

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

	Three Months Ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Revenues	\$ 1,284,542	\$ 1,156,491
Cost of revenues	711,081	638,693
Gross profit	573,461	517,798
Operating expenses:		
Selling, general, and administrative	359,058	334,626
Research and development	25,502	24,751
Restructuring expenses	19	26
Total operating expenses	384,579	359,403
Income from operations	188,882	158,395
Non-operating expenses, net	30,968	23,444
Income tax expense	34,124	24,196
Net income	\$ 123,790	\$ 110,755
Less: Net income (loss) attributable to noncontrolling interests	236	(507)
Net income attributable to shareholders	\$ 123,554	\$ 111,262
Earnings per ordinary share (EPS) data:		
Basic	\$ 1.25	\$ 1.11
Diluted	\$ 1.25	\$ 1.10
Cash dividends declared per share ordinary outstanding	\$ 0.47	\$ 0.43
Weighted average number of shares outstanding used in EPS computation:		
Basic number of shares outstanding	98,708	100,082
Diluted number of shares outstanding	99,239	100,722

STERIS plc
Consolidated Condensed Balance Sheets
(in thousands)

	June 30, 2023	March 31, 2023
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 208,614	\$ 208,357
Accounts receivable, net	887,756	928,315
Inventories, net	768,835	695,493
Prepaid expenses and other current assets	166,050	179,277
Total current assets	2,031,255	2,011,442
Property, plant, and equipment, net	1,726,091	1,705,512
Lease right-of-use assets, net	195,292	191,741
Goodwill	3,886,599	3,879,219
Intangibles, net	2,865,107	2,955,780
Other assets	80,036	78,145
Total assets	\$ 10,784,380	\$ 10,821,839
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 260,687	\$ 279,620
Other current liabilities	626,224	582,224
Total current liabilities	886,911	861,844
Long-term indebtedness	2,860,116	3,018,655
Other liabilities	858,981	854,168
Total equity	6,178,372	6,087,172
Total liabilities and equity	\$ 10,784,380	\$ 10,821,839

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.

(in thousands)	Three Months Ended June 30,	
	2023 (Unaudited)	2022 (Unaudited)
Revenues:		
Healthcare	\$ 818,874	\$ 698,526
Applied Sterilization Technologies	233,099	220,911
Life Sciences	131,413	132,207
Dental	101,156	104,847
Total revenues	\$ 1,284,542	\$ 1,156,491
Operating income (loss):		
Healthcare	\$ 198,182	\$ 156,497
Applied Sterilization Technologies	109,590	109,315
Life Sciences	49,841	55,305
Dental	22,039	19,596
Corporate	(92,265)	(75,943)
Total operating income before adjustments	\$ 287,387	\$ 264,770
Less: Adjustments		
Amortization of acquired intangible assets	\$ 93,925	\$ 93,929
Acquisition and integration related charges	2,709	9,832
Tax restructuring costs	9	173
Gain on fair value adjustment of acquisition related contingent consideration	—	(3,100)
Net loss on divestiture of businesses	—	3,878
Amortization of inventory and property "step up" to fair value	1,843	1,637
Restructuring charges	19	26
Total operating income	\$ 188,882	\$ 158,395

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

	Three Months Ended June 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Operating activities:		
Net income	\$ 123,790	\$ 110,755
Non-cash items	151,147	166,448
Changes in operating assets and liabilities	6,192	(45,457)
Net cash provided by operating activities	281,129	231,746
Investing activities:		
Purchases of property, plant, equipment, and intangibles, net	(66,601)	(115,933)
Proceeds from the sale of property, plant, equipment, and intangibles	5	1,288
Proceeds from the sale of businesses	—	5,228
Net cash used in investing activities	(66,596)	(109,417)
Financing activities:		
Payments on term loans	(15,000)	(111,875)
(Payments) proceeds under credit facilities, net	(144,651)	37,011
Acquisition related deferred or contingent consideration	(89)	(84)
Repurchases of ordinary shares	(8,724)	(24,679)
Cash dividends paid to ordinary shareholders	(46,427)	(43,008)
Stock option and other equity transactions, net	1,254	1,221
Net cash used in financing activities	(213,637)	(141,414)
Effect of exchange rate changes on cash and cash equivalents	(639)	(12,908)
Increase (decrease) in cash and cash equivalents	257	(31,993)
Cash and cash equivalents at beginning of period	208,357	348,320
Cash and cash equivalents at end of period	\$ 208,614	\$ 316,327

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,	
	2023	2022
	(Unaudited)	(Unaudited)
Calculation of Free Cash Flow:		
Cash flows from operating activities	\$ 281,129	\$ 231,746
Purchases of property, plant, equipment, and intangibles, net	(66,601)	(115,933)
Proceeds from the sale of property, plant, equipment, and intangibles	5	1,288
Free Cash Flow	\$ 214,533	\$ 117,101

