

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 4, 2019**

**STERIS plc**

(Exact Name of Registrant as Specified in Charter)

Ireland  
(State or other jurisdiction of  
incorporation or organization)

001-38848  
(Commission  
File Number)

98-1455064  
(IRS Employer  
Identification No.)

70 Sir John Rogerson's Quay, Dublin 2, Ireland D02 R296  
(Address of principal executive offices)

**Registrant's telephone number, including area code: + 353 1 232 2000**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares	STE	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On November 4, 2019, STERIS plc (the “Company”) issued a press release announcing financial results for its fiscal 2020 second quarter ending September 30, 2019 and an interim dividend. A copy of this press release is attached hereto as Exhibit 99.1.

The information contained in this Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished to the Securities and Exchange Commission and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. Furthermore, the information contained in this Item 2.02 of this Current Report on Form 8-K shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press Release issued by STERIS plc on November 4, 2019 announcing financial results for its fiscal 2020 second quarter ending September 30, 2019.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)



## STERIS Announces Financial Results for Fiscal 2020 Second Quarter

- *Second quarter revenue grows 9% as reported, 10% constant currency organic*
- *EPS as reported increases to \$1.11, adjusted EPS increases to \$1.32*
- *Outlook updated to reflect stronger than anticipated performance*

DUBLIN, IRELAND - (November 4, 2019) - STERIS plc (NYSE: STE) (“STERIS” or the “Company”) today announced financial results for its fiscal 2020 second quarter ended September 30, 2019. Revenue as reported for the quarter increased 9% to \$736.8 million compared with \$679.0 million in the second quarter of fiscal 2019, with growth across all segments. Constant currency organic revenue (see Non-GAAP Financial Measures) growth was 10% for the second quarter of fiscal 2020.

“Fiscal 2020 is shaping up to be a great year,” said Walt Rosebrough, President and Chief Executive Officer of STERIS. “Underlying Customer demand for our products and services remains strong and is enhanced by new products and several tuck-in acquisitions. Based on our outperformance in the first half and our future expectations, we are increasing our guidance for revenue, earnings and cash flow for the full fiscal year.”

As reported, net income for the second quarter was \$94.8 million, or \$1.11 per diluted share, compared with net income of \$77.5 million, or \$0.91 per diluted share in the second quarter of fiscal 2019. Adjusted net income (see Non-GAAP Financial Measures) for the second quarter of fiscal 2020 was \$113.1 million, or \$1.32 per diluted share, compared with adjusted net income for the previous year’s second quarter of \$93.6 million or \$1.10 per diluted share.

### Second Quarter Segment Results

**Healthcare Products** revenue as reported grew 9% in the quarter to \$350.3 million compared with \$321.5 million in the second quarter of fiscal 2019, driven by 10% growth in capital equipment revenue, 10% growth in service revenue and 7% growth in consumable revenue. Constant currency organic revenue growth for Healthcare Products was 9% during the quarter. Healthcare Products operating income was \$87.0 million compared with \$72.5 million in last year’s second quarter. The increase in profitability was primarily due to the increase in volume and favorable mix.

Fiscal 2020 second quarter revenue for **Applied Sterilization Technologies** increased 13% as reported to \$152.9 million compared with \$135.7 million in the same period last year. Constant currency organic revenue increased 14%, primarily driven by increased volume from the segment’s core medical device Customers. Segment operating income increased to \$65.4 million in the second quarter of fiscal 2020 compared with operating income of \$53.5 million in the same period last year, due primarily to revenue growth.

**Healthcare Specialty Services** as reported revenue grew 8% in the quarter to \$135.0 million compared with \$124.6 million in the second quarter of fiscal 2019. Constant currency organic revenue growth was 11%. Healthcare Specialty Services operating income was \$16.1 million compared with \$15.5 million in last year’s second quarter, benefiting from the increase in revenue, somewhat offset by investments being made to add capacity in anticipation of continuing demand.

