

STERIS plc

Consolidated Condensed Statements of Operations

(In thousands, except per share data)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	\$ 1,370,570	\$ 1,297,724	\$ 3,978,984	\$ 3,719,314
Cost of revenues	760,238	737,698	2,217,431	2,084,056
Gross profit	610,332	560,026	1,761,553	1,635,258
Operating expenses:				
Selling, general, and administrative	335,450	308,295	1,000,374	943,255
Research and development	27,358	25,255	79,962	76,217
Restructuring expenses	2,231	6	30,727	2
Total operating expenses	365,039	333,556	1,111,063	1,019,474
Income from operations	245,293	226,470	650,490	615,784
Non-operating expenses, net:				
Interest expense	19,094	38,948	69,146	108,243
Interest and miscellaneous income	(2,434)	(2,080)	(4,869)	(4,694)
Gain on sale of business and equity investment, net	(112)	—	(12,683)	—
Total non-operating expenses, net	16,548	36,868	51,594	103,549
Income from continuing operations before income tax expense	228,745	189,602	598,896	512,235
Income tax expense	55,384	40,999	134,200	112,254
Income from continuing operations, net of income tax	\$ 173,361	\$ 148,603	\$ 464,696	\$ 399,981
(Loss) income from discontinued operations, net of income tax	(76)	(7,658)	5,303	(18,900)
Net income	173,285	140,945	469,999	381,081
Less: Net (loss) income attributable to noncontrolling interests	(249)	202	1,030	1,465
Net income attributable to shareholders	\$ 173,534	\$ 140,743	\$ 468,969	\$ 379,616
Net income from continuing operations attributable to shareholders	\$ 173,610	\$ 148,401	\$ 463,666	\$ 398,516
Earnings per ordinary share (EPS) - Basic				
Continuing Operations	\$ 1.76	\$ 1.50	\$ 4.70	\$ 4.03
Discontinued Operations	\$ —	\$ (0.08)	\$ 0.05	\$ (0.19)
Total	\$ 1.76	\$ 1.42	\$ 4.75	\$ 3.84
Earnings per ordinary share (EPS) - Diluted				
Continuing Operations	\$ 1.75	\$ 1.49	\$ 4.68	\$ 4.01
Discontinued Operations	\$ —	\$ (0.08)	\$ 0.05	\$ (0.19)
Total	\$ 1.75	\$ 1.42	\$ 4.73	\$ 3.82
Cash dividends declared per share ordinary outstanding	\$ 0.57	\$ 0.52	\$ 1.66	\$ 1.51
Weighted average number of shares outstanding used in EPS computation:				
Basic number of shares outstanding	98,490	98,802	98,676	98,765
Diluted number of shares outstanding	98,942	99,354	99,174	99,333

STERIS plc
Consolidated Condensed Balance Sheets
(in thousands)

	December 31, 2024	March 31, 2024
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 155,178	\$ 207,020
Accounts receivable, net	915,199	1,008,315
Inventories, net	649,558	674,535
Prepaid expenses and other current assets	177,918	174,349
Current assets held for sale	—	804,904
Total current assets	1,897,853	2,869,123
Property, plant, and equipment, net	1,921,733	1,765,180
Lease right-of-use assets, net	153,879	173,201
Goodwill	4,044,198	4,070,712
Intangibles, net	1,923,020	2,119,282
Other assets	67,679	66,199
Total assets	\$ 10,008,362	\$ 11,063,697
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 238,298	\$ 251,723
Short-term indebtedness	125,000	85,938
Other current liabilities	527,822	529,454
Current liabilities held for sale	—	64,012
Total current liabilities	891,120	931,127
Long-term indebtedness	2,038,725	3,120,162
Other liabilities	649,971	697,062
Total equity	6,428,546	6,315,346
Total liabilities and equity	\$ 10,008,362	\$ 11,063,697

