment and intangibles (capital expenditures) plus proceeds from the sale of property, plant, equipment and intangibles. The Company uses free cash flow as a measure to gauge its ability to pay cash dividends, fund growth outside of core operations, fund future debt principal repayments, and repurchase shares. STERIS's calculation of free cash flows may vary from other companies.

	Three Months Ended June 30,	
	2021	2020
	(Unaudited)	(Unaudited)
		(Recast)*
Calculation of Free Cash Flow:		
Cash flows from operating activities	97,426	\$ 134,122
Purchases of property, plant, equipment, and intangibles, net	(56,396)	(66,861)
Proceeds from the sale of property, plant, equipment, and intangibles	217	137
Free Cash Flow	\$ 41,247	\$ 67,398

	Twelve Months Ended	
	March 31,	
	2022	
	(Outlook)**	
Calculation of free cash flow for outlook:		
Cash flows from operating activities		\$720,000
Purchases of property, plant, equipment, and intangibles, net		(320,000)
Free Cash Flow		\$400,000

** All amounts are estimates.

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STERIS plc
Non-GAAP Financial Measures
(in thousands, except per share data)

Non-GAAP financial measures are presented with the intent of providing greater transparency to supplemental financial information used by management and the Board of Directors in their financial analysis and operational decision making. These amounts are disclosed so that the reader has the same financial data that management uses with the belief that it will assist investors and other readers in making comparisons to our historical operating results and analyzing the underlying performance of our operations for the periods presented.

Management and the Board of Directors believe that the presentation of these non-GAAP financial measures, when considered along with our GAAP financial measures and the reconciliation to the corresponding GAAP financial measures, provides the reader with a more complete understanding of the factors and trends affecting our business than could be obtained absent this disclosure. It is important for the reader to note that the non-GAAP financial measure used may be calculated differently from, and therefore may not be comparable to, a similarly titled measure used by other companies.

To measure the percentage organic revenue growth, the Company removes the impact of acquisitions and divestitures that affect the comparability and trends in revenue. To measure the percentage constant currency organic revenue growth, the impact of changes in currency exchange rates and acquisitions and divestitures that affect the comparability and trends in revenue are removed. The impact of changes in currency exchange rates is calculated by translating current year results at prior year average currency exchange rates.

Three months ended June 30, (unaudited)

	As reported, GAAP		Impact of Acquisitions		Impact of Divestitures		Impact of Foreign Currency Movements	GAAP Growth	Organic Growth	Constant Currency Organic Growth
	2021	2020	2021	2020	2021	2020	2021	2021	2021	2021
Segment revenues:										
Healthcare	\$ 602,817	\$ 399,658	\$ 95,800	\$ —	\$ 7,658	50.8 %	26.9 %	24.9 %		
Applied Sterilization Technologies	208,902	152,362	7,936	—	7,274	37.1 %	31.9 %	27.1 %		
Life Sciences	121,471	116,912	2,373	—	3,171	3.9 %	1.9 %	(0.8)%		
Dental	35,232	—	35,232	—	—	— %	— %	— %		
Total	\$ 968,422	\$ 668,932	\$ 141,341	\$ —	\$ 18,103	44.8 %	23.6 %	20.9 %		

Three months ended June 30, (unaudited) (recast)*

	Gross Profit		Income from Operations		Net Income (loss) attributable to shareholders		Diluted EPS	
	2021	2020	2021	2020	2021	2020	2021	2020
GAAP	\$ 426,282	\$ 287,384	\$ 14,324	\$ 115,817	\$ (21,807)	\$ 89,597	\$ (0.24)	\$ 1.05
Adjustments:								
Amortization of acquired intangible assets	3,208	341	41,741	17,500				
Acquisition and integration related charges	608	92	140,996	1,286				
Tax restructuring costs	—	—	(49)	170				
Net loss on divestiture of businesses	—	—	419	10				
Amortization of inventory and property "step up" to fair value	20,853	603	24,789	603				
COVID-19 incremental costs	—	8,336	—	8,670				
Restructuring charges	—	—	14	166				
Fair value adjustment related to convertible debt, premium liability					22,923	—		
Net impact of adjustments after tax**					158,805	23,654		
Net EPS impact							2.00	0.27
Adjusted	\$ 450,951	\$ 296,756	\$ 222,234	\$ 144,222	\$ 159,921	\$ 113,251	\$ 1.76	\$ 1.32

** The tax expense includes both the current and deferred income tax impact of the adjustments.

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STERIS plc
Non-GAAP Financial Measures (Continued)
(in thousands, except per share data)

FY 2022 Outlook

**Twelve Months
Ended March 31, 2022
(Outlook)****

Net income per diluted share	\$3.44 - \$3.69
Amortization of acquired intangible assets	1.82
Acquisition and integration related charges	1.68
Amortization of inventory and property "step up" to fair value	0.66
Adjusted net income per diluted share	\$7.60 - \$7.85

*** All amounts are estimates.

STERIS plc
Unaudited Supplemental Financial Data
For the Periods Ending June 30, 2021 and 2020

	FY 2022	FY 2021
	Q1	Q1
Total Company Revenues		(Recast)*
Consumables	\$ 298,887	\$ 142,596
Service	479,143	367,824
Total Recurring	\$ 778,030	\$ 510,420
Capital Equipment	\$ 190,392	\$ 158,512
Total Revenues	\$ 968,422	\$ 668,932
Ireland Revenues	\$ 21,945	\$ 14,373
Ireland Revenues as a % of Total	2.3 %	2.1 %
United States Revenues	\$ 679,250	\$ 491,708
United States Revenues as a % of Total	70.1 %	73.5 %
International Revenues	\$ 267,227	\$ 162,851
International Revenues as a % of Total	27.6 %	24.3 %
Segment Data	FY 2022	FY 2021
	Q1	Q1 (*Recast)*
Healthcare Revenues		
Consumables	\$ 206,692	\$ 83,754
Service	245,235	187,822
Total Recurring	\$ 451,927	\$ 271,576
Capital Equipment	150,890	128,082
Total Healthcare Revenues	\$ 602,817	\$ 399,658
Segment Operating Income	\$ 136,160	\$ 84,173
Total Applied Sterilization Technologies Revenues	\$ 208,902	\$ 152,362
Segment Operating Income	\$ 101,927	\$ 63,955
Life Sciences Revenues		
Consumables	\$ 56,536	\$ 58,842
Service	32,190	27,640
Total Recurring	\$ 88,726	\$ 86,482
Capital Equipment	32,745	30,430
Total Life Sciences Revenues	\$ 121,471	\$ 116,912
Segment Operating Income	\$ 49,088	\$ 48,461
Total Dental Revenues	\$ 35,232	\$ —
Segment Operating Income	\$ 10,119	\$ —
Corporate Operating loss	\$ (75,060)	\$ (52,367)
Other Data	FY 2022	FY 2021
	Q1	Q1 (Recast)*
Healthcare Backlog **	\$ 254,313	\$ 164,201
Life Sciences Backlog **	92,074	67,712
Total Backlog **	\$ 346,387	\$ 231,913
GAAP Income Tax Rate	24.4 %	17.6 %
Adjusted Income Tax Rate	20.8 %	17.4 %

** Backlog totals exclude Cantel Medical Corp.

This supplemental data is consistent with publicly disclosed information provided in quarterly conference calls, earnings releases and SEC filings, and is subject to all definitions, precautions and limitations contained in those disclosures. Please see the Company's most recent 10-K for definitions (and reconciliation where appropriate) of adjusted measures, backlog, free cash flow and net debt.