This release and the referenced conference call may contain 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. Many important factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, disruption of production or supplies, changes in market conditions, political events, pending or future claims or litigation, competitive factors, technology advances, actions of regulatory agencies, and changes in laws, government regulations, labeling or product approvals or the application or interpretation thereof. Other risk factors are described in STERIS’s other securities filings, including Item 1A of our Annual Report on Form 10-K for the year ended March 31, 2019. Many of these important factors are outside of STERIS’s control. 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. References to products are summaries only and should not be considered the specific terms of the product clearance or literature. Unless legally required, STERIS does not undertake to update or revise any forward-looking statements even if events make it clear that any projected results, express or implied, will not be realized. 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 of the COVID-19 pandemic on STERIS’s operations, performance, results, prospects, or value, (b) STERIS’s ability to achieve the expected benefits regarding the accounting and tax treatments of the redomiciliation to Ireland (“Redomiciliation”), (c) operating costs, Customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, Customers, clients or suppliers) being greater than expected following the Redomiciliation, (d) STERIS’s ability to meet expectations regarding the accounting and tax treatment of the Tax Cuts and Jobs Act (“TCJA”) or the possibility that anticipated benefits resulting from the TCJA will be less than estimated, (e) changes in tax laws or interpretations that could increase our consolidated tax liabilities, including changes in tax laws that would result in STERIS being treated as a domestic corporation for United States federal tax purposes, (f) the potential for increased pressure on pricing or costs that leads to erosion of profit margins, (g) the possibility that market demand will not develop for new technologies, products or applications or services, or business initiatives will take longer, cost more or produce lower benefits than anticipated, (h) the possibility that application of or compliance with laws, court rulings, certifications, regulations, regulatory actions, including without limitation any of the same relating to FDA, EPA or other regulatory authorities, government investigations, the outcome of any pending or threatened FDA, EPA or other regulatory warning notices, actions, requests, inspections or submissions, or other requirements or standards may delay, limit or prevent new product or service introductions, affect the production, supply and/or marketing of existing products or services or otherwise affect STERIS’s performance, results, prospects or value, (i) the potential of international unrest, economic downturn or effects of currencies, tax assessments, tariffs and/or other trade barriers, adjustments or anticipated rates, raw material costs or availability, benefit or retirement plan costs, or other regulatory compliance costs, (j) the possibility of reduced demand, or reductions in the rate of growth in demand, for STERIS’s products and services, (k) the possibility of delays in receipt of orders, order cancellations, or delays in the manufacture or shipment of ordered products or in the provision of services, (l) the possibility that anticipated growth, cost savings, new product acceptance, performance or approvals, or other results may not be achieved, or that transition, labor, competition, timing, execution, regulatory, governmental, or other issues or risks associated with STERIS’s businesses, industry or initiatives including, without limitation, those matters described in our Annual Report on Form 10-K for the year ended March 31, 2019, and other securities filings, may adversely impact STERIS’s performance, results, prospects or value, (m) the impact on STERIS and its operations, or tax liabilities, of Brexit or the exit of other member countries from the EU, and the Company’s ability to respond to such impacts, (n) the impact on STERIS and its operations of any legislation, regulations or orders, including but not limited to any new trade or tax legislation, regulations or orders, that may be implemented by the U.S. administration or Congress, or of any responses thereto, (o) the possibility that anticipated financial results or benefits of recent acquisitions, or of STERIS’s restructuring efforts, or of recent divestitures, or of restructuring plans will not be realized or will be other than anticipated, and (p) the effects of contractions in credit availability, as well as the ability of STERIS’s Customers and suppliers to adequately access the credit markets when needed.
Non-GAAP Financial Measures

Adjusted net income, free cash flow and constant currency organic revenue are non-GAAP measures that may be used from time to time and should not be considered replacements for 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 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 excludes the amortization of intangible assets acquired in business combinations, acquisition related transaction costs, integration costs related to acquisitions, redomiciliation and tax restructuring costs, COVID-19 incremental costs, and certain other unusual or non-recurring items. COVID-19 incremental costs includes the additional costs attributable to COVID-19 such as enhanced cleaning protocols, personal protective equipment for our employees, event cancellation fees, and payroll costs associated with our response to COVID-19, net of any government subsidies available. STERIS believes this measure is useful because it excludes items that may not be indicative of or are unrelated to our core operating results and provides 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 GAAP financial measures. These non-GAAP financial measures are an additional way of viewing aspects of the Company’s operations that, when viewed with GAAP results and the reconciliations to corresponding 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.
STERIS is a leading global provider of products and services that meet the needs of growth areas within Healthcare: procedures, devices, vaccines and biologics.

