STERIS plc

Directors' Report and Consolidated Financial Statements

For the Year Ended March 31, 2023

CONTENTS **PAGES**

DIRECTORS' REPORT

For the year ended March 31, 2023

Amounts are presented in thousands of dollars or in shares unless otherwise noted.

The Directors present their report and financial statements of STERIS plc and its subsidiaries ("STERIS," "the Company," "we," "us," or "our") for the year ended March 31, 2023.

The Directors have elected to prepare the consolidated financial statements in accordance with Section 279 of the Companies Act 2014, which provides that a true and fair view of the state of affairs and profit or loss may be given by preparing the financial statements in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP), as defined in section 279 Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014.

The Directors have elected to prepare the Parent Company financial statements in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") taking advantage of reduced disclosure exemptions as noted in Note 1 to the Parent Company financial statements.

STERIS plc (Company number 595593) has its registered office at 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

BASIS OF PRESENTATION

The accompanying consolidated financial statements include the accounts of STERIS and our majority owned subsidiaries or affiliated companies where we have the ability to control the entity through voting or similar rights.

PRINCIPAL ACTIVITIES

STERIS is a leading global provider of products and services that support patient care with an emphasis on infection prevention. We offer our Customers a unique mix of innovative consumable products, such as detergents,endoscopy accessories, barrier products, and other products and services, including: equipment installation and maintenance, microbial reduction of medical devices, dental instruments and tools, instrument and scope repair, laboratory testing services, outsourced reprocessing, and capital equipment products, such as sterilizers and surgical tables, automated endoscope reprocessors, and connectivity solutions such as operating room ("OR") integration. STERIS has over 17,000 employees worldwide. Through our field sales and service and a network of dealers and distributors, we serve Customers in more than 100 countries around the world.

STRATEGY AND BUSINESS TRENDS

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, life sciences and dental products and services. We offer our Customers a unique mix of innovative consumable products, such as detergents, endoscopy accessories, barrier products, and other products and services, including: equipment installation and maintenance, microbial reduction of medical devices, dental instruments and tools, instrument and scope repair, laboratory testing services, outsourced reprocessing, and capital equipment products, such as sterilizers and surgical tables, automated endoscope reprocessors, and connectivity solutions such as operating room ("OR") integration.

We operate our business and report our financial information in four reportable business segments: Healthcare, Applied Sterilization Technologies, Life Sciences and Dental. Non-allocated operating costs that support the entire Company and items not indicative of operating trends are excluded from segment operating income. 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.

The bulk of our revenues are derived from the healthcare and pharmaceutical industries. Much of the growth in these industries is driven by the aging of the population throughout the world, as an increasing number of individuals are entering their prime healthcare consumption years, and is dependent upon advancement in healthcare delivery, acceptance of new technologies, government policies, and general economic conditions. The pharmaceutical industry has been impacted by increased regulatory scrutiny over cleaning and validation processes, mandating that manufacturers improve their processes. Within healthcare, there is increased concern regarding the level of hospital acquired infections around the world; increased demand for medical procedures, including preventive screenings such as endoscopies and colonoscopies; and a desire by our Customers to operate more efficiently, all which are driving increased demand for many of our products and services.

We believe we have opportunity to continue to expand internationally, as we currently serve only a portion of the world that could benefit from our products and services. Through our subsidiaries, we operate in various international

locations. United States revenues represented 72% of our fiscal 2023 revenues. Revenues from Ireland represented 2% and other Europe, Middle East and Africa ("EMEA") represented 16% of our fiscal 2023 revenues. The remaining 10% was generated in Canada, and in the Asia Pacific and Latin American regions.

Recent Developments In Our Business

Acquisitions. During fiscal 2023, we completed several tuck-in acquisitions which expanded our product and service offerings in the Applied Sterilization Technologies and Healthcare segments. Total aggregate consideration was approximately $49.8 million, including potential contingent consideration of $7.3 million.

On June 2, 2021, we acquired all outstanding equity interests in Cantel Medical LLC ("Cantel") through a U.S. subsidiary. Cantel, formerly headquartered in Little Falls, New Jersey, with approximately 3,700 employees, is a global provider of infection prevention products and services primarily to endoscopy and dental Customers. The total consideration for Cantel Common Stock and stock equivalents was $3.6 billion.

We believe that the acquisition will strengthen STERIS's leadership in infection prevention by bringing together two complementary businesses able to offer a broader set of Customers a more diversified selection of infection prevention, endoscopy and sterilization products and services. Cantel's Dental business extended our business into a new Customer segment where there is an increasing focus on infection prevention protocols and processes. This business is reported as the Dental segment. The rest of Cantel was integrated into our existing Healthcare and Life Sciences segments. Additionally, the acquisition is expected to result in cost savings from optimizing global back-office infrastructure, leveraging best-demonstrated practices across locations and eliminating redundant public company costs.

The results of Cantel are only reflected in the results of operations and cash flows from June 2, 2021 forward, which will affect results of comparability to the prior period operations and cash flows.

In addition to the acquisition of Cantel, we completed three other tuck-in acquisitions during fiscal 2022, which continued to expand our product and service offerings in the Healthcare segment. Total aggregate consideration for these transactions was approximately $3.1 million, net of cash acquired and including deferred consideration of $0.1 million.

Divestitures. In April 2022, we entered into an Asset Purchase Agreement to sell certain assets of our Animal Health business to Veterinary Orthopedic Implants, LLC. We recorded net proceeds of $5.2 million and recognized a pre-tax loss on the sale of $4.9 million in the Selling, general, and administrative expenses line of the Consolidated Statements of Income. The business generated annual revenues of approximately $12.0 million.

In December 2021, we entered into an Asset Purchase Agreement to sell our Renal Care business to Evoqua Water Technologies Corp. for cash consideration of approximately $196.0 million, subject to certain potential adjustments, including a customary working capital adjustment and contingent consideration of $12.3 million. We recognized a gain on the sale of $4.9 million. The transaction closed on January 3, 2022. We acquired the Renal Care business as part of the Cantel transaction, which closed on June 2, 2021, and had been integrated into STERIS's Healthcare segment. The Renal Care business generated annual revenues of approximately $180.0 million. The proceeds from the sale received at closing were used to repay outstanding debt. During the third quarter of fiscal 2023, we received an additional $1.4 million in working capital settlements related to the sale of this business.

For more information regarding our recent acquisitions and divestitures, see Note 2 to our consolidated financial statements titled, "Business Acquisitions and Divestitures."

Outlook. In fiscal 2024 and beyond, we expect to manage our costs, grow our business with internal product and service development, invest in greater capacity, and augment these value creating methods with potential acquisitions of additional products and services. We anticipate continued supply chain and inflation pressures in fiscal 2024.

INFORMATION RELATED TO BUSINESS SEGMENTS

HEALTHCARE SEGMENT

Description of Business. Our Healthcare segment provides a comprehensive offering for healthcare providers worldwide, focused on sterile processing departments and procedural centers, such as operating rooms and endoscopy suites. Our products and services range from infection prevention consumables and capital equipment, as well as services to maintain that equipment; to the repair of re-usable procedural instruments; to outsourced instrument reprocessing services. In addition, our procedural solutions also include endoscopy accessories and capital equipment infrastructure used primarily in operating rooms, ambulatory surgery centers, endoscopy suites, and other procedural areas.

Products Offered. Our products include cleaning chemistries and sterility assurance products, automated endoscope reprocessing systems and tracking products, endoscopy accessories, washers, sterilizers and other pieces of capital equipment essential to the operations of a sterile processing department ("SPD") and equipment used directly in the procedure rooms, including surgical tables, lights, equipment management services, and connectivity solutions.

Services Offered. Our Healthcare segment service employees install, maintain, upgrade, repair, and troubleshoot capital equipment throughout the world. We offer various preventive maintenance programs and repair services to support the effective operation of capital equipment over its lifetime. Our Healthcare segment also provides comprehensive instrument and endoscope repair and maintenance services (on-site or at one of our dedicated facilities), custom process improvement consulting and outsourced instrument sterile processing (on-site at the hospital and in off-site reprocessing centers).

