

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

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenues	\$ 1,210,686	\$ 873,531	\$ 4,585,064	\$ 3,107,519
Cost of revenues	639,064	493,713	2,568,702	1,764,419
Gross profit	571,622	379,818	2,016,362	1,343,100
Operating expenses:				
Selling, general, and administrative	453,636	221,070	1,502,752	731,320
Research and development	26,097	17,514	87,944	66,326
Restructuring expenses (credit)	31	(3,024)	48	(2,914)
Total operating expenses	479,764	235,560	1,590,744	794,732
Income from operations	91,858	144,258	425,618	548,368
Non-operating expenses, net	20,394	8,555	111,115	30,835
Income tax expense	19,411	48,961	71,633	120,663
Net income	\$ 52,053	\$ 86,742	\$ 242,870	\$ 396,870
Less: Net (loss) attributable to noncontrolling interests	(208)	(701)	(1,018)	(530)
Net income attributable to shareholders	\$ 52,261	\$ 87,443	\$ 243,888	\$ 397,400
Earnings per ordinary share (EPS) data:				
Basic	\$ 0.52	\$ 1.02	\$ 2.50	\$ 4.66
Diluted	\$ 0.52	\$ 1.02	\$ 2.48	\$ 4.63
Cash dividends declared per share ordinary outstanding	\$ 0.43	\$ 0.40	\$ 1.69	\$ 1.57
Weighted average number of shares outstanding used in EPS computation:				
Basic number of shares outstanding	100,101	85,352	97,535	85,203
Diluted number of shares outstanding	100,795	86,038	98,326	85,898

STERIS plc
Consolidated Condensed Balance Sheets
(in thousands)

	March 31, 2022 (Unaudited)	March 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 348,320	\$ 220,531
Accounts receivable, net	799,041	609,406
Inventories, net	574,999	315,067
Prepaid expenses and other current assets	156,637	66,750
Total current assets	1,878,997	1,211,754
Property, plant, and equipment, net	1,552,576	1,235,400
Lease right-of-use assets, net	188,480	150,142
Goodwill and intangibles, net	7,761,885	3,924,455
Other assets	70,661	52,720
Total assets	\$ 11,452,599	\$ 6,574,471
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 225,737	\$ 156,950
Other current liabilities	696,485	420,970
Total current liabilities	922,222	577,920
Long-term indebtedness	2,945,481	1,650,540
Other liabilities	1,040,259	454,543
Total equity	6,544,637	3,891,468
Total liabilities and equity	\$ 11,452,599	\$ 6,574,471

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Segment Data

(in thousands)

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 March 31,		Twelve Months Ended March 31,	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues:				
Healthcare	\$ 738,841	\$ 561,808	2,845,467	\$ 1,954,055
Applied Sterilization Technologies	222,880	187,541	852,972	685,912
Life Sciences	143,258	124,182	524,964	467,552
Dental	105,707	—	361,661	—
Total revenues	\$ 1,210,686	\$ 873,531	\$ 4,585,064	\$ 3,107,519
Operating income (loss):				
Healthcare	\$ 160,281	\$ 122,708	626,098	\$ 427,089
Applied Sterilization Technologies	107,042	88,232	410,101	310,648
Life Sciences	57,549	44,361	216,188	180,796
Dental	18,834	—	84,441	—
Corporate	(57,598)	(60,690)	(260,059)	(219,153)
Total operating income before adjustments	\$ 286,108	\$ 194,611	\$ 1,076,769	\$ 699,380
Less: Adjustments				
Amortization of acquired intangible assets	\$ 174,882	\$ 21,243	\$ 366,434	\$ 83,892
Acquisition and integration related charges	38,090	21,650	205,788	35,634
Redomiciliation and tax restructuring costs	73	742	301	1,592
(Gain) on fair value adjustment of acquisition related contingent consideration	(2,350)	—	(2,350)	(500)
Net (gain) loss on divestiture of businesses	(1,767)	2,025	(874)	2,030
Amortization of inventory and property "step (down) up" to fair value	(14,709)	2,499	81,804	5,600
COVID-19 incremental costs	—	5,333	—	25,793
Restructuring charges (credit)	31	(3,139)	48	(3,029)
Total operating income	\$ 91,858	\$ 144,258	\$ 425,618	\$ 548,368