**Life Sciences** second quarter revenue as reported grew 2% to \$98.7 million compared with \$97.2 million in the second quarter of fiscal 2019, driven by 11% growth in consumable revenue and 3% growth in service revenue, partially offset by an 11% decline in capital equipment revenue due to difficult comparisons versus strong growth in the prior year quarter. Constant currency organic revenue grew 2% in the quarter. Operating income was \$32.3 million compared with \$33.3 million in the prior year’s second quarter, primarily driven by unfavorable product mix.

## Cash Flow

Net cash provided by operations for the first six months of fiscal 2020 was \$260.0 million, compared with \$226.7 million in fiscal 2019. Free cash flow (see Non-GAAP Financial Measures) for the first six months of fiscal 2020 was \$162.0 million compared with \$169.7 million in the prior year period. The decline, as anticipated, in free cash flow is due to increased capital spending.

## Fiscal 2020 Outlook

Based on current performance and expectations for the full fiscal year, the Company is updating its prior outlook for revenue and adjusted earnings per diluted share. Constant currency organic revenue growth is now expected to be in the range of 7.5-8.5%, compared with 6-7% previously. The increase in constant currency organic revenue growth is due to outperformance of the underlying business as well as approximately one percentage point benefit from a number of tuck-in acquisitions completed in the first half of the year. Reflecting September 30, 2019 forward rates, the Company now expects that currency movements will negatively impact as reported revenue by approximately \$25 million in fiscal 2020. Adjusted earnings per diluted share are now anticipated to be in the range of \$5.50 - \$5.65, compared with \$5.38 - \$5.53 previously.

Capital spending is anticipated to be approximately \$260 million and free cash flow is expected to be approximately \$320 million, both updated to reflect first half actual results.

## Dividend Announcement

STERIS's Board of Directors has approved the quarterly interim dividend of \$0.37 per share. The dividend is payable December 20, 2019 to shareholders of record at the close of business on November 26, 2019.

## Conference Call

As previously announced, STERIS management will host a conference call tomorrow, November 5, 2019 at 10:00 a.m. Eastern time. The conference call can be heard live over the Internet at [www.steris-ir.com](http://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 conference call for STERIS plc.

For those unable to listen to the conference call live, a replay will be available beginning at 12:00 p.m. Eastern Time on November 5, 2019, either over the Internet at [www.steris-ir.com](http://www.steris-ir.com) or via phone. To access the replay of the call, please use the access code 10136019 and dial 1-877-344-7529 in the United States or 1-412-317-0088 internationally.

## About STERIS

STERIS's 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. For more information, visit [www.steris.com](http://www.steris.com).

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## 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, the re-measurement of deferred taxes and taxation of prior unremitted earnings impacts of the TCJA, and certain other unusual or non-recurring items. 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.

### **Forward-Looking Statements**

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 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) STERIS's ability to achieve the expected benefits regarding the accounting and tax treatments of the Redomiciliation transaction, (b) 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, (c) 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, (d) 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, (e) the potential for increased pressure on pricing or costs that leads to erosion of profit margins, (f) 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, (g) 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, (h) 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, (i) the possibility of reduced demand, or reductions in the rate of growth in demand, for STERIS's products and services, (j) 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, (k) 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, (l) 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, (m) 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, (n) the possibility that anticipated financial results or benefits of recent acquisitions, or of STERIS's restructuring efforts, or of recent divestitures, or of the targeted restructuring plan will not be realized or will be other than anticipated, and (o) 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.

