STERIS Announces Financial Results for Fiscal 2027 Second Quarter

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- *Fiscal 2027 second quarter revenue increased 9%; constant currency organic revenue growth was 8%*
- *Fiscal 2027 second quarter as reported diluted EPS increased to $2.19; adjusted EPS per diluted share increased to $2.94*
- *Outlook updated to reflect solid underlying performance and the benefit of tariff refunds*

DUBLIN, IRELAND, Nov. 04, 2026 (GLOBE NEWSWIRE) -- STERIS plc (NYSE: STE) ("STERIS" or the "Company") today announced financial results for its fiscal 2027 second quarter ended September 30, 2026. Total revenue for the second quarter of fiscal 2027 increased 9% to $1.6 billion compared with $1.5 billion in the second quarter of fiscal 2026. Constant currency organic revenue growth was 8% in the second quarter.

"We are pleased with our second quarter performance," said Dan Carestio, President and CEO of STERIS. "Life Sciences delivered particularly strong performance in the quarter, giving us confidence to raise our expectations for the segment for the full year. Our updated outlook reflects stable underlying performance, plus the benefit of tariff refunds received year-to-date. Fiscal 2027 is shaping up to be another record year for STERIS, supported by solid underlying demand and excellent execution from our commercial teams."

Total Company Second Quarter Results
As reported, net income for the second quarter was $213.7 million, or $2.19 per diluted share, compared with net income of $191.9 million, or $1.94 per diluted share, in the second quarter of fiscal 2026. Adjusted net income for the second quarter of fiscal 2027 was $286.8 million, or $2.94 per diluted share, compared with the previous year's second quarter of $244.5 million or $2.47 per diluted share. For the second quarter, the pre-tax impact of tariff refunds on as reported results was a benefit of approximately $20 million. Gross tariff costs were flat with the prior year at $15 million for the quarter.

Second Quarter Segment Results
Healthcare revenue as reported grew 9% in the second quarter to $1.1 billion compared with $1.0 billion in the second quarter of fiscal 2026. The as reported performance reflected 10% improvement in service revenue, 10% growth in consumables revenue, and a 4% increase in capital equipment revenue. Constant currency organic revenue growth was 7%. Healthcare operating income was $269.2 million compared with $259.5 million in last year's second quarter. The increase in operating income was primarily due to improved volume and price which were partially offset by inflation, lower productivity and investments.

Fiscal 2027 second quarter revenue for **Applied Sterilization Technologies (AST)** increased 5% as reported to $295.6 million compared with $281.5 million in the same period last year. This performance reflected 5% growth in service revenue and a 21% decline in capital equipment revenue. Constant currency organic revenue growth was 5%. Segment operating income was $132.1 million in the second quarter of fiscal 2027, compared with operating income of $127.6 million in the same period last year. The increase in operating income compared with the prior year primarily reflects improved price, which was partially offset by inflation and increased depreciation.

Life Sciences second quarter revenue as reported increased 18% to $170.6 million compared with $145.0 million in the second quarter of fiscal 2026. This performance reflected 53% growth in capital equipment revenue, 9% improvement in consumables revenue, and 5% growth in service revenue. Constant currency organic revenue increased 18%. Operating income increased to $75.8 million in the second quarter of fiscal 2027 compared with $59.9 million in the prior year's second quarter. The increase in operating income reflects improvement in price, productivity, volume and favorable mix.

Cash Flow
Net cash provided by operations for the first six months of fiscal 2027 was $656.1 million, compared with $707.8 million in the first six months of fiscal 2026. Free cash flow for the first six months of fiscal 2027 was $492.5 million compared with $527.7 million in the prior year period. The decrease in cash flow from operations and free cash flow was driven primarily by a significantly lower contribution from working capital in fiscal 2027 compared with fiscal 2026, partially offset by higher net income.