Customer Concentration. Our Healthcare segment sells consumables, services and capital equipment, to Customers in many countries throughout the world. For the year ended March 31, 2023, no Customer represented more than 10% of the Healthcare Product segment's total revenues.

Competition. We compete with a number of large companies that have significant product portfolios and global reach, as well as a number of small companies with very limited product offerings and operations in one or a limited number of countries. On a product basis, competitors include 3M, Baxter, Boston Scientific, Belimed, Ecolab, ERBE, Fortive, Getinge, Karl Storz, Metrex, Olympus, Ruhof, SteelCo, Stryker, Skytron and Wassenburg. On a service line basis, competitors include Agiliti, BBraun, Berendsen plc, CleanLease (Clean Lease Fortex), Parts Source, Olympus, Owens & Minor, Pentax, Rentex Awé and Rentex Floren and Sterilog Limited.

APPLIED STERILIZATION TECHNOLOGIES SEGMENT

Description of Business. Our Applied Sterilization Technologies ("AST") segment is a third-party service provider for contract sterilization, as well as testing services needed to validate sterility for medical device and pharmaceutical manufacturers. Our technology-neutral offering supports Customers every step of the way, from testing through sterilization.

Services Offered. We offer a wide range of sterilization modalities and an array of testing services that complement the manufacturing of single use, sterile products. Our facilities are located in regions with a concentration of medical device manufacturing throughout the Americas, Europe, and Asia. Our technical professionals supports Customers in all phases of product development, materials testing, and process validation. In addition, we manufacture and supply integrated sterilization equipment and control systems to medical device manufacturers and research institutions.

Customer Concentration. Our Applied Sterilization Technologies segment’s services are offered to Customers throughout the world. For the year ended March 31, 2023, no Customer represented more than 10% of the segment’s revenues.

Competition. Applied Sterilization Technologies operates in a highly regulated industry and competes with Sterigenics International, Inc., other smaller contract sterilization companies and manufacturers that sterilize products in-house.

LIFE SCIENCES SEGMENT

Description of Business. Our Life Sciences segment provides a comprehensive offering of products and services that support pharmaceutical manufacturing, primarily for vaccine and other biopharma Customers focused on aseptic manufacturing. Our portfolio includes a full suite of consumable products, equipment maintenance and specialty services, and capital equipment.

Products Offered. These products include formulated cleaning chemistries, barrier products, sterility assurance products, steam and vaporized hydrogen peroxide sterilizers and washer disinfectors.

Services Offered. Our Life Sciences segment service employees install, maintain, upgrade, repair, and troubleshoot equipment throughout the world. We offer various preventive maintenance programs and repair services to support the effective operation of capital equipment over its lifetime.

Customer Concentration. Our Life Sciences segment sells consumables, services and capital equipment, to Customers in many countries throughout the world. For the year ended March 31, 2023, no Customer represented more than 10% of the Life Sciences segment’s total revenues.

Competition. Our Life Sciences segment operates in highly regulated environments where the most intense competition results from technological innovations, product performance, convenience and ease of use, and overall cost-effectiveness. We compete for pharmaceutical Customers with a number of large companies that have significant product portfolios and global reach, as well as a number of small companies with very limited product offerings and operations in one or a limited number of countries. Competitors include Belimed, Ecolab, Fedegari, Getinge, MECO, Stilmas, and Techniplast.

DENTAL SEGMENT

Description of Business. Our Dental segment provides a comprehensive offering for dental practitioners and dental schools, offering instrumentation, infection prevention consumables, and instrument management systems.

Products Offered. Our products include hand and electric-powered dental instruments, infection control products, conscious sedation, personal protective equipment and water quality products for the dental suite.

Customer Concentration. Our dental products are sold globally to wholesale Customers and directly to end users in many countries. Our wholesale Customers primarily include major healthcare distributors, with some group purchasing organizations and buying co-operatives that sell our products to dental practices, medical facilities, government & educational institutions, and veterinary clinics. The majority of our dental products are sold under our brand names, but we also supply private label products for several of our Customers. Three Customers collectively and consistently account for more than 40.0% of our Dental segment revenue. The percentage associated with these three Customers collectively in any one period may vary due to the buying patterns of these three Customers as well as other Dental Customers. These three Customers collectively accounted for approximately 47.4% of our Dental segment revenues for the year ended March 31, 2023.

Competition. We compete with a number of large companies that have significant product portfolios and global reach, as well as a number of small companies with very limited product offerings. On a product basis, competitors include 3M, Braun/Aesculap, Danaher/Sybron, Dentsply/Sultan Healthcare, J&J/Ethicon, Halyard Health, LM Dental, Medicom, Porter Instrument, Sterisil, Young Dental, and less expensive products from Asia and other lower cost manufacturing locations.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This annual report 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. 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) the impact of the COVID-19 pandemic or similar public health crises on STERIS's operations, supply chain, material and labor costs, 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, (d) STERIS's ability to successfully integrate the businesses of Cantel Medical into our existing businesses, including unknown or inestimable liabilities, impairments, or increases in expected integration costs or difficulties in connection with the integration of Cantel Medical, (e) uncertainties related to tax treatments under the TCJA and the IRA, (f) the possibility that Pillar Two Model Rules could increase tax uncertainty and adversely impact STERIS's provision for income taxes and effective tax rate and subject STERIS to additional income tax in jurisdictions who adopt Pillar Two Model Rules, (g) STERIS's ability to continue to qualify for benefits under certain income tax treaties in light of ratification of more strict income tax treaty rules (through the MLI) in many jurisdictions where STERIS has operations, (h) 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, (i) the potential for increased pressure on pricing or costs that leads to erosion of profit margins, including as a result of inflation, (j) 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, (k) the possibility that application of or compliance with laws, court rulings, certifications, regulations, or 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, the outcome of any pending or threatened litigation brought by private parties, 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, result in costs to STERIS that may not be covered by insurance, or otherwise affect STERIS's performance, results, prospects or value, (l) the potential of international unrest, including the Russia-Ukraine military conflict, 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, (m) the possibility of reduced demand, or reductions in the rate of growth in demand, for STERIS's products and services, (n) the possibility of delays in receipt of orders, order cancellations, or delays in the manufacture or shipment of ordered products, due to supply chain issues or otherwise, or in the provision of services, (o) 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, impairments, regulatory, governmental, or other issues or risks associated with STERIS's businesses, industry or initiatives including, without limitation, those matters described in STERIS's various securities filings, may adversely impact STERIS's performance, results, prospects or value, (p) 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, (q) the impact on STERIS and its operations of any legislation, regulations or orders, including but not limited to any new trade or tax legislation (including CAMT and excise tax on stock buybacks), regulations or orders, that may be implemented by the U.S. administration or Congress, or of any responses thereto, (r) the possibility that anticipated financial results or benefits of recent acquisitions, including the acquisition of Cantel Medical and Key Surgical, or of STERIS's restructuring efforts, or of recent divestitures, including anticipated revenue, productivity improvement, cost savings, growth synergies and other anticipated benefits, will not be realized or will be other than anticipated, (s) the increased level of STERIS's indebtedness incurred in connection with the acquisition of Cantel Medical limiting financial flexibility or increasing future borrowing costs, (t) rating agency actions or other occurrences that could affect STERIS's existing debt or future ability to borrow funds at rates favorable to STERIS or at all, and (u) the effects of changes in credit availability and pricing, as well as the ability of STERIS's Customers and suppliers to adequately access the credit markets, on favorable terms or at all, when needed.

PRINCIPAL RISKS AND UNCERTAINTIES

This section describes certain risk factors that could affect our business, financial condition and results of operations. You should consider these risk factors when evaluating the forward-looking statements contained in this Annual Report because our actual results and financial condition might differ materially from those projected in the forward-looking statements should these risks occur. We face other risks besides those highlighted below. These other risks include additional uncertainties not presently known to us or that we currently believe are immaterial, but may ultimately have a significant impact. In addition, the impacts of the COVID-19 pandemic, Russia's invasion of Ukraine and the ongoing inflationary environment may also exacerbate any of these risks, which could have a material effect on us. Although the risks are organized by headings, and each risk is discussed separately, many are interrelated. Should any of these risks, described below or otherwise, actually occur, our business, financial condition, performance, prospects, value, or results of operations could be negatively affected.