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenues</b>	\$ 736,840	\$ 678,961	\$ 1,433,643	\$ 1,317,719
<b>Cost of revenues</b>	417,263	394,297	807,305	764,005
<b>Total cost of revenues - restructuring</b>	910	—	1,828	—
<b>Total cost of revenues, net</b>	418,173	394,297	809,133	764,005
<b>Gross profit</b>	318,667	284,664	624,510	553,714
<b>Operating expenses:</b>				
Selling, general, and administrative	175,959	162,312	354,740	320,718
Research and development	16,249	15,773	31,834	31,993
Restructuring expenses	(274)	—	1,115	—
<b>Total operating expenses</b>	191,934	178,085	387,689	352,711
<b>Income from operations</b>	126,733	106,579	236,821	201,003
<b>Non-operating expenses, net</b>	9,426	11,320	20,104	22,693
<b>Income tax expense</b>	22,165	17,764	36,798	30,537
<b>Net income</b>	\$ 95,142	\$ 77,495	\$ 179,919	\$ 147,773
<b>Less: Net income attributable to noncontrolling interests</b>	373	38	560	325
<b>Net income attributable to shareholders</b>	\$ 94,769	\$ 77,457	\$ 179,359	\$ 147,448
<b>Earnings per ordinary share (EPS) data:</b>				
Basic	\$ 1.12	\$ 0.92	\$ 2.12	\$ 1.74
Diluted	\$ 1.11	\$ 0.91	\$ 2.09	\$ 1.72
<b>Cash dividends declared per share ordinary outstanding</b>	\$ 0.37	\$ 0.34	\$ 0.71	\$ 0.65
<b>Weighted average number of shares outstanding used in EPS computation:</b>				
Basic number of shares outstanding	84,795	84,537	84,716	84,611
Diluted number of shares outstanding	85,695	85,477	85,630	85,493

STERIS plc  
Consolidated Condensed Balance Sheets  
(in thousands)

	September 30,		March 31,	
	2019		2019	
	(Unaudited)			
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents		\$ 225,536	\$	220,633
Accounts receivable, net		513,353		564,830
Inventories, net		236,837		208,243
Prepaid expenses and other current assets		56,228		60,029
<b>Total current assets</b>		1,031,954		1,053,735
Property, plant, and equipment, net		1,066,223		1,031,582
Lease right-of-use assets, net		115,925		—
Goodwill		2,319,062		2,322,928
Intangibles, net		576,379		604,614
Other assets		76,174		60,212
<b>Total assets</b>		\$ 5,185,717	\$	5,073,071
<b>Liabilities and equity</b>				
<b>Current liabilities:</b>				
Accounts payable		\$ 133,802	\$	152,913
Other current liabilities		294,221		312,283
<b>Total current liabilities</b>		428,023		465,196

Long-term indebtedness	1,187,195	1,183,227
Other liabilities	332,854	238,850
<b>Total equity</b>	<b>3,237,645</b>	<b>3,185,798</b>
<b>Total liabilities and equity</b>	<b>\$ 5,185,717</b>	<b>\$ 5,073,071</b>

**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.

	Three Months Ended September 30,		Six Months Ended September 30,	
	2019	2018	2019	2018
<b>Revenues:</b>	(Unaudited)	Unaudited)	(Unaudited)	(Unaudited)
Healthcare Products	\$ 350,281	\$ 321,505	\$ 660,068	\$ 613,515
Healthcare Specialty Services	135,002	124,554	270,947	246,803
Life Sciences	98,650	97,165	195,435	182,120
Applied Sterilization Technologies	152,907	135,737	307,193	275,281
<b>Total revenues</b>	<b>\$ 736,840</b>	<b>\$ 678,961</b>	<b>\$ 1,433,643</b>	<b>\$ 1,317,719</b>
<b>Operating income (loss):</b>				
Healthcare Products	\$ 86,963	\$ 72,468	\$ 160,661	\$ 134,190
Healthcare Specialty Services	16,072	15,461	32,889	28,415
Life Sciences	32,315	33,266	65,354	63,131
Applied Sterilization Technologies	65,386	53,468	133,421	109,619
Corporate	(50,956)	(46,985)	(106,353)	(93,027)
<b>Total operating income before adjustments</b>	<b>\$ 149,780</b>	<b>\$ 127,678</b>	<b>\$ 285,972</b>	<b>\$ 242,328</b>
<b>Less: Adjustments</b>				
Amortization of acquired intangible assets	\$ 18,952	\$ 16,956	\$ 35,901	\$ 35,013
Acquisition and integration related charges	1,947	2,707	3,864	4,378
Redomiciliation and tax restructuring costs	1,016	600	2,786	887
(Gain) on fair value adjustment of acquisition related contingent consideration	—	—	—	(842)
Net loss on divestiture of businesses	50	221	2,476	663
Amortization of property "step up" to fair value	446	615	1,181	1,226
Restructuring charges	636	—	2,943	—
<b>Total operating income</b>	<b>\$ 126,733</b>	<b>\$ 106,579</b>	<b>\$ 236,821</b>	<b>\$ 201,003</b>