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
	2023	2022	2023	2022	2023	2022	2023	2023	2023	2023
Segment revenues:										
Healthcare	\$ 818,874	\$ 698,526	\$ —	\$ —	\$ (1,574)		17.2 %	17.2 %	17.5 %	
Applied Sterilization Technologies	233,099	220,911	—	—	830		5.5 %	5.5 %	5.1 %	
Life Sciences	131,413	132,207	—	—	23		(0.6)%	(0.6)%	(0.6)%	
Dental	101,156	104,847	—	—	138		(3.5)%	(3.5)%	(3.7)%	
Total	\$ 1,284,542	\$ 1,156,491	\$ —	\$ —	\$ (583)		11.1 %	11.1 %	11.1 %	

Three Months Ended June 30, (unaudited)

	Gross Profit		Income from Operations		Net Income attributable to shareholders		Diluted EPS	
	2023	2022	2023	2022	2023	2022	2023	2022
GAAP	\$ 573,461	\$ 517,798	\$ 188,882	\$ 158,395	\$ 123,554	\$ 111,262	\$ 1.25	\$ 1.10
Adjustments:								
Amortization of acquired intangible assets	575	418	93,925	93,929				
Acquisition and integration related charges	434	682	2,709	9,832				
Tax restructuring costs	—	—	9	173				
Gain on fair value adjustment of acquisition related contingent consideration	—	—	—	(3,100)				
Net loss on divestiture of businesses	—	534	—	3,878				
Amortization of inventory and property "step up" to fair value	597	2,215	1,843	1,637				
Restructuring charges	—	—	19	26				
Net impact of adjustments after tax ⁽¹⁾					74,659	79,844		
Net EPS impact							0.75	0.80
Adjusted	\$ 575,067	\$ 521,647	\$ 287,387	\$ 264,770	\$ 198,213	\$ 191,106	\$ 2.00	\$ 1.90

⁽¹⁾ The tax expense includes both the current and deferred income tax impact of the adjustments.

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

FY 2024 Outlook

**Twelve Months
Ended March 31, 2024
(Outlook)****

Net income per diluted share	\$5.48 - \$5.68
Amortization of fair value adjustments for acquired property, plant, and equipment and intangible assets	3.02
Acquisition and integration related charges	0.10
Adjusted net income per diluted share	<u>\$8.60 - \$8.80</u>
Cash flows from operating activities	\$1,060,000
Purchases of property, plant, equipment, and intangibles, net	<u>(375,000)</u>
Free Cash Flow	<u>\$685,000</u>

** All amounts are estimates.

STERIS plc
Unaudited Supplemental Financial Data
First Quarter Fiscal 2024
For the Periods Ending June 30, 2023 and 2022

	FY 2024	FY 2023
	Q1	Q1
Total Company Revenues		
Consumables	\$ 443,894	\$ 416,825
Service	570,684	519,415
Total Recurring	\$ 1,014,578	\$ 936,240
Capital Equipment	269,964	220,251
Total Revenues	\$ 1,284,542	\$ 1,156,491
Ireland Revenues	\$ 20,085	\$ 18,176
Ireland Revenues as a % of Total	2 %	2 %
United States Revenues	\$ 930,542	\$ 834,101
United States Revenues as a % of Total	72 %	72 %
International Revenues	\$ 333,915	\$ 304,214
International Revenues as a % of Total	26 %	26 %

Segment Data	FY 2024	FY 2023
	Q1	Q1
Healthcare		
Revenues		
Consumables	\$ 280,281	\$ 252,032
Service	300,494	267,360
Total Recurring	\$ 580,775	\$ 519,392
Capital Equipment	238,099	179,134
Total Healthcare Revenues	\$ 818,874	\$ 698,526
Segment Operating Income	\$ 198,182	\$ 156,497
Applied Sterilization Technologies		
Revenues		
Service	\$ 232,225	\$ 220,292
Capital Equipment	874	619
Total Applied Sterilization Technologies Revenues	\$ 233,099	\$ 220,911
Segment Operating Income	\$ 109,590	\$ 109,315
Life Sciences		
Revenues		
Consumables	\$ 61,698	\$ 59,557
Service	38,724	32,151
Total Recurring	\$ 100,422	\$ 91,708
Capital Equipment	30,991	40,499
Total Life Sciences Revenues	\$ 131,413	\$ 132,207
Segment Operating Income	\$ 49,841	\$ 55,305
Total Dental Revenues	\$ 101,156	\$ 104,847
Segment Operating Income	\$ 22,039	\$ 19,596

Other Data	FY 2024	FY 2023
	Q1	Q1
Healthcare Backlog	\$ 491,732	\$ 521,676
Life Sciences Backlog	104,900	92,706
Total Backlog	\$ 596,632	\$ 614,382
GAAP Income Tax Rate	21.6 %	17.9 %
Adjusted Income Tax Rate	22.6 %	21.0 %

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.