$3.0 BILLION
Revenue In FY20

BALANCED REVENUE STREAM
75% Recurring
25% Capital

13,000 Associates Worldwide
Over 3,000 Customer facing sales and service professionals

~25%
of revenue
OUS FY20

Our MISSION IS TO HELP OUR CUSTOMERS CREATE A HEALTHIER AND SAFER WORLD by providing innovative healthcare and life science product and service solutions around the globe.
Serving Growth Areas Within Healthcare

CUSTOMERS

<table>
<thead>
<tr>
<th>Segment</th>
<th>% of FY20 REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals, Surgery &amp; GI Centers</td>
<td>65%</td>
</tr>
<tr>
<td>Medical Device Manufacturers</td>
<td>21%</td>
</tr>
<tr>
<td>Pharmaceutical Production</td>
<td>14%</td>
</tr>
</tbody>
</table>

REPORTING SEGMENTS

Healthcare
A comprehensive offering for healthcare providers worldwide, focused on the sterile processing department and procedural centers such as operating rooms. Our solutions for sterile processing range from infection prevention consumables, capital equipment and services to maintain that equipment; to the repair of re-usable procedure instruments and outsourced instrument reprocessing. In addition, our procedural solutions include single-use endoscopy devices and capital equipment infrastructure used primarily in operating rooms and other procedural areas.

Applied Sterilization Technologies (AST)
Third-party service provider for the contract sterilization and testing services needed to provide sterility services for medical device and pharmaceutical manufacturers. Our technology-neutral offering supports Customers every step of the way, from testing through sterilization.

Life Sciences
Solutions that support aseptic manufacturing, primarily for vaccine and other biopharma Customers. These solutions include a full suite of consumable products, equipment maintenance and specialty services, and capital equipment.

New reporting segments as of 4/1/2020
Healthcare Segment

CONSUMABLES
*Consumables* includes:
- cleaning chemistries
- sterilants and disinfectants
- sterility assurance products
- single-use endoscopy devices

SERVICE
*Equipment services* including maintenance, installation and OEM parts.
*Instrument services* including repair of surgical instruments, endoscopes and powered instruments; and outsourced instrument reprocessing.

25%

PROCEDURAL CAPITAL EQUIPMENT
*Procedural capital equipment* includes:
- surgical tables
- surgical lights
- prefabricated infrastructure
- integrated operating rooms

15%

IPT CAPITAL EQUIPMENT
*Infection prevention capital equipment* includes:
- steam sterilizers
- washer disinfectors
- low-temp sterilizers
- liquid chemical sterilization

15%

45%
Applied Sterilization Technologies (AST) Segment

TECHNOLOGY NEUTRAL CONTRACT STERILIZATION AND TESTING SERVICES

RADIATION MODALITIES

- GAMMA
  Exposes product to Cobalt 60 radiation

- ELECTRON BEAM
  Exposes product to high-energy electrons

- X-RAY
  Uses ionizing energy from electron beams

GAS MODALITIES

- ETHYLENE OXIDE (EO)
  Exposes product to gaseous sterilant

- VAPORIZED HYDROGEN PEROXIDE (VHP)
  Low temp gas process under deep vacuum

TESTING SERVICES

- LABORATORY TESTING
  Provides microbiological and analytical testing

- PRODUCT & PACKAGE TESTING
  Provides testing options for the validation of medical devices
Life Sciences Segment

**CONSUMABLES**
- Consumable contamination control solutions includes:
  - application specific detergents
  - sterilants
  - surface disinfectants
  - process cleaners
  - barrier product solutions

**SERVICE**
*Service includes:*
- maintenance
- installation
- controlled environment services
- OEM parts

**CAPITAL EQUIPMENT**
*Capital equipment includes:*
- steam and gas sterilizers
- VHP decontamination equipment
- washers & dryers
- pure steam/water systems

45%  
30%  
25%
See Appendix for Reconciliation; Years are Fiscal Years
Cash Flow Generation Provides Capacity for Growth

PRIORITIES FOR CAPITAL

1. Maintain and Grow Dividend
2. Reinvest in the Business
3. Mergers and Acquisitions
4. Share Repurchase

See Appendix for Reconciliation; Years are Fiscal Years
Long-term Objectives

Total revenue growth opportunity of mid-to-high single digits

- **Organic growth of mid-single digits supported by global demand for procedure volumes**
- **Supplementing organic growth with M&A opportunities achieves long-term goal of mid-to-high single digit revenue growth**

Double-digit adjusted diluted EPS growth over long periods of time
We are a leading global provider of products and services that meet the needs of growth areas within Healthcare: procedures, devices, vaccines and biologics.

We offer comprehensive sterilization and disinfection solutions for a broad Customer base.

We have a history of double-digit adjusted EPS growth on mid-to-high single-digit revenue growth.

*It is the Company’s long-term objective to continue this trend*

Our organic and M&A initiatives have boosted recurring revenue since 2012 from half of total revenue to three-quarters of total revenue.

Experienced and stable management team.

