

STERIS plc

Non-GAAP Financial Measures

(in millions, except per share data)

Adjusted EBIT is defined as EBIT excluding certain non-GAAP adjustments to net income. The types of adjustments that are excluded include: (i) amortization of purchased intangible assets, (ii) acquisition-related items, (iii) business optimization and restructuring-related charges, (iv) other significant items management deems irregular or non-operating in nature. Adjusted EBIT is used when evaluating operating performance because management believes the exclusion of such adjustments, of which a significant portion are non-cash items, is necessary to provide the most accurate measure of on-going core operating results and to evaluate comparative results period over period.

It is important for the reader to note that the non-GAAP financial measures used may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

The reconciliation of Cantel's Fiscal 2020 net income to adjusted EBIT is as follows:

	July 31,	
	2020	
Net income, as reported	\$	13,708
Interest expense, net		41,355
Income taxes		(6,756)
EBIT, as reported		48,307
Acquisition-related items		29,187
Restructuring-related charges		22,204
Amortization of purchased intangible assets		32,961
Loss on disposition of product line		127
Loss on disposal of fixed assets		1,399
Adjusted EBIT	\$	134,185