Given the scale of our business, we recognize that the scope and potential impact of our principal risks and uncertainties are subject to constant change. The Board has ultimate ownership of risk management with responsibilities cascaded through the organization and implemented by the management team. We have implemented risk management programs and processes to ensure that the Board and management have sufficient oversight of our principal risks and uncertainties.

LEGAL, REGULATORY AND TAX RISKS

Doing Business Internationally

Compliance with multiple, and potentially conflicting, international laws and regulations, import and export limitations, anti-corruption laws, and exchange controls may be difficult, burdensome or expensive.

We are subject to compliance with various laws and regulations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and similar anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. We are also subject to limitations on trade with persons in sanctioned countries. While our employees and agents are required to comply with these laws, we cannot assure you that our internal policies and procedures will always protect us from violations of these laws, despite our commitment to legal compliance and corporate ethics.

Changes in economic climate may adversely affect us.

Adverse economic cycles or conditions, and Customer, regulatory or government response to those cycles or conditions, have affected and could further affect our results of operations. The onset of these cycles or conditions may not be foreseeable and there can be no assurance when they will begin to improve after they occur. There also can be no assurance as to the strength or length of any recovery from a business downturn or recession. Credit and liquidity problems may make it difficult for some businesses to access credit markets and obtain financing and may cause some businesses to curtail spending to conserve cash in anticipation of persistent business slowdowns and liquidity needs. If our Customers have difficulty financing their purchases due to tight credit markets or related factors or because of other operational or utilization problems they may be experiencing or otherwise decide to curtail their purchases, our business could be adversely affected. Our exposure to bad debt losses could also increase if Customers are unable to pay for products previously ordered and delivered.

Some of our Customers are governmental entities or other entities that rely on government healthcare systems or government funding. If government funding for healthcare becomes limited or restricted in countries in which we operate, including as a result of the impacts of the COVID-19 pandemic, our Customers may be unable to pay their obligations on a timely basis or to make payment in full and it may become necessary to increase reserves. In addition, there can be no assurance that there will not be an increase in collection difficulties. Prospectively, additional adverse effects resulting from these conditions may include decreased healthcare utilization, further pricing pressure on our products and services, and/or weaker overall demand for our products and services, particularly capital products.

The effects of geopolitical instability, including as a result of Russia's invasion of Ukraine, may adversely affect us and create significant risks and uncertainties for our business, with the ultimate impact dependent on future developments, which are highly uncertain and unpredictable.

Ongoing geopolitical instability, including as a result of Russia's invasion of Ukraine, has negatively impacted, and could in the future negatively impact, the global and U.S. economies, including by causing supply chain disruptions, rising energy costs, volatility in capital markets and foreign currency exchange rates, rising interest rates and heightened cybersecurity risks. The extent to which such geopolitical instability adversely affects our business, financial condition and results of operations, as well as our liquidity and capital profile, will depend on future developments, which are highly

uncertain and unpredictable. If geopolitical instability adversely affects us, it may also have the effect of heightening other risks related to our business.

In response to the military conflict between Russia and Ukraine that began in February 2022, the United States and other North Atlantic Treaty Organization member states, as well as non-member states, announced targeted economic sanctions on Russia. The long-term impact on our business resulting from the disruption of trade in the region caused by the conflict and associated sanctions and boycotts is uncertain at this time due to the fluid nature of the ongoing military conflict and response. The potential impacts include supply chain and logistics disruptions, financial impacts including volatility in foreign exchange and interest rates, increased inflationary pressure on raw materials and energy, and other risks, including an elevated risk of cybersecurity threats and the potential for further sanctions. We have stopped commercial operations in Russia and Belarus, which includes shipments to Customers and purchases of cobalt-60 from our Russian supplier. A long-term disruption in cobalt-60 sourced from Russia may negatively impact gamma processing capacity or increase costs in certain portions of our AST operations.

The COVID-19 pandemic disrupted our operations and could have a material adverse effect on our business and financial condition if further significant disruptions occur.

The COVID-19 pandemic, along with the response to the pandemic by governmental and other actors, disrupted our operations. We have experienced temporary mandatory and voluntary facility closures in certain jurisdictions in which we operate. Furthermore, we have experienced less demand for certain of our products and services as a result of reduced volume of medical procedures, and other factors, which we believe was exacerbated by the impact of stay-at-home orders and government responses to COVID-19. Additionally, the COVID-19 outbreak has caused temporary disruptions and rising costs in our labor supply and supply chain and distribution network.

Long-term facility closures or other restrictions could materially adversely affect our ability to adequately staff, supply or otherwise maintain our operations. Such restrictions also may have a substantial impact on our Customers and our sales cycles. The COVID-19 pandemic may put pressure on overall spending for our products and services, and may cause our Customers to modify spending priorities or delay or abandon purchasing decisions. Moreover, because a large number of our employees have been and will continue to work from home routinely, we may be subject to increased vulnerability to cyber and other information technology risks. We have modified, and may further modify, our business practices in response to the risks and negative impacts associated with the COVID-19 pandemic. However, there can be no assurance that these measures will be temporary or successful.

The impact of the COVID-19 pandemic continues to evolve and its ultimate duration, severity and disruption to our business, Customers and supply chain, and the related financial impact to us, cannot be accurately forecasted at this time. Should such additional significant disruptions occur and continue for an extended period, the adverse effect on our business, results of operations and financial condition could be more severe. Additionally, weak economic conditions, the pace for economic recovery, and rising inflation, could result in extended weak demand for our products and services. Furthermore, future public health crises are possible and could involve some or all of the risks discussed above.

Healthcare Laws and Reimbursement

Changes in healthcare laws or government and other third-party payor reimbursement levels to healthcare providers, or failure to meet healthcare reimbursement or other requirements, might negatively impact our business.

We sell many of our products and services to hospitals and other healthcare providers and pharmaceutical manufacturers. Many of these Customers are subject to or supported by government programs or receive reimbursement for services from third-party payors, such as government programs, including Medicare and Medicaid in the U.S., private insurance plans, and managed care programs. Reimbursement systems vary significantly by country. Government-managed healthcare systems control reimbursement for healthcare services in many countries. Public budgetary constraints may significantly impact the ability of hospitals, pharmaceutical manufacturers, and other Customers supported by such systems to purchase our products. Government or other third-party payors may deny or change coverage, reduce their current levels of reimbursement for healthcare services, or otherwise implement measures to regulate pricing or contain costs. In addition, our costs may increase more rapidly than reimbursement levels or permissible pricing increases or we may not satisfy the standards or requirements for reimbursement.

Various additional health care reform proposals have emerged at the federal and state level, and we are unable to predict which, if any, of those proposals will be enacted.

Product and Service Related Regulations and Claims

We are subject to extensive regulatory requirements and must receive and maintain regulatory clearance or approval for many products and operations. Failure to receive or maintain, or delays in receiving, clearance or approvals may negatively impact our revenues, profitability, financial condition, or value.

Our operations are subject to extensive regulation in the countries where we do business. In the United States, our products and services are regulated by the FDA and other regulatory authorities. In many foreign countries, sales of our products and services are subject to extensive regulations that may or may not be comparable to those of the FDA. In Europe, our products are regulated primarily by country and community regulations of those countries within the European Economic Area and must conform to the requirements of those authorities.

Government regulation applies to nearly all aspects of testing, manufacturing, safety, labeling, storing, recordkeeping, reporting, promoting, distributing, and importing or exporting of medical devices, products, and services. In general, unless an exemption applies, a sterilization, decontamination or medical device or product or service must receive regulatory approval or clearance before it can be marketed or sold. Modifications to existing products or the marketing of new uses for existing products also may require regulatory approvals, approval supplements or clearances. If there are delays in and/or we are unable to obtain any required approvals, approval supplements or clearances for any modification to a previously cleared or approved device, we may be required to cease manufacturing and sale, or recall or restrict the use of such modified device, pay fines, or take other action until such time as appropriate clearance or approval is obtained. Any elongation or de-prioritization or delay in regulatory review could materially affect our ongoing device design, development, and commercialization plans.