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 December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues:				
Healthcare	\$ 976,044	\$ 916,227	\$ 2,821,495	\$ 2,605,157
AST	258,144	234,931	764,684	703,083
Life Sciences	136,382	146,566	392,805	411,074
Total revenues	\$ 1,370,570	\$ 1,297,724	\$ 3,978,984	\$ 3,719,314
Income (loss) from operations before adjustments:				
Healthcare	\$ 246,917	\$ 223,898	\$ 691,810	\$ 626,134
AST	115,758	105,156	343,374	325,529
Life Sciences	58,133	56,738	164,417	156,863
Corporate	(100,843)	(81,559)	(299,720)	(260,452)
Total income from operations before adjustments	\$ 319,965	\$ 304,233	\$ 899,881	\$ 848,074
Less: Adjustments				
Amortization of acquired intangible assets	\$ 67,243	\$ 64,724	\$ 202,875	\$ 198,662
Acquisition and integration related charges	3,756	6,263	9,215	24,308
Tax restructuring costs	97	643	54	652
Amortization of inventory and property "step up" to fair value	1,345	6,127	4,138	8,666
Restructuring charges	2,231	6	33,109	2
Income from operations	\$ 245,293	\$ 226,470	\$ 650,490	\$ 615,784

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

	Nine Months Ended December 31,	
	2024	2023
	(Unaudited)	(Unaudited)
Operating activities:		
Net income	\$ 469,999	\$ 381,081
Non-cash items	369,060	486,175
Changes in operating assets and liabilities	48,247	(148,789)
Net cash provided by operating activities	887,306	718,467
Investing activities:		
Purchases of property, plant, equipment, and intangibles, net	(299,206)	(268,829)
Proceeds from the sale of property, plant, equipment, and intangibles	4	7,375
Proceeds from the sale of businesses	811,434	9,458
Acquisition of businesses, net of cash acquired	(53,659)	(539,758)
Net cash provided by (used in) investing activities	458,573	(791,754)
Financing activities:		
Payments on Private Placement Senior Notes	(80,000)	—
Payments on term loans	(638,125)	(45,000)
(Payments) proceeds under credit facilities, net	(318,992)	265,501
Deferred financing fees and debt issuance costs	(2,316)	—
Acquisition related deferred or contingent consideration	(266)	(6,153)
Repurchases of ordinary shares	(211,058)	(11,440)
Cash dividends paid to ordinary shareholders	(163,869)	(149,173)
Distributions to noncontrolling interest holders	(1,579)	(1,561)
Contributions from noncontrolling interest holders	2,532	2,883
Stock option and other equity transactions, net	19,380	3,526
Net cash (used in) provided by financing activities	(1,394,293)	58,583
Effect of exchange rate changes on cash and cash equivalents	(3,428)	1,932
(Decrease) increase in cash and cash equivalents	(51,842)	(12,772)
Cash and cash equivalents at beginning of period	207,020	208,357
Cash and cash equivalents at end of period	\$ 155,178	\$ 195,585

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.

	Nine Months Ended December 31,	
	2024	2023
	(Unaudited)	(Unaudited)
Calculation of Free Cash Flow:		
Cash flows from operating activities	\$ 887,306	\$ 718,467
Purchases of property, plant, equipment, and intangibles, net	(299,206)	(268,829)
Proceeds from the sale of property, plant, equipment, and intangibles	4	7,375
Free Cash Flow	\$ 588,104	\$ 457,013

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 U.S. GAAP financial measures and the reconciliation to the corresponding U.S. 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 December 31, (unaudited)

	As reported, GAAP		Impact of Acquisitions		Impact of Divestitures		Impact of Foreign Currency Movements	GAAP Growth	Organic Growth	Constant Currency Organic Growth
	2024	2023	2024	2023	2024	2023	2024	2024	2024	2024
Segment revenues:										
Healthcare	\$ 976,044	\$ 916,227	\$ —	\$ —	\$ (158)		6.5 %	6.5 %	6.5 %	
AST	258,144	234,931	—	—	873		9.9 %	9.9 %	9.5 %	
Life Sciences	136,382	146,566	—	(7,840)	(326)		(6.9)%	(1.7)%	(1.5)%	
Total	\$ 1,370,570	\$ 1,297,724	\$ —	\$ (7,840)	\$ 389		5.6 %	6.3 %	6.2 %	

Nine Months Ended December 31, (unaudited)

	As reported, U.S. GAAP		Impact of Acquisitions		Impact of Divestitures		Impact of Foreign Currency Movements	U.S. GAAP Growth	Organic Growth	Constant Currency Organic Growth
	2024	2023	2024	2023	2024	2023	2024	2024	2024	2024
Segment revenues:										
Healthcare	\$ 2,821,495	\$ 2,605,157	\$ 52,373	\$ —	\$ (607)		8.3 %	6.3 %	6.3 %	
AST	764,684	703,083	—	—	809		8.8 %	8.8 %	8.6 %	
Life Sciences	392,805	411,074	—	(24,640)	(632)		(4.4)%	1.6 %	1.8 %	
Total	\$ 3,978,984	\$ 3,719,314	\$ 52,373	\$ (24,640)	\$ (430)		7.0 %	6.3 %	6.3 %	