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

	Twelve Months Ended March 31,	
	2022	2021
	(Unaudited)	(Unaudited)
Operating activities:		
Net income	\$ 242,870	\$ 396,870
Non-cash items	590,761	273,764
Changes in operating assets and liabilities	(148,820)	19,006
Net cash provided by operating activities	684,811	689,640
Investing activities:		
Purchases of property, plant, equipment, and intangibles, net	(287,563)	(239,262)
Proceeds from the sale of property, plant, equipment, and intangibles	1,741	569
Proceeds from the sale of businesses	169,712	518
Purchase of investments	—	(4,400)
Acquisition of businesses, net of cash acquired	(550,449)	(909,192)
Other	—	(2,392)
Net cash used in investing activities	(666,559)	(1,154,159)
Financing activities:		
Proceeds from issuance of senior public notes	1,350,000	—
Proceeds from term loans	650,000	550,000
Payments on term loans	(295,000)	—
Payments on long-term obligations	(721,284)	(35,000)
Payments on convertible debt	(371,361)	—
Payments under credit facilities, net	(240,174)	(30,461)
Deferred financing fees and debt issuance costs	(17,472)	(12,846)
Acquisition related deferred or contingent consideration	(32,679)	(2,395)
Repurchases of ordinary shares	(55,777)	(14,646)
Cash dividends paid to ordinary shareholders	(163,169)	(133,837)
Distributions to noncontrolling interest	(997)	(4,179)
Contributions from noncontrolling interest	3,672	2,258
Stock option and other equity transactions, net	10,071	26,726
Net cash provided by financing activities	115,830	345,620
Effect of exchange rate changes on cash and cash equivalents	(6,293)	19,849
Increase (decrease) in cash and cash equivalents	127,789	(99,050)
Cash and cash equivalents at beginning of period	220,531	319,581
Cash and cash equivalents at end of period	\$ 348,320	\$ 220,531

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.

	Twelve Months Ended March 31,	
	2022	2021
	(Unaudited)	(Unaudited)
Calculation of Free Cash Flow:		
Cash flows from operating activities	\$ 684,811	\$ 689,640
Purchases of property, plant, equipment, and intangibles, net	(287,563)	(239,262)
Proceeds from the sale of property, plant, equipment, and intangibles	1,741	569
Free Cash Flow	\$ 398,989	\$ 450,947

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Consolidated Condensed Statements of Cash Flows (Continued)
(in thousands)

	Twelve Months Ended March 31, 2023
Calculation of free cash flow for outlook:	<u>(Outlook)**</u>
Cash flows from operating activities	\$1,005,000
Purchases of property, plant, equipment, and intangibles, net	<u>(330,000)</u>
Free Cash Flow	<u>\$675,000</u>

** All amounts are estimates.

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 March 31, (unaudited)

	As reported, GAAP		Impact of Acquisitions		Impact of Divestitures		Impact of Foreign Currency Movements	GAAP Growth	Organic Growth	Constant Currency Organic Growth
	2022	2021	2022	2021	2022	2021	2022	2022	2022	2022
Segment revenues:										
Healthcare	\$ 738,841	\$ 561,808	\$ 141,655	\$ —	\$ (3,634)		31.5 %	6.3 %	6.9 %	
Applied Sterilization Technologies	222,880	187,541	—	—	(4,958)		18.8 %	18.8 %	21.5 %	
Life Sciences	143,258	124,182	5,863	—	(1,764)		15.4 %	10.6 %	12.1 %	
Dental	105,707	—	105,707	—	—		— %	— %	— %	
Total	\$ 1,210,686	\$ 873,531	\$ 253,225	\$ —	\$ (10,356)		38.6 %	9.6 %	10.8 %	

