

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

	Three Months Ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Revenues	\$ 1,156,491	\$ 968,422
Cost of revenues	638,693	542,140
Gross profit	517,798	426,282
Operating expenses:		
Selling, general, and administrative	334,626	393,752
Research and development	24,751	18,192
Restructuring expenses	26	14
Total operating expenses	359,403	411,958
Income from operations	158,395	14,324
Non-operating expenses, net	23,444	43,301
Income tax expense (credit)	24,196	(7,075)
Net income (loss)	\$ 110,755	\$ (21,902)
Less: Net (loss) attributable to noncontrolling interests	(507)	(95)
Net income (loss) attributable to shareholders	\$ 111,262	\$ (21,807)
Earnings (loss) per ordinary share (EPS) data:		
Basic	\$ 1.11	\$ (0.24)
Diluted	\$ 1.10	\$ (0.24)
Cash dividends declared per share ordinary outstanding	\$ 0.43	\$ 0.40
Weighted average number of shares outstanding used in EPS computation:		
Basic number of shares outstanding	100,082	90,152
Diluted number of shares outstanding	100,722	90,152

STERIS plc
Consolidated Condensed Balance Sheets
(in thousands)

	June 30,	March 31,
	2022	2022
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 316,327	\$ 348,320
Accounts receivable, net	763,788	799,041
Inventories, net	620,404	574,999
Prepaid expenses and other current assets	147,428	156,637
Total current assets	1,847,947	1,878,997
Property, plant, and equipment, net	1,573,337	1,552,576
Lease right-of-use assets, net	182,357	188,480
Goodwill	4,321,176	4,404,343
Intangibles, net	3,193,032	3,328,537
Other assets	70,157	70,661
Total assets	\$ 11,188,006	\$ 11,423,594
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 228,987	\$ 225,737
Other current liabilities	679,336	696,485
Total current liabilities	908,323	922,222
Long-term indebtedness	2,846,446	2,945,481
Other liabilities	1,014,109	1,011,254
Total equity	6,419,128	6,544,637
Total liabilities and equity	\$ 11,188,006	\$ 11,423,594

STERIS plc
Segment Data

Financial information for each of the segments is presented in the following table. We disclose a measure of segment operating 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 operating 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 June 30,	
	2022	2021^(*)
	(Unaudited)	(Unaudited)
Revenues:		
Healthcare	\$ 698,526	\$ 602,817
Applied Sterilization Technologies	220,911	208,902
Life Sciences	132,207	121,471
Dental	104,847	35,232
Total revenues	\$ 1,156,491	\$ 968,422
Segment operating income (loss):		
Healthcare	\$ 156,497	\$ 138,373
Applied Sterilization Technologies	109,315	101,927
Life Sciences	55,305	49,088
Dental	19,596	10,119
Corporate	(75,943)	(77,273)
Total segment operating income	\$ 264,770	\$ 222,234
Less: Adjustments		
Amortization of acquired intangible assets	\$ 93,929	\$ 41,741
Acquisition and integration related charges	9,832	140,996
Tax restructuring costs	173	(49)
(Gain) on fair value adjustment of acquisition related contingent consideration	(3,100)	—
Net loss on divestiture of businesses	3,878	419
Amortization of inventory and property "step up" to fair value	1,637	24,789
Restructuring charges	26	14
Total income from operations	\$ 158,395	\$ 14,324

(*) Certain prior period costs were reallocated from the Healthcare segment to corporate to conform with current year presentation. The prior period segment operating income measure has been recast for comparability.

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

	Three Months Ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Operating activities:		
Net income (loss)	\$ 110,755	\$ (21,902)
Non-cash items	166,448	132,509
Changes in operating assets and liabilities	(45,457)	(13,181)
Net cash provided by operating activities	231,746	97,426
Investing activities:		
Purchases of property, plant, equipment, and intangibles, net	(115,933)	(56,396)
Proceeds from the sale of property, plant, equipment, and intangibles	1,288	217
Proceeds from the sale of businesses	5,228	—
Acquisition of businesses, net of cash acquired	—	(547,353)
Net cash used in investing activities	(109,417)	(603,532)
Financing activities:		
Proceeds from the issuance of senior public notes	—	1,350,000
Proceeds from term loan	—	650,000
Payments on term loan	(111,875)	(125,000)
Payments on long-term obligations	—	(721,284)
Proceeds (payments) under credit facilities, net	37,011	(249,421)
Deferred financing fees and debt issuance costs	—	(17,227)
Acquisition related deferred or contingent consideration	(84)	(25,150)
Repurchases of ordinary shares	(24,679)	(10,670)
Cash dividends paid to ordinary shareholders	(43,008)	(34,148)
Stock option and other equity transactions, net	1,221	1,710
Net cash provided by (used in) financing activities	(141,414)	818,810
Effect of exchange rate changes on cash and cash equivalents	(12,908)	1,539
Increase (decrease) in cash and cash equivalents	(31,993)	314,243
Cash and cash equivalents at beginning of period	348,320	220,531
Cash and cash equivalents at end of period	\$ 316,327	\$ 534,774