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

	<b>Six Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
	(Unaudited)	(Unaudited)
<b>Operating activities:</b>		
Net income	\$ 179,919	\$ 147,773
Non-cash items	112,706	92,100
Changes in operating assets and liabilities	(32,625)	(13,171)
<b>Net cash provided by operating activities</b>	<b>260,000</b>	<b>226,702</b>
<b>Investing activities:</b>		
Purchases of property, plant, equipment, and intangibles, net	(98,168)	(62,549)
Proceeds from the sale of property, plant, equipment, and intangibles	206	5,547
Proceeds from the sale of businesses	439	(196)
Purchase of investments	—	(4,955)
Acquisition of businesses, net of cash acquired	(87,935)	—
Other	—	(6,003)
<b>Net cash used in investing activities</b>	<b>(185,458)</b>	<b>(68,156)</b>
<b>Financing activities:</b>		
Payments on long-term obligations	—	(85,000)
Proceeds (payments) under credit facilities, net	13,240	52,093
Deferred financing fees and debt issuance costs	(1,206)	(298)
Acquisition related deferred or contingent consideration	(452)	(685)
Repurchases of ordinary shares	(37,866)	(55,902)
Cash dividends paid to ordinary shareholders	(60,220)	(55,005)
Stock option and other equity transactions, net	22,975	4,936
<b>Net cash used in financing activities</b>	<b>(63,529)</b>	<b>(139,861)</b>
Effect of exchange rate changes on cash and cash equivalents	(6,110)	(10,298)
Increase in cash and cash equivalents	4,903	8,387
Cash and cash equivalents at beginning of period	220,633	201,534
Cash and cash equivalents at end of period	\$ 225,536	\$ 209,921

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.

	<b>Six Months Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
	(Unaudited)	(Unaudited)
<b>Calculation of Free Cash Flow:</b>		
Cash flows from operating activities	\$ 260,000	\$ 226,702
Purchases of property, plant, equipment, and intangibles, net	(98,168)	(62,549)
Proceeds from the sale of property, plant, equipment, and intangibles	206	5,547
<b>Free Cash Flow</b>	<b>\$ 162,038</b>	<b>\$ 169,700</b>

	<b>Twelve Months Ended</b>	
	<b>March 31, 2020</b>	
	(Outlook*)	
<b>Calculation of Free Cash Flow for Outlook</b>		
Cash flows from operating activities	\$	580,000
Purchases of property, plant, equipment, and intangibles, net		(260,000)
<b>Free Cash Flow</b>	<b>\$</b>	<b>320,000</b>

\* 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 September 30, (unaudited)							
	As reported, GAAP		Impact of Acquisitions	Impact of Divestitures	Impact of Foreign Currency Movements	GAAP Growth	Organic Growth	Constant Currency Organic Growth
	2019	2018	2019	2018	2019	2019	2019	2019
<b>Segment revenues:</b>								
Healthcare Products	\$ 350,281	\$ 321,505	\$ —	\$ —	\$ (1,213)	9.0%	9.0%	9.3%
Healthcare Specialty Services	135,002	124,554	—	(1,328)	(1,496)	8.4%	9.6%	10.8%
Life Sciences	98,650	97,165	—	—	(811)	1.5%	1.5%	2.4%
Applied Sterilization Technologies	152,907	135,737	—	—	(2,320)	12.6%	12.6%	14.4%
<b>Total</b>	<b>\$ 736,840</b>	<b>\$ 678,961</b>	<b>\$ —</b>	<b>\$ (1,328)</b>	<b>\$ (5,840)</b>	<b>8.5%</b>	<b>8.7%</b>	<b>9.6%</b>