Twelve months ended March 31, (unaudited)

	As reported, GAAP		Impact of Acquisitions		Impact of Divestitures		Impact of Foreign Currency Movements	GAAP Growth	Organic Growth	Constant Currency Organic Growth
	2022	2021	2022	2021	2022	2021	2022	2022	2022	2022
Segment revenues:										
Healthcare	\$ 2,845,467	\$ 1,954,055	\$ 668,264	\$ —	\$ 7,821		45.6 %	11.4 %	11.0 %	
Applied Sterilization Technologies	852,972	685,912	19,938	—	1,996		24.4 %	21.4 %	21.2 %	
Life Sciences	524,964	467,552	23,236	—	1,834		12.3 %	7.3 %	6.9 %	
Dental	361,661	—	361,661	—	—		— %	— %	— %	
Total	\$ 4,585,064	\$ 3,107,519	\$ 1,073,099	\$ —	\$ 11,651		47.5 %	13.0 %	12.6 %	

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

	Three months ended March 31, (unaudited)							
	Gross Profit		Income from Operations		Net Income attributable to shareholders		Diluted EPS	
	2022	2021	2022	2021	2022	2021	2022	2021
GAAP	\$ 571,622	\$ 379,818	\$ 91,858	\$ 144,258	\$ 52,261	\$ 87,443	\$ 0.52	\$ 1.02
Adjustments:								
Amortization of acquired intangible assets	(8,282)	40	174,882	21,243				
Acquisition and integration related charges	1,876	390	38,090	21,650				
Redomiciliation and tax restructuring costs	—	—	73	742				
(Gain) on fair value adjustment of acquisition related contingent consideration	—	—	(2,350)	—				
Net (gain) loss on divestiture of businesses	—	—	(1,767)	2,025				
Amortization of inventory and property "step (down) up" to fair value	(14,728)	2,500	(14,709)	2,499				
COVID-19 incremental costs	—	4,125	—	5,333				
Restructuring (credit) charges	—	(115)	31	(3,139)				
Consideration received for pre-acquisition arrangement					—	(7)		
Net impact of adjustments after tax*					153,102	52,887		
Net EPS impact							1.52	0.61
Adjusted	\$ 550,488	\$ 386,758	\$ 286,108	\$ 194,611	\$ 205,363	\$ 140,323	\$ 2.04	\$ 1.63

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

	Twelve months ended March 31, (unaudited)							
	Gross Profit		Income from Operations		Net Income attributable to shareholders		Diluted EPS	
	2022	2021	2022	2021	2022	2021	2022	2021
GAAP	\$2,016,362	\$1,343,100	\$ 425,618	\$ 548,368	\$243,888	\$ 397,400	\$ 2.48	\$ 4.63
Adjustments:								
Amortization of acquired intangible assets	65	11,099	366,434	83,892				
Acquisition and integration related charges	8,906	702	205,788	35,634				
Redomiciliation and tax restructuring costs	—	—	301	1,592				
(Gain) on fair value adjustment of acquisition related contingent consideration	—	—	(2,350)	(500)				
Net (gain) loss on divestiture of businesses	—	—	(874)	2,030				
Amortization of inventory and property "step up" to fair value	73,864	5,596	81,804	5,600				
COVID-19 incremental costs	—	20,460	—	25,793				
Restructuring (credit) charges	—	(115)	48	(3,029)				
Consideration received for pre-acquisition arrangement					—	(833)		
Fair value adjustment related to convertible debt, premium liability					27,806	—		
Net impact of adjustments after tax*					507,222	133,583		
Net EPS impact							5.44	1.54
Adjusted	\$2,099,197	\$1,380,842	\$1,076,769	\$ 699,380	\$778,916	\$ 530,150	\$ 7.92	\$ 6.17