Regulatory agencies may refuse to grant approval or clearance, or review and disagree with our interpretation of approvals or clearances, or with our decision that regulatory approval is not required or has been maintained. Regulatory submissions may require the provision of additional data and may be time consuming and costly, and their outcome is uncertain. Regulatory agencies may also change policies, adopt additional regulations, or revise existing regulations, each of which could prevent or delay approval or clearance of devices, or could impact our ability to market a previously cleared, approved, or unregulated device. Our failure to comply with the regulatory requirements of the FDA or other applicable regulatory requirements in the United States or elsewhere might subject us to administratively or judicially imposed sanctions. These sanctions include, among others, warning letters, fines, civil penalties, criminal penalties, loss of tax benefits, injunctions, product seizure, recalls, suspensions or restrictions, re-labeling, detention, and/or debarment.

Our products are subject to recalls and restrictions, even after receiving United States or foreign regulatory clearance or approval.

Ongoing medical device reporting regulations require that we report to appropriate governmental authorities in the United States and/or other countries when our products cause or contribute to a death or serious injury or malfunction in a way that would be reasonably likely to contribute to a death or serious injury if the malfunction were to recur. Governmental authorities can require product recalls or impose restrictions for product design, manufacturing, labeling, clearance, or other issues. For the same reasons, we may voluntarily elect to recall or restrict the use of a product. Any recall or restriction could divert managerial and financial resources and might harm our reputation among our Customers and other healthcare professionals who use or recommend our products and services.

We may be adversely affected by product liability claims or other legal actions or regulatory or compliance matters.

We face an inherent business risk of exposure to product liability claims and other legal and regulatory actions. A significant increase in the number, severity, amount, or scope of these claims and actions may, as described above with respect to recalls and restrictions, result in substantial costs and harm our reputation or otherwise adversely affect product sales and our business. Product liability claims and other legal and regulatory actions may also distract management from other business responsibilities.

We are also subject to a variety of other types of claims, proceedings, investigations, and litigation initiated by government agencies or third parties and other potential risks and liabilities. These include compliance matters, product regulation or safety, taxes, employee benefit plans, employment discrimination, health and safety, environmental, antitrust, customs, import/export, government contract compliance, financial controls or reporting, intellectual property, allegations of misrepresentation, false claims or false statements, commercial claims, claims regarding promotion of our products and services, or other similar or different matters. Any such claims, proceedings, investigations or litigation, regardless of the merits, might result in substantial costs, restrictions on product use or sales, or otherwise injure our business.

Administratively or judicially imposed or agreed sanctions might include warning letters, fines, civil penalties, criminal penalties, loss of tax benefits, injunctions, product seizure, recalls, suspensions or restrictions, re-labeling, detention, and/or debarment. We also might be required to take actions such as payment of substantial amounts, or revision of financial statements, or to take, or be subject to, the following types of actions with respect to our products, services, or business: redesign, re-label, restrict, or recall products; cease manufacturing and selling products; seizure of product inventory; comply with a court injunction restricting or prohibiting further marketing and sale of products or services; comply with a consent decree, which could result in further regulatory constraints; dedication of significant internal and external resources and costs to respond to and comply with legal and regulatory issues and constraints; respond to claims, litigation, and other proceedings brought by Customers, users, governmental agencies, and others; disruption of product improvements and product launches; discontinuation of certain product lines or services; or other restrictions or limitations on product sales, use or operation, or other activities or business practices.

Some product replacements or substitutions may not be possible or may be prohibitively costly or time consuming. The impact of any legal, regulatory, or compliance claims, proceeding, investigation, or litigation, is difficult to predict.

We maintain product liability and other insurance with coverages believed to be adequate. However, product liability or other claims may exceed insurance coverage limits, fines, penalties and regulatory sanctions may not be covered by insurance, or insurance may not continue to be available or available on commercially reasonable terms. Additionally, our insurers might deny claim coverage for valid or other reasons or may become insolvent.

Our business and financial condition could be adversely affected by difficulties in acquiring or maintaining a proprietary intellectual ownership position.

To maintain our competitive position for our products, we need to obtain patent or other proprietary rights for new and improved products and to maintain and enforce our existing patents and other proprietary rights. We typically apply for patents in the United States and in strategic other countries. We may also acquire patents through acquisitions. We may encounter difficulties in obtaining or protecting patents.

We rely on a combination of patents, trademarks, trade secrets, know-how, and confidentiality agreements to protect the proprietary aspects of our technology. These measures afford only limited protection, and competitors may gain access to our intellectual property and proprietary information. Litigation may be necessary to enforce or defend our intellectual property rights, to protect our trade secrets, and to determine the validity and scope of our proprietary rights. Litigation may also be brought against us claiming that we have violated the intellectual property rights of others. Litigation may be costly and may divert management's attention from other matters. Additionally, in some foreign countries with weaker intellectual property rights, it may be difficult to maintain and enforce patents and other proprietary rights or defend against claims of infringement.

Tax Risks

We might be adversely impacted by tax legislation or challenges to our tax positions.

We are subject to the tax laws at the federal, state or provincial, and local government levels in the many jurisdictions in which we operate or sell products or services. Tax laws might change in ways that adversely affect our tax positions, effective tax rate and cash flow. The tax laws are extremely complex and subject to varying interpretations. We are subject to tax examinations in various jurisdictions that might assess additional tax liabilities against us. Our tax reporting positions might be challenged by relevant tax authorities, we might incur significant expense in our efforts to defend those challenges, and we might be unsuccessful in those efforts. Developments in examinations and challenges might materially change our provision for taxes in the affected periods and might differ materially from our historical tax accruals. Any of these risks might have a materially adverse impact on our business operations, our cash flows and our financial position or results of operations.

Current economic and political conditions make tax rules in any jurisdiction subject to significant change.

The U.S. Tax Cuts and Jobs Act (the "TCJA") was signed into law on December 22, 2017. Guidance continues to be issued clarifying the application of this new legislation and new changes have been proposed, and in many instances finalized, with respect to a number of income tax provisions (including foreign tax credit regulations) in the U.S. that could increase our total tax expense. In addition, beginning January 1, 2022, the limitation on deductibility of interest expense, which generally limits a deduction for interest expense to 30% of taxable income (subject to certain adjustments), must be determined by reducing taxable income by depreciation and amortization deductions, which may limit our ability to deduct interest expense in the future. We cannot predict the overall impact that the additional guidance and recent changes may have on our business. Some jurisdictions have raised tax rates and it is reasonable to expect that other global taxing authorities will be reviewing current legislation for potential modifications in reaction to the implementation of the TCJA, current economic conditions, and COVID-19 response costs.

In August 2022, President Biden signed the Inflation Reduction Act (the "IRA") into law. One of the provisions in the IRA added a corporate alternative minimum tax ("CAMT") to the U.S. Internal Revenue Code of 1986, as amended (the "Code"), beginning for fiscal years 2023. If income tax liability in the U.S. is lower than the income tax liability calculated under the CAMT provisions, we will be subject to additional income taxes in the United States. In addition, the IRS added excise tax on certain stock buybacks by publicly traded corporations. Even though the excise tax mostly impacts publicly traded companies organized in the U.S., under certain circumstances, the excise tax may be imposed on stock buybacks by a non-U.S. based publicly traded company like us.

In addition, further changes in the tax laws of other jurisdictions will likely arise, including as a result of the base erosion and profit shifting (BEPS) project undertaken by the Organization for Economic Cooperation and Development (OECD). The OECD, which represents a coalition of member countries, has issued recommendations that, in some cases, would make substantial changes to numerous long-standing tax positions and principles. Following the issuance of such recommendation, in December 2022, the European Union issued a directive to adopt Global Base Erosion laws (a/k/a GloBE or Pillar Two) in the EU member countries, in most cases beginning in fiscal year 2024. Many other non-EU member countries agreed to adopt GloBE between fiscal years 2024 and 2025. The GloBE rules, once implemented in the EU and other jurisdictions, could subject us to additional income taxes in those jurisdictions if our effective corporate tax rate in those jurisdictions (determined under the GloBE rules) is below 15%. Accordingly, the GloBE rules could increase tax uncertainty and adversely impact our provision for income taxes. In addition, the GloBE rules have certain transition period provisions that apply to certain intercompany transactions occurring between December 1, 2021 and the effective date of the GloBE rules in a given jurisdiction. These transition period provisions may have an adverse impact on our effective tax rate, and subject us to additional income tax, in some of the jurisdictions who adopt the GloBE rules.