We have a strong balance sheet and generate free cash flow that provides capacity for growth.
## Appendix  |  Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th>Segment revenues:</th>
<th>As reported, GAAP</th>
<th>Impact of Acquisitions</th>
<th>Impact of Divestitures</th>
<th>Impact of Foreign Currency Movements</th>
<th>GAAP Growth</th>
<th>Organic Growth</th>
<th>Constant Currency Organic Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare Products</td>
<td>$1,423,198</td>
<td>$1,338,428</td>
<td>$</td>
<td>$</td>
<td>6.3%</td>
<td>6.3%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Healthcare Specialty Services</td>
<td>563,611</td>
<td>510,057</td>
<td>—</td>
<td>(4,485)</td>
<td>10.5%</td>
<td>11.5%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>416,939</td>
<td>378,558</td>
<td>—</td>
<td>(3,152)</td>
<td>10.1%</td>
<td>10.1%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Applied Sterilization Technologies</td>
<td>627,147</td>
<td>555,127</td>
<td>—</td>
<td>(8,542)</td>
<td>13.0%</td>
<td>13.0%</td>
<td>14.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,030,895</strong></td>
<td><strong>$2,782,170</strong></td>
<td>$</td>
<td><strong>(4,485)</strong></td>
<td><strong>8.9%</strong></td>
<td><strong>9.1%</strong></td>
<td><strong>9.8%</strong></td>
</tr>
</tbody>
</table>
Note: Effective April 1, 2020, and consistent with the way management will operate and view the business, the current Healthcare Products and Healthcare Specialty Services segments will be combined and reported as one segment, simply called Healthcare. Going forward we will operate and report in three business segments: Healthcare, Life Sciences and Applied Sterilization Technologies. Corporate will continue to be presented separately and contain the costs that are associated with being a publicly traded company and certain other corporate costs. Please see the below financial tables for a recast of fiscal 2020 quarterly results under the new segments.

## Appendix | Segment Recast

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>$445,732</td>
<td>$485,283</td>
<td>$509,222</td>
<td>$546,572</td>
<td>$1,986,809</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>96,785</td>
<td>98,650</td>
<td>108,773</td>
<td>112,731</td>
<td>416,939</td>
</tr>
<tr>
<td>Applied Sterilization Technologies</td>
<td>154,286</td>
<td>152,907</td>
<td>156,266</td>
<td>163,688</td>
<td>627,147</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>$696,803</strong></td>
<td><strong>$736,840</strong></td>
<td><strong>$774,261</strong></td>
<td><strong>$822,991</strong></td>
<td><strong>$3,030,895</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating income (loss):</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>$90,515</td>
<td>$103,035</td>
<td>$105,227</td>
<td>$121,859</td>
<td>$420,636</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>33,039</td>
<td>32,315</td>
<td>37,731</td>
<td>41,003</td>
<td>144,088</td>
</tr>
<tr>
<td>Applied Sterilization Technologies</td>
<td>68,035</td>
<td>65,386</td>
<td>65,468</td>
<td>72,028</td>
<td>270,917</td>
</tr>
<tr>
<td>Corporate</td>
<td>(55,397)</td>
<td>(50,956)</td>
<td>(45,260)</td>
<td>(55,402)</td>
<td>(207,015)</td>
</tr>
<tr>
<td><strong>Total operating income before adjustments</strong></td>
<td><strong>$136,192</strong></td>
<td><strong>$149,780</strong></td>
<td><strong>$163,166</strong></td>
<td><strong>$179,488</strong></td>
<td><strong>$628,626</strong></td>
</tr>
</tbody>
</table>

(dollars in thousands)
## Calculation of Free Cash Flow:

<table>
<thead>
<tr>
<th></th>
<th>Twelve Months Ended March 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020 (Unaudited)</td>
<td>2019 (Unaudited)</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>$590,559</td>
<td>$539,505</td>
</tr>
<tr>
<td>Purchases of property, plant, equipment, and intangibles, net</td>
<td>$(214,516)</td>
<td>$(189,715)</td>
</tr>
<tr>
<td>Proceeds from the sale of property, plant, equipment, and intangibles</td>
<td>4,156</td>
<td>5,567</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td><strong>$380,199</strong></td>
<td><strong>$355,357</strong></td>
</tr>
</tbody>
</table>
# Appendix | Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Twelve months ended March 31, (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Profit</td>
</tr>
<tr>
<td>GAAP</td>
<td>$ 1,319,923</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>1,566</td>
</tr>
<tr>
<td>Acquisition and integration related charges</td>
<td>1,583</td>
</tr>
<tr>
<td>Redomiciliation and tax restructuring costs</td>
<td>—</td>
</tr>
<tr>
<td>(Gain) on fair value adjustment of acquisition related contingent consideration</td>
<td>—</td>
</tr>
<tr>
<td>Net loss (gain) on divestiture of businesses</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of property &quot;step up&quot; to fair value</td>
<td>2,499</td>
</tr>
<tr>
<td>COVID-19 incremental costs</td>
<td>475</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>2,470</td>
</tr>
<tr>
<td>Net impact of adjustments after tax*</td>
<td></td>
</tr>
<tr>
<td>Net EPS impact</td>
<td></td>
</tr>
<tr>
<td>Adjusted</td>
<td>$ 1,328,516</td>
</tr>
</tbody>
</table>

* The tax expense includes both the current and deferred income tax impact of the adjustments.