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

Three Months Ended December 31, (unaudited)

	Continuing Operations															
	Gross Profit		Income from Operations		Income from continuing operations, net of income tax		Income (loss) from discontinued operations, net of income tax		Net Income attributable to shareholders		Diluted EPS from continuing operations		Diluted EPS from discontinued operations		Diluted EPS ⁽²⁾	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
As reported, U.S. GAAP	\$ 610,332	\$ 560,026	\$ 245,293	\$ 226,470	\$ 173,361	\$ 148,603	\$ (76)	\$ (7,658)	\$ 173,534	\$ 140,743	\$ 1.75	\$ 1.49	\$ —	\$ (0.08)	\$ 1.75	\$ 1.42
Adjustments:																
Amortization of acquired intangible assets	1,036	507	67,243	64,724												
Acquisition and integration related charges	14	1,192	3,756	6,263												
Tax restructuring credits	—	—	97	643												
Amortization of inventory and property "step up" to fair value	504	5,275	1,345	6,127												
Restructuring charges	—	—	2,231	6												
Gain on sale of business and equity investment, net					(112)	—										
Net impact of adjustments after tax ⁽¹⁾					55,627	59,184	76	21,002	55,591	80,186						
Net EPS impact											0.57	0.60	—	0.21	0.57	0.80
Adjusted	\$ 611,886	\$ 567,000	\$ 319,965	\$ 304,233	\$ 228,876	\$ 207,787	\$ —	\$ 13,344	\$ 229,125	\$ 220,929	\$ 2.32	\$ 2.09	\$ —	\$ 0.13	\$ 2.32	\$ 2.22

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

⁽²⁾ Diluted EPS is calculated independently for Diluted EPS from continuing operations and Diluted EPS from discontinued operations. The sum of Diluted EPS from continuing operations and Diluted EPS from discontinued operations may not equal Diluted EPS due to rounding.

Nine Months Ended December 31, (unaudited)

	Continuing Operations															
	Gross Profit		Income from Operations		Income from continuing operations, net of income tax		Income (loss) from discontinued operations, net of income tax		Net Income attributable to shareholders		Diluted EPS from continuing operations		Diluted EPS from discontinued operations		Diluted EPS ⁽²⁾	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
As reported, U.S. GAAP	\$1,761,553	\$1,635,258	\$ 650,490	\$ 615,784	\$ 464,696	\$ 399,981	\$ 5,303	\$ (18,900)	\$ 468,969	\$ 379,616	\$ 4.68	\$ 4.01	\$ 0.05	\$ (0.19)	\$ 4.73	\$ 3.82
Adjustments:																
Amortization of acquired intangible assets	2,130	1,656	202,875	198,662												
Acquisition and integration related charges	1,660	1,379	9,215	24,308												
Tax restructuring costs	—	—	54	652												
Amortization of inventory and property "step up" to fair value	1,744	6,425	4,138	8,666												
Restructuring charges	2,382	—	33,109	2												
Gain on sale of business and equity investment, net					(12,683)	—										
Net impact of adjustments after tax ⁽¹⁾					191,914	176,230	5,773	65,472	185,004	241,702						
Net EPS impact											1.80	1.78	0.06	0.66	1.86	2.43
Adjusted	\$1,769,469	\$1,644,718	\$ 899,881	\$ 848,074	\$ 643,927	\$ 576,211	\$ 11,076	\$ 46,572	\$ 653,973	\$ 621,318	\$ 6.48	\$ 5.79	\$ 0.11	\$ 0.47	\$ 6.59	\$ 6.25

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

⁽²⁾ Diluted EPS is calculated independently for Diluted EPS from continuing operations and Diluted EPS from discontinued operations. The sum of Diluted EPS from continuing operations and Diluted EPS from discontinued operations may not equal Diluted EPS due to rounding.