Our tax rate is uncertain and may vary from expectations, which could have a material impact on our results of operations and earnings per share.

There can be no assurance that we will be able to maintain any particular worldwide effective corporate tax rate. We cannot give any assurance as to what our effective tax rate will be in the future because of, among other things, uncertainty regarding the tax policies of the jurisdictions in which we and our affiliates operate. Our actual effective tax rate may vary from our expectations, and such variance may be material. Additionally, tax laws or their implementation and applicable tax authority practices in any particular jurisdiction could change in the future, possibly on a retroactive basis, and any such change could have a material adverse impact on us and our affiliates. In addition, the GloBE rules, which are expected to be implemented in most of the jurisdictions where we have operations, and the CAMT may adversely impact our effective corporate tax rate.

Changes in tax treaties and trade agreements could negatively impact our costs, results of operations and earnings per share.

Legislative and regulatory action may be taken in the U.S. which, if ultimately adopted, could override or otherwise adversely impact tax treaties upon which we rely or broaden the circumstances under which STERIS plc would be considered a U.S. resident, each of which could materially and adversely affect our tax obligations. We cannot predict the outcome of any specific legislative or regulatory proposals. However, if proposals were adopted that had the effect of disregarding our organization in Ireland or limiting our ability as an Irish company to take advantage of tax treaties with the U.S., we could be subject to increased taxation and/or potentially significant expense.

On June 7, 2017, several countries, including many countries that we operate and have subsidiaries in, adopted the OECD's Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (the "MLI"), which generally is meant to prevent treaty abuse, improve dispute resolution, prevent the artificial avoidance of permanent establishment status and neutralize the effect of hybrid mismatch agreements. The MLI came into effect on July 1, 2018. The MLI may modify affected tax treaties making it more difficult for us to obtain advantageous tax-treaty benefits. The number of affected tax treaties could eventually be significant. To date, about 100 jurisdictions have joined the BEPS MLI, out of which about 79 jurisdictions have ratified, accepted, or approved the MLI, and it covers around 1850 bilateral tax treaties. Signatories include jurisdictions from all continents and all levels of development and other jurisdictions are also actively working towards signature. As a result, our income may be taxed in jurisdictions where it is not currently taxed and at higher rates than it is currently taxed, which may increase our effective tax rate.

Existing free trade laws and regulations provide certain beneficial duties and tariffs for qualifying imports and exports, subject to compliance with the applicable classification and other requirements. Changes in laws and regulations or policies governing the terms of foreign trade, and in particular, increased trade restrictions, including as a result of the COVID-19 pandemic, tariffs or taxes on imports from countries where we manufacture products could have a material adverse impact on our business and financial results.

Proposed legislation relating to the denial of U.S. federal or state governmental contracts to U.S. companies that redomicile abroad could adversely affect our business.

Various U.S. federal and state legislative proposals that would deny governmental contracts to redomiciled companies may adversely affect us if adopted into law. We are unable to predict the likelihood that any such proposed legislation might become law, the nature of regulations that may be promulgated under any future legislative enactments, or the effect such enactments or increased regulatory scrutiny could have on our business.

The U.S. Internal Revenue Service (the "IRS") may not agree that we are a non-U.S. corporation for U.S. federal tax purposes.

Although we are organized under the laws of Ireland and are a tax resident in Ireland for Irish tax purposes, the IRS may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal tax purposes pursuant to Section 7874 of the Code ("Section 7874"). For U.S. federal tax purposes, a company generally is considered to be a tax resident in the jurisdiction of its organization. Because we are organized under the laws of Ireland, we would generally be classified as a non-U.S. corporation (and, therefore, a non-U.S. tax resident) under these rules. Section 7874, however, provides an exception to this general rule under which a non-U.S. organized entity may be treated as a U.S. corporation for U.S. federal tax purposes.

If we were to be treated as a U.S. corporation for U.S. federal tax purposes, we could be subject to substantial additional U.S. tax liability. Additionally, if we were treated as a U.S. corporation for U.S. federal tax purposes, non-U.S. holders of our ordinary shares would be subject to U.S. withholding tax on the gross amount of any dividends we paid to such shareholders. For Irish tax purposes, we are expected, regardless of any application of Section 7874, to be treated as an Ireland tax resident. Consequently, if we are treated as a U.S. corporation for U.S. federal tax purposes under Section 7874, we could be liable for both U.S. and Ireland taxes, which could have a material adverse effect on our financial condition and results of operations.

BUSINESS AND OPERATIONAL RISKS

Our businesses are highly competitive, and if we fail to compete successfully, our revenues and results of operations may be hurt.

We operate in a highly competitive global environment. Our businesses compete with other broad-line manufacturers, as well as many smaller businesses specializing in particular products or services, primarily on the basis of brand, design, quality, safety, ease of use, serviceability, price, product features, warranty, delivery, service, and technical support. We face increased competition from new infection prevention, sterile processing, contamination control, surgical support, cleaning consumables, gastrointestinal endoscopy accessories, contract sterilization, and other products and services entering the market. Competitors and potential competitors also are attempting to develop alternate technologies and sterilizing agents, as well as disposable medical instruments and other devices designed to address the risk of contamination.

Consolidations among our healthcare and pharmaceutical Customers may result in a loss of Customers or more significant pricing pressures.

A number of our Customers have consolidated. These consolidations are due in part to healthcare cost reduction measures initiated by competitive pressures as well as legislators, regulators and third-party payors. This may result in greater pricing pressures on us and in some cases loss of Customers. Additional consolidations could result in a loss of Customers or more significant pricing pressures.

Decreased availability or increased costs of raw materials or energy supplies or other supplies might increase our production costs or limit our production capabilities or curtail our operations.

We purchase raw materials, fabricated and other components, and energy supplies from a variety of suppliers. Key raw materials include stainless steel, organic and inorganic chemicals, fuel, cobalt-60 and EO, and key components include plastic components, as well as various electronics including control boards and computer chips. The availability and prices of raw materials and energy supplies are subject to volatility and are influenced by worldwide economic conditions, speculative action, world supply and demand balances, inventory levels, availability of substitute materials, currency exchange rates, anticipated or perceived shortages, and other factors. Also, certain of our key materials and components have a limited number of suppliers. Some are single-sourced in certain regions of the world, such as cobalt-60 and EO, which are necessary to our AST operations. Changes in regulatory requirements regarding the use of, the unavailability or short supply of these products might disrupt or cause shutdowns of portions of our AST operations or have other adverse consequences. Shortages in supply, increased regulatory or security requirements, or increases in the price of raw materials, components and energy supplies may adversely affect us. In response to the active conflict between Russian and Ukraine,

we have stopped purchasing cobalt-60 from our Russian supplier. A long-term disruption in cobalt-60 sourced from Russia may negatively impact gamma processing capacity or increase costs in certain portions of our AST operations.

Our operations, and those of our suppliers, are subject to a variety of business continuity hazards and risks, any of which could interrupt production or operations or otherwise adversely affect our performance, results, or value.

Business continuity hazards and other risks include: explosions, fires, earthquakes, public health crises, inclement weather, and other disasters; utility or other mechanical failures; unscheduled downtime; labor difficulties; inability to obtain or maintain any required licenses or permits; disruption of communications; data security, preservation and redundancy disruptions; inability to hire or retain key management or employees; disruption of supply or distribution; and regulation of the safety, security or other aspects of our operations.

The occurrence of these types of events has disrupted and may in the future disrupt or shut down operations, or otherwise adversely impact the production or profitability of a particular facility, or our operations as a whole. Certain casualties also might cause personal injury and loss of life, or severe damage to or destruction of property and equipment, and for casualties occurring at our facilities, result in liability claims against us. Although we maintain property and casualty insurance and liability and similar insurance of the types and in the amounts that we believe are customary for our industries, our insurance coverages have limits and we are not fully insured against all potential hazards and risks incident to our business.