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

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

FY 2023 Outlook

**Twelve Months
Ended March 31, 2023
(Outlook)*****

Net income per diluted share	\$5.57-5.77
Amortization of acquired intangible assets	2.85
Acquisition and integration related charges	0.13
Adjusted net income per diluted share	<u>\$8.55-\$8.75</u>

*** All amounts are estimates.

STERIS plc
Unaudited Supplemental Financial Data
Fourth Quarter Fiscal 2022
For the Periods Ending March 31, 2022 and 2021

	FY 2022	FY 2021	FY 2022	FY 2021
	Q4	Q4	YTD	YTD
Total Company Revenues				
Consumables	\$ 420,087	\$ 206,299	\$ 1,607,101	\$ 725,951
Service	526,178	445,917	2,028,783	1,663,979
Total Recurring	\$ 946,265	\$ 652,216	\$ 3,635,884	\$ 2,389,930
Capital Equipment	\$ 264,421	\$ 221,315	\$ 949,180	\$ 717,589
Total Revenues	\$ 1,210,686	\$ 873,531	\$ 4,585,064	\$ 3,107,519
Ireland Revenues	\$ 19,934	\$ 20,126	\$ 82,011	\$ 71,905
Ireland Revenues as a % of Total	2 %	2 %	2 %	2 %
United States Revenues	\$ 845,825	\$ 613,484	\$ 3,228,864	\$ 2,227,038
United States Revenues as a % of Total	70 %	70 %	70 %	72 %
International Revenues	\$ 344,927	\$ 239,921	\$ 1,274,189	\$ 808,576
International Revenues as a % of Total	28 %	27 %	28 %	26 %
Segment Data	FY 2022	FY 2021	FY 2022	FY 2021
	Q4	Q4	YTD	YTD
Healthcare Revenues				
Consumables	\$ 254,074	\$ 155,556	\$ 1,004,605	\$ 510,946
Service	272,771	224,998	1,058,357	854,245
Total Recurring	\$ 526,845	\$ 380,554	\$ 2,062,962	\$ 1,365,191
Capital Equipment	211,996	181,254	782,505	588,864
Total Healthcare Revenues	\$ 738,841	\$ 561,808	\$ 2,845,467	\$ 1,954,055
Segment Operating Income	\$ 160,281	\$ 122,708	\$ 626,098	\$ 427,089
Applied Sterilization Technologies Revenues				
Applied Sterilization Technologies Revenues	\$ 222,880	\$ 187,541	\$ 852,972	\$ 685,912
Segment Operating Income	\$ 107,042	\$ 88,232	\$ 410,101	\$ 310,648
Life Sciences Revenues				
Consumables	\$ 59,985	\$ 50,743	\$ 239,365	\$ 215,005
Service	38,335	33,747	143,318	124,191
Total Recurring	\$ 98,320	\$ 84,490	\$ 382,683	\$ 339,196
Capital Equipment	44,938	39,692	142,281	128,356
Total Life Sciences Revenues	\$ 143,258	\$ 124,182	\$ 524,964	\$ 467,552
Segment Operating Income	\$ 57,549	\$ 44,361	\$ 216,188	\$ 180,796
Total Dental Revenues	\$ 105,707	\$ —	\$ 361,661	\$ —
Segment Operating Income	\$ 18,834	\$ —	\$ 84,441	\$ —
Corporate Operating loss	\$ (57,598)	\$ (60,690)	\$ (260,059)	\$ (219,153)
Other Data	FY 2022	FY 2021	FY 2022	FY 2021
	Q4	Q4	YTD	YTD
Healthcare Backlog **	\$ 423,643	\$ 206,300		
Life Sciences Backlog **	104,693	79,866		
Total Backlog **	\$ 528,336	\$ 286,166		
GAAP Income Tax Rate	27.2 %	36.1 %	22.8 %	23.3 %
Adjusted Income Tax Rate	22.8 %	25.0 %	21.7 %	20.7 %

** Backlog totals exclude Cantel Medical.

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.