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

FY 2025 Outlook

**Twelve Months
Ended March 31, 2025
(Outlook)****

Net income from continuing operations per diluted share	\$6.66 - \$6.76
Amortization of acquired intangible assets	2.06
Acquisition and integration and divestiture related charges	(0.02)
Restructuring	0.35
Adjusted net income from continuing operations per diluted share	<u>\$9.05 - \$9.15</u>
Cash flows from operating activities	\$1,060,000
Purchases of property, plant, equipment, and intangibles, net	<u>(360,000)</u>
Free Cash Flow	<u>\$700,000</u>

** All amounts are estimates.

STERIS plc
Unaudited Supplemental Financial Data
Third Quarter Fiscal 2025
For the Periods Ending December 31, 2024 and 2023

	FY 2025	FY 2024	FY 2025	FY 2024
	Q3	Q3	YTD	YTD
Total Company Revenues - Continuing Operations				
Consumables	\$ 427,466	\$ 389,920	\$ 1,255,915	\$ 1,098,741
Service	652,233	590,889	1,908,446	1,741,597
Total Recurring	\$ 1,079,699	\$ 980,809	\$ 3,164,361	\$ 2,840,338
Capital Equipment	290,871	316,915	814,623	878,976
Total Revenues	\$ 1,370,570	\$ 1,297,724	\$ 3,978,984	\$ 3,719,314
Ireland Revenues	\$ 24,117	\$ 19,601	\$ 69,113	\$ 60,037
Ireland Revenues as a % of Total	2 %	2 %	2 %	2 %
United States Revenues	\$ 1,002,586	\$ 949,957	\$ 2,929,004	\$ 2,715,397
United States Revenues as a % of Total	73 %	73 %	73 %	73 %
International Revenues	\$ 343,867	\$ 328,166	\$ 980,867	\$ 943,880
International Revenues as a % of Total	25 %	25 %	25 %	25 %
Segment Data - Continuing Operations	FY 2025	FY 2024	FY 2025	FY 2024
	Q3	Q3	YTD	YTD
Healthcare				
Revenues				
Consumables	\$ 358,233	\$ 329,435	\$ 1,043,294	\$ 915,741
Service	363,007	319,954	1,059,026	\$ 929,574
Total Recurring	\$ 721,240	\$ 649,389	\$ 2,102,320	\$ 1,845,315
Capital Equipment	254,804	266,838	719,175	759,842
Total Healthcare Revenues	\$ 976,044	\$ 916,227	\$ 2,821,495	\$ 2,605,157
Segment Operating Income	\$ 246,917	\$ 223,898	\$ 691,810	\$ 626,134
AST				
Revenues				
Service	\$ 253,140	\$ 229,690	\$ 749,787	\$ 695,214
Capital Equipment	5,004	5,241	14,897	7,869
Total AST Revenues	\$ 258,144	\$ 234,931	\$ 764,684	\$ 703,083
Segment Operating Income	\$ 115,758	\$ 105,156	\$ 343,374	\$ 325,529
Life Sciences				
Revenues				
Consumables	\$ 68,676	\$ 60,072	\$ 210,619	\$ 181,179
Service	36,643	41,658	101,635	\$ 118,630
Total Recurring	\$ 105,319	\$ 101,730	\$ 312,254	\$ 299,809
Capital Equipment	31,063	44,836	80,551	111,265
Total Life Sciences Revenues	\$ 136,382	\$ 146,566	\$ 392,805	411,074
Segment Operating Income	\$ 58,133	\$ 56,738	\$ 164,417	\$ 156,863
Corporate Operating Loss	\$ (100,843)	\$ (81,559)	\$ (299,720)	\$ (260,452)
Other Data	FY 2025	FY 2024	FY 2025	FY 2024
	Q3	Q3	YTD	YTD
Healthcare Backlog	\$ 434,900	\$ 449,403		
Life Sciences Backlog	85,100	85,030		
Total Backlog - Continuing Operations	\$ 520,000	\$ 534,433		
As reported, U.S. GAAP Income Tax Rate - Continuing Operations	24.2 %	21.6 %	22.4 %	21.9 %
Adjusted Income Tax Rate - Continuing Operations	24.5 %	22.3 %	22.9 %	22.6 %
As reported, U.S. GAAP Income Tax Rate - Discontinued Operations	21.6 %	25.7 %	21.4 %	24.0 %
Adjusted Income Tax Rate - Discontinued Operations	26.8 %	27.8 %	26.8 %	27.3 %

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.