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,	
	2022	2021
	(Unaudited)	(Unaudited)
Calculation of Free Cash Flow:		
Cash flows from operating activities	\$ 231,746	\$ 97,426
Purchases of property, plant, equipment, and intangibles, net	(115,933)	(56,396)
Proceeds from the sale of property, plant, equipment, and intangibles	1,288	217
Free Cash Flow	\$ 117,101	\$ 41,247

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

** 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 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
	2022	2021	2022	2021	2022	2021	2022	2022	2022	2022
Segment revenues:										
Healthcare	\$ 698,526	\$ 602,817	\$ 98,400	\$ (13,967)	\$ (10,445)		15.9 %	1.9 %	3.7 %	
Applied Sterilization Technologies	220,911	208,902	—	—	(9,548)		5.7 %	5.7 %	10.3 %	
Life Sciences	132,207	121,471	2,800	(786)	(3,097)		8.8 %	7.2 %	9.8 %	
Dental	104,847	35,232	65,009	—	(760)		197.6 %	13.1 %	15.2 %	
Total	\$ 1,156,491	\$ 968,422	\$ 166,209	\$ (14,753)	\$ (23,850)		19.4 %	3.8 %	6.3 %	

Three months ended June 30, (unaudited)

	Gross Profit		Income from Operations		Net Income (loss) attributable to shareholders		Diluted EPS	
	2022	2021	2022	2021	2022	2021	2022	2021
GAAP	\$ 517,798	\$ 426,282	\$ 158,395	\$ 14,324	\$ 111,262	\$ (21,807)	\$ 1.10	\$ (0.24)
Adjustments:								
Amortization of acquired intangible assets	418	3,208	93,929	41,741				
Acquisition and integration related charges	682	608	9,832	140,996				
Tax restructuring costs	—	—	173	(49)				
(Gain) on fair value adjustment of acquisition related contingent consideration	—	—	(3,100)	—				
Net loss on divestiture of businesses	534	—	3,878	419				
Amortization of inventory and property "step up" to fair value	2,215	20,853	1,637	24,789				
Restructuring charges	—	—	26	14				
Fair value adjustment related to convertible debt, premium liability						22,923		
Net impact of adjustments after tax*					79,844	158,805		
Net EPS impact							0.80	2.00
Adjusted	\$ 521,647	\$ 450,951	\$ 264,770	\$ 222,234	\$ 191,106	\$ 159,921	\$ 1.90	\$ 1.76

* 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 2023 Outlook

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

Net income per diluted share	\$5.42-5.62
Amortization of acquired intangible assets	2.85
Acquisition and integration related charges	0.13
Adjusted net income per diluted share	<u>\$8.40-\$8.60</u>

** All amounts are estimates.

STERIS plc
Unaudited Supplemental Financial Data
For the Periods Ending June 30, 2022 and 2021

	FY 2023	FY 2022
	Q1	Q1
Total Company Revenues		
Consumables	\$ 416,825	\$ 298,887
Service	519,415	479,143
Total Recurring	\$ 936,240	\$ 778,030
Capital Equipment	\$ 220,251	\$ 190,392
Total Revenues	\$ 1,156,491	\$ 968,422
Ireland Revenues	\$ 18,176	\$ 21,945
Ireland Revenues as a % of Total	1.6 %	2.3 %
United States Revenues	\$ 834,101	\$ 679,250
United States Revenues as a % of Total	72.1 %	70.1 %
International Revenues	\$ 304,214	\$ 267,227
International Revenues as a % of Total	26.3 %	27.6 %
Segment Data	FY 2023	FY 2022
	Q1	Q1
Healthcare Revenues		
Consumables	\$ 252,032	\$ 206,692
Service	267,360	245,235
Total Recurring	\$ 519,392	\$ 451,927
Capital Equipment	179,134	150,890
Total Healthcare Revenues	\$ 698,526	\$ 602,817
Segment Operating Income	\$ 156,497	\$ 138,373
Total Applied Sterilization Technologies Revenues	\$ 220,911	\$ 208,902
Segment Operating Income	\$ 109,315	\$ 101,927
Life Sciences Revenues		
Consumables	\$ 59,557	\$ 56,536
Service	32,151	32,190
Total Recurring	\$ 91,708	\$ 88,726
Capital Equipment	40,499	32,745
Total Life Sciences Revenues	\$ 132,207	\$ 121,471
Segment Operating Income	\$ 55,305	\$ 49,088
Total Dental Revenues	\$ 104,847	\$ 35,232
Segment Operating Income	\$ 19,596	\$ 10,119
Other Data	FY 2023	FY 2022
	Q1	Q1
Healthcare Backlog *	\$ 521,676	\$ 254,313
Life Sciences Backlog *	92,706	92,074
Total Backlog *	\$ 614,382	\$ 346,387
GAAP Income Tax Rate	17.9 %	24.4 %
Adjusted Income Tax Rate	21.0 %	20.8 %

*Fiscal 2022 Backlog totals exclude Cantel Medical Corp.

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.