Expectations relating to ESG considerations expose us to potential liabilities, increased costs, reputational harm and other adverse effects on our business.

Many governments, regulators, investors, employees, Customers and other stakeholders are increasingly focused on ESG considerations relating to businesses, including climate change and greenhouse gas emissions, human capital and diversity, equity and inclusion. We make statements about our ESG priorities and initiatives through information provided on our website, press statements and other communications. Responding to these ESG considerations and implementation of these initiatives involves risks and uncertainties requires investments and is impacted by factors that may be outside our control. In addition, some stakeholders may disagree with our priorities and initiatives and the focus of stakeholders may change and evolve over time. Stakeholders also may have very different views on where ESG focus should be placed, including differing views of regulators in various jurisdictions in which we operate. Any failure, or perceived failure, by us to achieve our goals, further our initiatives, adhere to our public statements, comply with federal, state or international ESG laws and regulations or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us that could materially adversely affect our business, reputation, results of operations, financial condition and stock price.

As we continue to focus on developing our ESG practices, such practices may not meet the standards of all of our stakeholders and advocacy groups may campaign for further changes. Many of our Customers are also committing to long-term targets to reduce greenhouse gas emissions within their supply chains. If we are unable to support Customers in achieving these reductions, we may lose revenue if our Customers find other suppliers who are better able to support such reductions. A failure, or perceived failure, to respond to expectations of all key stakeholders could cause harm to our business and reputation and have a negative impact on the market price of our ordinary shares. Further, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on ESG matters. Such ratings are used by some investors to inform their investment or voting decisions. Unfavorable ESG ratings could lead to negative investor sentiment toward us and/or our industry, which could have a negative impact on our access to and costs of capital.

We may be adversely affected by global climate change or by existing and future legal, regulatory or market responses to such change.

The long-term effects of climate change are difficult to assess and predict. The impacts may include physical risks (such as rising sea levels or frequency and severity of extreme weather conditions), social and human effects (such as population dislocations or harm to health and well-being), compliance costs and transition risks (such as regulatory or technology changes) and other adverse effects. The effects could impair, for example, the availability and cost of certain products, commodities and energy (including utilities), which in turn may impact our ability to procure goods or services required for the operation of our business at the quantities and levels we require. We may bear losses as a result of, for example, physical damage to or destruction of our facilities (such as distribution or fulfillment centers), loss or spoilage of inventory, and business interruption due to weather events that may be attributable to climate change, which could materially and adversely affect our business operations, financial position or results of operation.

There has also been an increased focus from regulators and stakeholders on greenhouse gas emissions and climate-related risks. Both the standard setting and regulatory landscapes are extremely complex and present significant compliance challenges. Many different organizations are promulgating reporting standards and rules that focus on addressing greenhouse gas emissions and climate-related topics. In March 2022, the SEC published its proposed rule, “The

Enhancement and Standardization of Climate-Related Disclosures for Investors," which sets forth certain prescriptive rules that, if implemented as proposed, will significantly increase our reporting obligations and cost of compliance. On January 5, 2023, the European Commission's Corporate Sustainability Reporting Directive ("CSRD") became effective. The CSRD expands the number of companies required to publicly report ESG-related information and defines the ESG-related information that companies are required to report in accordance with European Sustainability Reporting Standards ("ESRS"). While CSRD rules are prescriptive for the types of data to be reported, the standards to quantify and qualify such data are still developing and uncertain, and may impose increased costs on us related to complying with our reporting obligations and increase risks of non-compliance with ESRS and the CSRD.

Our operations are subject to regulations and permitting, which may be changed or amended by the relevant authorities, and which may limit or eliminate our current operations or increase the complexity, burden, or expense of compliance and regulated materials or processes that we use in our operations may become the focus of litigation.

Our AST segment is a technology-neutral contract sterilization service that offers our Customers a wide range of sterilization modalities through a worldwide network of over 50 contract sterilization and laboratory facilities. One of the modalities offered by our AST operations is ethylene oxide (EO) sterilization. In the United States, several regulators, including the EPA, FDA, and agencies at the state and local level, play a role in regulating the use of EO sterilization. In 2016, the EPA changed the cancer risk basis for EO and determined that EO is carcinogenic to humans. Recent announcements of the temporary or permanent closure of EO sterilization facilities operated by others have been associated with state and/or local regulatory or other legal action related to EO emissions at those facilities. Our AST operations have taken and will continue to take measures to comply with all applicable emissions regulations and to reduce emissions. However, no assurance can be given that current or future legislative or regulatory action, or current or future litigation to which we are or may become a party, will not significantly increase the costs of conducting our EO contract sterilization operations or curtail or eliminate the use of EO in our contract sterilization operations. A significant reduction in our EO contract sterilization activities may have a material adverse effect on our financial condition and results of operations. Further, we could be liable for damages and fines as a result of legislative or regulatory action or litigation, and any liability could exceed our insurance and indemnification coverage, if any, and have a material adverse effect on our financial condition. Additionally, for many medical devices, EO sterilization may be the only current method of sterilization that effectively sterilizes and does not damage the device during the sterilization process. In the event of regulatory, legislative, or legal action that curtails or eliminates EO sterilization, there could be a shortage of medical devices and consequently a decline in surgical procedures. A decline in surgical procedures could result in a decline in demand for the products and services provided by our Healthcare business, which may have a material adverse effect on our financial condition and results of operations.

Our EO sterilization operations subject us to claims of liability and associated adverse effects.

Some current or past operators of EO sterilization facilities, including us, have been the target of litigation on behalf of private plaintiffs alleging personal and other injuries as a result of exposure to emissions from such facilities. Certain of those operators have experienced adverse judgments and entered into settlements. These developments may increase the likelihood that we will continue to be subject to these claims or that we will be subject to more claims on behalf of similar plaintiffs in the future. Although we believe we have valid defenses to such claims, there can be no assurance that we will prevail on the merits, as the outcome of trials before juries and other aspects of litigation can be highly unpredictable.

The financial impact of litigation, particularly mass tort action lawsuits, is also difficult to predict and a judgment entered or settlement reached in one case is not representative of the outcome of other comparable cases. Regardless of the merits of the claims at issue or the ultimate outcome of a case, any litigation related to our EO operations could be costly to defend, could result in an increase of our insurance premiums, and could exhaust available insurance coverage. Furthermore, defense of litigation may result in diversion of management attention from other priorities, which could have a material adverse effect.

If our continuing efforts to create a lean business and in-source production to reduce costs are not successful, our profitability may be hurt or our business otherwise might be adversely affected.

We have undertaken various activities to incorporate lean concepts and practices to more efficiently operate our business, including in-sourcing. We continue to look for opportunities to in-source production that is currently provided by third parties. These activities may not produce the full efficiencies and cost reduction benefits that we expect or efficiencies and benefits might be delayed. Implementation costs also might exceed expectations. Increases in costs of doing business may have a material adverse effect on our financial condition and results of operations.

A pandemic or similar public health crises, such as COVID-19, could have a material adverse impact on ability to staff our operations.

As supplier to Healthcare and Life Sciences Customers, we fell within a "critical infrastructure" sector, and were also considered an essential business and therefore were exempt under various stay at home/shelter in place orders associated with COVID-19. These exemptions, however, may not persist in another pandemic or similar health crisis and there can be no assurance that in such a crisis, we will be able to operate in the same. During the COVID-19 pandemic, our employees continued to work because of the importance of our operations to the health and well-being of citizens in the countries in which we operate, and we implemented telework policies wherever possible for appropriate categories of employees. While based on our response to the current COVID-19 pandemic, we believe that we have developed appropriate measures to ensure the health and well-being of our employees for similar or future health crises, there can be no assurances that our measures will be sufficient to protect our employees in our workplace or that they may not otherwise be exposed to an illness outside of our workplace. If a number of our essential employees become ill, incapacitated or are otherwise unable or unwilling to continue working during the current or any future health crises, our operations may be adversely impacted.

Our business and results of operations may be adversely affected if we are unable to recruit and retain qualified management and other personnel or other compliance matters adversely impact our personnel.

