

STERIS plc
Non-GAAP Financial Measures
(in millions)

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.

Twelve months ended March 31, (Preliminary 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
Total revenues	\$ 3,108	\$ 3,031	\$ 49	\$ —	\$ 24		2.5 %	0.9 %	0.1 %	

**Twelve months ended
March 31, 2021
(Preliminary Unaudited)**

Income from Operations

GAAP	\$ 548
Adjustments:	
Amortization of acquired intangible assets	84
Acquisition and integration related charges	36
Redomiciliation and tax restructuring costs	2
(Gain) on fair value adjustment of acquisition related contingent consideration	(1)
Net loss on divestiture of businesses	2
Amortization of inventory and property "step up" to fair value	5
COVID-19 incremental costs	26
Restructuring charges (credit)	(3)
Adjusted	\$ 699

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, 2021
(Preliminary Unaudited)**

Calculation of Free Cash Flow:

Cash flows from operating activities	686
Purchases of property, plant, equipment, and intangibles, net	(239)
Free Cash Flow	\$ 447