	Six months ended September 30, (unaudited)							
	As reported, GAAP		Impact of Acquisitions	Impact of Divestitures	Impact of Foreign Currency Movements	GAAP Growth	Organic Growth	Constant Currency Organic Growth
	2019	2018	2019	2018	2019	2019	2019	2019
<b>Segment revenues:</b>								
Healthcare Products	\$ 660,068	\$ 613,515	\$ —	\$ —	\$ (3,078)	7.6%	7.6%	8.1%
Healthcare Specialty Services	270,947	246,803	—	(1,920)	(3,270)	9.8%	10.6%	12.0%
Life Sciences	195,435	182,120	—	—	(2,003)	7.3%	7.3%	8.4%
Applied Sterilization Technologies	307,193	275,281	—	—	(5,883)	11.6%	11.6%	13.7%
<b>Total</b>	<b>\$ 1,433,643</b>	<b>\$ 1,317,719</b>	<b>\$ —</b>	<b>\$ (1,920)</b>	<b>\$ (14,234)</b>	<b>8.8%</b>	<b>9.0%</b>	<b>10.0%</b>

	Three months ended September 30, (unaudited)							
	Gross Profit		Income from Operations		Net Income attributable to shareholders		Diluted EPS	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>GAAP</b>	<b>\$ 318,667</b>	<b>\$ 284,664</b>	<b>\$ 126,733</b>	<b>\$ 106,579</b>	<b>\$ 94,769</b>	<b>\$ 77,457</b>	<b>\$ 1.11</b>	<b>\$ 0.91</b>
Adjustments:								
Amortization of acquired intangible assets	759	71	18,952	16,956				
Acquisition and integration related charges	313	425	1,947	2,707				
Redomiciliation and tax restructuring costs	—	—	1,016	600				
Net loss on divestiture of businesses	—	—	50	221				
Amortization of property "step up" to fair value	492	651	446	615				
Restructuring charges	910	—	636	—				
Net impact of adjustments after tax*					18,363	16,173		
Net EPS impact							0.21	0.19
<b>Adjusted</b>	<b>\$ 321,141</b>	<b>\$ 285,811</b>	<b>\$ 149,780</b>	<b>\$ 127,678</b>	<b>\$ 113,132</b>	<b>\$ 93,630</b>	<b>\$ 1.32</b>	<b>\$ 1.10</b>

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

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**Non-GAAP Financial Measures (Continued)**

(in thousands, except per share data)

	Six months ended September 30, (unaudited)							
	Gross Profit		Income from Operations		Net Income attributable to shareholders		Diluted EPS	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>GAAP</b>	\$ 624,510	\$ 553,714	\$ 236,821	\$ 201,003	\$ 179,359	\$ 147,448	\$ 2.09	\$ 1.72
Adjustments:								
Amortization of acquired intangible assets	906	171	35,901	35,013				
Acquisition and integration related charges	809	1,012	3,864	4,378				
Redomiciliation and tax restructuring costs	—	—	2,786	887				
(Gain) on fair value adjustment of acquisition related contingent consideration	—	—	—	(842)				
Net loss on divestiture of businesses	—	—	2,476	663				
Amortization of property "step up" to fair value	1,274	1,299	1,181	1,226				
Restructuring charges	1,828	—	2,943	—				
Net impact of adjustments after tax*					38,783	31,828		
Net EPS impact							0.46	0.38
<b>Adjusted</b>	\$ 629,327	\$ 556,196	\$ 285,972	\$ 242,328	\$ 218,142	\$ 179,276	\$ 2.55	\$ 2.10

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

#### FY 2020 Outlook

	Twelve Months Ended	
	March 31, 2020	
	(Outlook*)	
<b>Net income per diluted share</b>	\$4.70- \$4.85	
Amortization of acquired intangible assets	0.65	
Acquisition and integration related charges	0.05	
Redomiciliation and tax restructuring costs	0.03	
Net loss on divestiture of businesses	0.02	
Amortization of property "step up" to fair value	0.02	
Restructuring charges	0.03	
<b>Adjusted net income per diluted share</b>	\$5.50- \$5.65	

\* All amounts are estimates.