Restructuring
During the quarter, the Company approved a separate targeted restructuring plan, in addition to the plan announced on August 5, 2026. The additional plan includes targeted facility realignment, product rationalization and select organizational realignment, primarily in the Healthcare segment. The Company anticipates total charges of approximately $45 million associated with the plan, including approximately $10 million in cash expenditures and $35 million in non-cash charges. Charges associated with the second quarter of fiscal 2027 are approximately $25 million. The plan is expected to generate annualized savings of approximately $9 million, with a portion realized in fiscal 2028 and the full benefit realized in subsequent fiscal years.

Fiscal 2027 Outlook
The Company is updating its prior outlook for revenue and earnings for fiscal 2027. Expectations for consolidated revenue growth are unchanged and include as reported revenue growth of 7-8% and constant currency organic revenue growth of 6-7%. Adjusted earnings per diluted share are now anticipated to be in the range of $11.35 to $11.55, an increase from prior expectations of $11.10 to $11.30. The revised outlook includes the benefit of approximately $0.18 from tariff refunds received year-to-date. All other elements of the most recently provided outlook remain unchanged.

Segment Constant Currency Organic Revenue Growth

	Current Outlook	Prior Outlook
Healthcare	6-7%	6-7%
Applied Sterilization Technologies	6-7%	7-8%

Life Sciences	9-10%	6-7%

STERIS will provide revised fiscal 2027 outlook inclusive of the proposed Xodus Medical acquisition after closing.

Conference Call
As previously announced, STERIS management will host a conference call tomorrow, November 5, 2026, at 9:00 am ET. The conference call can be heard at www.steris-ir.com or via phone by dialing 1-833-535-2199 in the United States or 1-412-902-6776 internationally, then asking to join the STERIS plc conference call.

For those unable to listen to the conference call live, a replay will be available beginning at noon ET on November 5, 2026, either at www.steris-ir.com or via phone. To access the replay of the call, please use the access code 2589658 and dial 1-855-669-9658 in the United States or 1-412-317-0088 internationally.

About STERIS
STERIS is a leading global provider of products and services that support patient care with an emphasis on infection prevention. WE HELP OUR CUSTOMERS CREATE A HEALTHIER AND SAFER WORLD by providing innovative healthcare and life science products and services around the globe. For more information, visit www.steris.com.

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Non-GAAP Financial Measures
Adjusted net income, adjusted income from operations, free cash flow, adjusted EPS and constant currency organic revenue are non-GAAP measures that may be used from time to time and should not be considered replacements for U.S. GAAP results. Non-GAAP financial measures are presented in this release 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. The Company believes that the presentation of these non-GAAP financial measures, when considered along with our U.S. GAAP financial measures, provides a more complete understanding of the factors and trends affecting our business than could be obtained absent this disclosure.

Adjusted net income, adjusted gross profit, adjusted EPS and adjusted income from operations exclude the amortization of intangible assets acquired in business combinations, acquisition and divestiture related transaction costs and gains or losses, integration costs related to acquisitions, tax restructuring costs, restructuring charges (credits), and certain other unusual or non-recurring items. STERIS believes these measures are useful because they exclude items that may not be indicative of or are unrelated to our core operating results and provide a baseline for analyzing trends in our underlying businesses.

The Company defines free cash flow as cash flows from operating activities less purchases of property, plant, equipment and intangibles, plus proceeds from the sale of property, plant, equipment, and intangibles. STERIS believes that free cash flow is a useful measure of the Company's ability to fund future principal debt repayments and growth outside of core operations, pay cash dividends, and repurchase ordinary shares.

To measure the percentage organic revenue growth, the Company removes the impact of significant 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.

Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. These adjusted financial measures should not be considered in isolation or as a substitute for reported sales, gross profit, operating income, net earnings and net earnings per diluted share, the most directly comparable U.S. GAAP financial measures. These non-GAAP financial measures are an additional way of viewing aspects of the Company's operations that, when viewed with U.S. GAAP results and the reconciliations to corresponding U.S. GAAP financial measures below, provide a more complete understanding of the business. The Company strongly encourages investors and shareholders to review its financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION
This release contains statements concerning certain trends, expectations, forecasts, estimates, or other forward-looking information affecting or relating to STERIS or its industry, products or activities that are intended to qualify for the protections afforded "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 and other laws and regulations. Forward-looking statements speak only as to the date the statement is made and may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "targets," "forecasts," "outlook," "impact," "potential," "confidence," "improve," "optimistic," "deliver," "orders," "backlog," "comfortable," "trend," and "seeks," or the negative of such terms or other variations on such terms or comparable terminology. These forward-looking statements are based on management's current expectations, estimates or forecasts about STERIS's businesses, the industries in which it operates and current beliefs and assumptions of management and are subject to uncertainty and changes in circumstances. Readers of this release should understand that these statements are not guarantees of performance or results.

Many factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, those set forth in this release. No assurances can be provided as to any result or the timing of any outcome regarding matters described in STERIS's securities filings or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, cost reductions, business strategies, earnings or revenue trends or future financial results. Other potential risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements include, without limitation, (a) the impact on STERIS and its operations of any legislation, regulations or orders, including but not limited to any new trade regulations or orders, that may be implemented by the U.S. administration or Congress, or of any responses thereto by non-U.S. governments, (b) operating costs, pressure on pricing (including, without limitation, as a result of inflation), Customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, Customers,

clients or suppliers) being greater than expected and leading to erosion of profit margins, (c) the potential of international unrest, military conflicts, economic downturns, currency fluctuations and cybersecurity events and any resulting effects on STERIS's anticipated growth, performance or other results, (d) changes in healthcare policy or government or other third-party payor reimbursement levels, (e) the possibility that compliance with laws, court rulings, certifications, regulations, or other regulatory actions, or the outcome of any pending or threatened litigation, may delay, limit or prevent new product or service introductions, impact production, supply and/or marketing of existing products or services, result in uncovered costs, or otherwise affect STERIS's performance, results, prospects or value, (f) changes in tax laws or interpretations or the adoption of certain income tax treaties in jurisdictions where STERIS operates that could increase its consolidated tax liabilities, including changes in tax laws that would result in STERIS being treated as a U.S. resident for U.S. federal tax purposes, or the impact of tariffs and/or other trade barriers as a result of STERIS's corporate structure, (g) the impacts of increasing consolidation and competition within STERIS's industry, which may exert pressure on its pricing strategy, manufacturing strategy or lead to decreasing demand for its products and services, (h) the effects on STERIS's operations resulting from labor-related issues, such as strikes, unsuccessful union negotiations and other workforce disruptions or from its inability to recruit or retain management and other personnel, (i) the level of STERIS's indebtedness limiting financial flexibility or increasing future borrowing costs, (j) the effects of changes in credit availability and pricing, as well as the ability of STERIS and STERIS's Customers and suppliers to adequately access the credit markets, on favorable terms or at all, when needed, (k) the possibility that anticipated financial results, anticipated revenues, productivity improvements, cost savings, growth synergies, and other anticipated benefits of acquisitions, restructuring efforts, and divestitures will not be realized or will be less than anticipated due to unknown or inestimable liabilities, impairments, or increases in expected integration costs or difficulties in connection with the integration of acquired businesses, (l) the possibility that expectations about the benefits, charges and cash expenditures from the new Center of Excellence in North Carolina and the related facility consolidation plan may not be accurate or realized on anticipated timelines, or at all, (m) the risk that regulatory approvals that are required to complete the acquisition of Xodus Medical, Inc. (the "Acquisition") may not be received, may take longer than expected or may impose adverse conditions and STERIS's ability to complete the Acquisition on the expected timeline, or at all, (n) the risk that the cost savings, tax benefits and other synergies expected from the Acquisition may not be realized or may take longer to realize than expected, including that the Acquisition may not be accretive or produce the expected cash tax benefits within the expected timeframe or to the extent anticipated, and (o) other risks described in STERIS's most recent Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission.

Readers are cautioned not to place undue reliance on any forward-looking statements included in this release, which speak only as of the date hereof. STERIS undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Attachment

- STERIS 2Q27 Financial Tables

STERIS