Our continued success depends, in large part, on our ability to hire and retain highly qualified people and if we are unable to do so, our business and operations may be impaired or disrupted. Labor market conditions, particularly in the United States, are challenging. The undersupply of highly qualified people has led to increased competition, which has led to higher costs and other labor-related difficulties. There is no assurance that we will be successful in attracting or retaining replacements to fill vacant positions, successors to fill retirements or employees moving to new positions, or other highly qualified personnel. In addition, legal, regulatory or compliance matters create significant distraction or diversion of significant or unanticipated resources or attention that could have a material adverse effect on the responsibilities and retention of qualified employees.

We could experience a failure of a key information technology system, process or site or a breach of information security, including a cybersecurity breach or failure of one or more key information technology systems, networks, processes, associated sites or service providers.

We rely extensively on information technology (IT) systems to conduct business, including but not limited to interact with Customers and suppliers, fulfilling orders, generating invoices, collecting and making payments, shipping products, providing Customer support, and fulfilling contractual obligations. In addition, we rely on networks and services, including internet sites, cloud and software-as-a-service solutions, data hosting and processing facilities and tools and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided and/or used by third-parties or their vendors, to assist in conducting our business. While we have been the previous target of cyberattacks and security breaches, none of these attacks or breaches to date have had a material adverse effect on the Company. We cannot guarantee that future cyberattacks, if successful, will not have a material effect on our business or financial results. Numerous and evolving cybersecurity threats continue to pose potential risks to the security of our IT systems, networks and services, as well as the confidentiality, availability and integrity of our data. Some of our products, services, and information technology systems contain or use open-source software, which poses additional risks, including potential security vulnerabilities, licensing compliance issues, and quality issues. A security breach, whether of our products, of our Customers' network security and systems or of third-party hosting services, could impact the use of such products and the security of information stored therein. While we have made investments seeking to address these threats, including monitoring of networks and systems, hiring of experts, employee training and security policies for employees and third-party providers, the techniques used in these attacks change frequently and may be difficult to detect for periods of time and we may face difficulties in anticipating and implementing adequate preventative measures. When cybersecurity incidents occur, we expect to follow our incident response protocols and address them in accordance with applicable governmental regulations and other legal requirements. Our response to these incidents and our investments to protect our information technology infrastructure and data may not shield us from significant losses and potential liability or prevent any future interruption or breach of our systems. If our IT systems are damaged or cease to function properly, the networks or service providers we rely upon fail to function properly, or we or one of our third-party providers suffer a loss or

disclosure of our business or stakeholder information due to any number of causes ranging from catastrophic events or power outages to improper data handling or security breaches and our business continuity plans do not effectively address these failures on a timely basis, we may be exposed to reputational, competitive and business harm as well as litigation and regulatory action. In addition, the COVID-19 pandemic may increase the risk of such vulnerability and attacks, including unauthorized access or attacks exploiting the fact that a large number of employees are working remotely. Furthermore, there has also been an increase in cyber incidents that appears to be associated with the Ukraine-Russia military conflict. Enforcement of the General Data Protection Regulation ("GDPR") was effective as of May 2018. The GDPR is focused on the protection of personal data not merely the privacy of personal data. The GDPR creates a range of new compliance obligations and will significantly increase financial penalties for noncompliance (including possible fines of up to 4% of global annual revenues for the preceding financial year or €20 million (whichever is higher) for the most serious infringements).

Net sales and profitability of our Dental segment are highly dependent on our relationships with a limited number of large distributors.

The distribution network in the U.S. dental industry is concentrated, with relatively few distributors of consumable products accounting for a significant share of the sales volume to dentists. Historically, the top three Customers of Cantel's Dental segment accounted for more than 40.0% of its revenues. The loss of a significant amount of business from any of these Customers would have a material adverse effect on our Dental segment. In addition, because our Dental segment products are primarily sold through third-party distributors and not directly to end users, we cannot control the amount and timing of resources that our distributors devote to our products. There can be no assurance that there will not be a loss or reduction in business from one or more of our major Customers. In addition, we cannot assure that revenues from Customers that have accounted for significant revenues in the past, either individually or as a group, will reach or exceed historical levels in any future period.

RISKS RELATED TO BUSINESS DEVELOPMENT

We engage in acquisitions and affiliations, divestitures, and other business arrangements. Our growth may be adversely affected if we are unable to successfully identify, price, and integrate strategic business candidates or otherwise optimize our business portfolio.

Our success depends, in part, on strategic acquisitions and joint ventures, which are intended to complement or expand our businesses, divestiture of non-strategic businesses and other assets, and other actions intended to optimize our portfolio of businesses. This strategy depends upon our ability to identify, appropriately price, and complete these types of business development transactions or arrangements and to obtain any necessary financing. In the last several fiscal years we have made a number of acquisitions and dispositions. There can be no assurance that any acquisition or disposition will ultimately prove to be a strategic success. Also, we may be unable to find or consummate future acquisitions and divestitures at acceptable prices and terms. We continually evaluate potential business developments opportunities in the ordinary course of business.

Our success with respect to these recent and future acquisitions will depend on our ability to integrate the businesses acquired, retain key personnel, realize identified cost synergies, manage the expanded business footprint and otherwise execute our strategies. Our success will also depend on our ability to develop satisfactory working arrangements with our strategic partners in joint ventures or other affiliations, or to divest or realign businesses. Competition for strategic business candidates may result in increases in costs and price for acquisition candidates and market valuation issues may reduce the value available for divestiture of non-strategic businesses. These types of transactions are also subject to a number of other risks and uncertainties, including: delays in realizing or failure to realize anticipated benefits of the transactions; diversion of management's time and attention from other business concerns; difficulties in retaining key employees, Customers, or suppliers of the acquired or divested businesses; difficulties in maintaining uniform standards, controls, procedures and policies, or other integration or divestiture difficulties; adverse effects on existing business relationships with suppliers or Customers; other events contributing to difficulties in generating future cash flows; risks associated with the assumption of contingent or other liabilities of acquisition targets or retention of liabilities for divested businesses and difficulties in obtaining financing.

Our acquisition activity and ability to grow organically may be adversely affected if we are unable to continue to access the financial markets.

Our recent acquisitions have been financed largely through cash on hand, borrowings under our bank credit facilities and through public note offerings. Future acquisitions or other capital requirements and investments will necessitate additional cash. To the extent our existing sources of cash are insufficient to fund these or other future activities, we have and may need to raise additional funds through new or expanded borrowing arrangements or equity. There can be no

assurance that we will be able to obtain additional funds beyond those available under existing bank credit facilities on terms favorable to us, or at all, or that such facilities can be replaced when they terminate.

The integration of acquired businesses into STERIS may not be as successful as anticipated.

In recent years we have made several large acquisitions of business, including the acquisitions of Cantel Medical and Key Surgical. The integration of acquired businesses into STERIS involves numerous operational, strategic, financial, accounting, legal, tax and other risks; potential liabilities associated with the acquired businesses; and uncertainties related to design, operation and integration of internal controls over financial reporting. Difficulties in integrating acquired businesses into STERIS may result in the business performing differently than expected, in operational challenges, in strategic changes or in the failure to realize anticipated expense-related efficiencies. STERIS's existing businesses could also be negatively impacted by the integration actions. Potential difficulties that may be encountered in the integration process include, among other factors:

- the inability to successfully integrate the business of an acquired business into STERIS in a manner that permits STERIS to achieve the full revenue and cost savings anticipated from the acquisition;
- complexities associated with managing the larger, more complex, integrated business;
- not realizing anticipated operating synergies or incurring unexpected costs to realize such synergies;
- integrating personnel from acquired businesses into STERIS while maintaining focus on providing consistent, high-quality products and services;
- potential unknown liabilities and unforeseen expenses associated with the acquisition;
- loss of key employees;
- integrating relationships with Customers, vendors and business partners;
- performance shortfalls as a result of the diversion of management's attention caused by integration activities; and
- the disruption of, or the loss of momentum in, an acquired business and STERIS' ongoing business or inconsistencies in standards, controls, procedures and policies.