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Unaudited Supplemental Financial Data

Second Quarter Fiscal 2020

For the Periods Ending September 30, 2019 and 2018

	FY 2020	FY 2019	FY 2020	FY 2019
	Q2	Q2	YTD	YTD
<b>Total Company Revenues</b>				
Consumables	\$ 158,573	\$ 147,172	\$ 318,684	\$ 294,743
Service	399,174	364,302	788,242	724,270
Total Recurring	\$ 557,747	\$ 511,474	\$ 1,106,926	\$ 1,019,013
Capital Equipment	\$ 179,093	\$ 167,487	\$ 326,717	\$ 298,706
<b>Total Revenues</b>	\$ 736,840	\$ 678,961	\$ 1,433,643	\$ 1,317,719
<b>Ireland Revenues</b>	\$ 15,171	\$ 14,098	\$ 30,279	\$ 26,658
Ireland Revenues as a % of Total	2%	2%	2%	2%
<b>United States Revenues</b>	\$ 538,101	\$ 481,233	\$ 1,049,253	\$ 928,773
United States Revenues as a % of Total	73%	71%	73%	71%
<b>International Revenues</b>	\$ 183,568	\$ 183,630	\$ 354,111	\$ 362,288
International Revenues as a % of Total	25%	27%	25%	27%

Segment Data	FY 2020	FY 2019	FY 2020	FY 2019
	Q2	Q2	YTD	YTD
<b>Healthcare Products</b>				
<b>Revenues</b>				
Consumables	\$ 108,392	\$ 101,680	\$ 217,174	\$ 202,094
Service	94,852	86,415	180,661	170,515
Total Recurring	\$ 203,244	\$ 188,095	\$ 397,835	\$ 372,609
Capital Equipment	147,037	133,410	262,233	240,906
Total Healthcare Products Revenues	\$ 350,281	\$ 321,505	\$ 660,068	\$ 613,515
<b>Segment Operating Income</b>	\$ 86,963	\$ 72,468	\$ 160,661	\$ 134,190
<b>Healthcare Specialty Services</b>				
Healthcare Services Revenues	\$ 135,002	\$ 124,554	\$ 270,947	\$ 246,803
<b>Segment Operating Income</b>	\$ 16,072	\$ 15,461	\$ 32,889	\$ 28,415
<b>Life Sciences</b>				
<b>Revenues</b>				
Consumables	\$ 42,540	\$ 38,466	\$ 86,569	\$ 78,687
Service	29,648	28,887	55,635	54,507
Total Recurring	\$ 72,188	\$ 67,353	\$ 142,204	\$ 133,194
Capital Equipment	26,462	29,812	53,231	48,926
Total Life Sciences Revenues	\$ 98,650	\$ 97,165	\$ 195,435	\$ 182,120
<b>Segment Operating Income</b>	\$ 32,315	\$ 33,266	\$ 65,354	\$ 63,131
<b>Applied Sterilization Technologies</b>				
Applied Sterilization Technologies Revenues	\$ 152,907	\$ 135,737	\$ 307,193	\$ 275,281
<b>Segment Operating Income</b>	\$ 65,386	\$ 53,468	\$ 133,421	\$ 109,619
<b>Corporate</b>				
<b>Operating loss</b>	\$ (50,956)	\$ (46,985)	\$ (106,353)	\$ (93,027)

Other Data	FY 2020	FY 2019		
	Q2	Q2		
Healthcare Products Backlog	199,264	203,229		
Life Sciences Backlog	69,728	61,472		
<b>Total Backlog</b>	<b>268,992</b>	<b>264,701</b>		
<b>GAAP Income Tax Rate</b>	<b>18.9%</b>	18.6%	<b>17.0%</b>	17.1%
<b>Adjusted Income Tax Rate</b>	<b>19.1%</b>	19.5%	<b>17.7%</b>	18.2%

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.