Past and future business acquisitions may not be as accretive to STERIS's earnings per share and cash flow from operations per share, which may negatively affect the market price of STERIS Shares.

Past and future acquisitions may not be as accretive to STERIS's earnings per share and cash flow from operations per share as expected. Future events and conditions could decrease or delay any expected accretion, result in dilution or cause greater dilution than is currently expected, including adverse changes in market conditions, production levels, operating results, competitive conditions, laws and regulations affecting STERIS, capital expenditure obligations, higher than expected integration costs, lower than expected synergies and general economic conditions.

Any decrease or delay of any accretion to, STERIS's earnings per share or cash flow from operations per share could cause the price of the STERIS's ordinary shares to decline.

We incurred a substantial amount of additional debt to complete the Cantel Medical acquisition. Our debt level may limit our financial and business flexibility.

We funded the cash portion of the Cantel Medical acquisition consideration, as well as the refinancing, prepayment, replacement, redemption, repurchase, settlement upon conversion, discharge or defeasance of certain existing indebtedness of Cantel and its subsidiaries, transaction expenses, general corporate expenses and working capital needs, through the incurrence of approximately $2.1 billion of new indebtedness, which includes $1.350 billion of senior notes issued April 1, 2021 and a new delayed draw term loan agreement in the amount of $750 million. We also refinanced or settled approximately $1.0 billion of Cantel's long-term indebtedness, including convertible debt, outstanding.

As of March 31, 2023, STERIS had approximately $3.1 billion of indebtedness outstanding. STERIS's ability to repay all the forgoing obligations will depend on, among other things, STERIS's financial position and performance, as well as prevailing market conditions and other factors beyond our control.

Our increased indebtedness could have important consequences to our shareholders, including increasing STERIS's interest obligations, general adverse economic and industry conditions, limiting our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements, requiring the use of a substantial portion of our cash flow from operations for the payment of principal and interest on indebtedness, thereby reducing our ability to use our cash flow to fund working capital, acquisitions, capital expenditures and general corporate matters, including dividend payments and stock repurchases, limiting our flexibility in planning for, or reacting to, changes in its business and our industry and creating a disadvantage compared to our competitors with less indebtedness.

STERIS has incurred and expects to incur significant transaction and related costs in connection with business acquisitions and dispositions, which may be in excess of those anticipated.

STERIS has incurred substantial expenses in connection with the negotiation and completion of past business acquisitions and dispositions, including Cantel Medical and Key Surgical, and expects to incur similar costs for any future business acquisitions or dispositions.

STERIS expects to incur non-recurring costs associated with the integrations of recent acquisitions into STERIS and working towards achieving the desired synergies of such acquisitions. These fees and costs have been, and may continue to be, substantial. The non-recurring expenses include, among others, employee retention costs, fees paid to financial, legal and accounting advisors, and severance and benefit costs.

STERIS also expects to incur and has incurred costs to consolidate facilities and systems. Additional unanticipated costs may be incurred in the integration of any acquired business. Although STERIS expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of acquired businesses, should allow STERIS to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all. The costs described above, as well as other unanticipated costs and expenses, could have a material adverse effect on the financial condition and operating results.

We may fail to realize all of the anticipated benefits of an acquired business, or those benefits may take longer to realize than expected.

The success of an acquisition depends, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses. The anticipated benefits and cost savings of an acquisition may not be realized fully or at all, may take longer to realize than expected, may require more non-recurring costs and expenditures to realize than expected or could have other adverse effects that we do not currently foresee. Assumptions that we have made with respect to acquisitions, such as with respect to anticipated operating synergies or the costs associated with realizing such synergies, significant long-term cash flow generation, and the continuation of our investment grade credit profile, may not be realized. The post-acquisition integration process may result in the loss of key employees, the disruption of ongoing business, changes in strategy or inconsistencies in standards, controls, procedures, and policies. There could be potential unknown liabilities and unforeseen expenses associated with acquisitions that were not discovered while performing due diligence. Although we conduct what we believe to be a prudent level of investigation regarding the operating and financial condition of the businesses, product or service lines, assets or technologies we purchase, an unavoidable level of risk remains regarding their actual operating and financial condition, as well as their strategic fit. We may not be able to ascertain actual value or understand potential liabilities until or after we actually assume operation control of these businesses, product or service lines, assets or technologies.

We have recorded goodwill and other intangible assets that could become impaired and result in material non-cash changes to our results of operation in the future.

Our total assets include goodwill, intangibles and other long-lived assets. If we determine that these items have become impaired in the future, it may have a material adverse effect on our financial condition and results of operations. As of March 31, 2023, we had recorded goodwill of $4 billion and other intangible assets, net of accumulated amortization of $3 billion. Goodwill represents the excess of purchase price over the estimated fair value assigned to the net tangible and identifiable intangible assets of a business acquired. Goodwill is evaluated for impairment annually or more frequently, if indicators of impairment exist. If the impairment evaluations for goodwill indicate the carrying amount exceeds the estimated fair value, an impairment loss is recognized in an amount equal to that excess. Our operating results may be significantly impacted from both the impairment and the underlying trends in the business that triggered the impairment. During the second quarter of fiscal 2023, in connection with the preparation of our quarterly consolidated financial statements, we identified and recognized a goodwill impairment loss of $490.6 million related to goodwill that arose with respect to Dental segment acquired in the Cantel acquisition.

RESULTS OF OPERATIONS

Definitions. We sometimes use the following financial measures in the context of this report: backlog; debt-to-total capital; and days sales outstanding. We define these financial measures as follows:

- Backlog – We define backlog as the amount of unfilled capital equipment purchase orders at a point in time. We use this figure as a measure to assist in the projection of short-term financial results and inventory requirements.
- Debt-to-total capital – We define debt-to-total capital as total debt divided by the sum of total debt and shareholders' equity. We use this figure as a financial liquidity measure to gauge our ability to borrow and fund growth.

- Days sales outstanding ("DSO") – We define DSO as the average collection period for accounts receivable. It is calculated as net accounts receivable divided by the trailing four quarters' revenues, multiplied by 365 days. We use this figure to help gauge the quality of accounts receivable and expected time to collect.

We separately present revenues generated as either product revenues or service revenues on our Consolidated Profit and Loss Account for each period presented. When we discuss revenues, we may, at times, refer to revenues summarized in other ways. The terminology, definitions, and applications of terms that we use to describe revenues may be different from terms used by other companies. We use the following terms to describe revenues:

- Revenues – Our revenues are presented net of sales returns and allowances.
- Product Revenues – We define product revenues as revenues generated from sales of consumable and capital equipment products.
- Service Revenues – We define service revenues as revenues generated from parts and labor associated with the maintenance, repair, and installation of our capital equipment. Service revenues also include outsourced reprocessing services and instrument and scope repairs, as well as revenues generated from contract sterilization and laboratory services offered through our Applied Sterilization Technologies segment.
- Capital Equipment Revenues – We define capital equipment revenues as revenues generated from sales of capital equipment, which includes: steam and gas sterilizers, low temperature liquid chemical sterilant processing systems, pure steam/water systems, surgical lights and tables, and integrated OR.
- Consumable Revenues – We define consumable revenues as revenues generated from sales of the consumable family of products, which includes dedicated consumables including V-PRO, SYSTEM 1 and 1E consumables, gastrointestinal endoscopy accessories, sterility assurance products, barrier protection solutions, cleaning consumables, dental and surgical instruments.
- Recurring Revenues – We define recurring revenues as revenues generated from sales of consumable products and service revenues.

Non-GAAP Financial Measures. We, at times, also refer to our results of operations excluding certain transactions or amounts that are non-recurring or are not indicative of future results, in order to provide meaningful comparisons between the periods presented. These non-GAAP financial measures are not intended to be, and should not be, considered separately from or as an alternative to the most directly comparable GAAP financial measures.

These 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.

We 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 measures used may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

We define free cash flow as net cash provided by operating activities as presented in the Consolidated Statements of Cash Flows less purchases of property, plant, equipment, and intangibles (capital expenditures) plus proceeds from the sale of property, plant, equipment, and intangibles, which are also presented within investing activities in the Consolidated Statements of Cash Flows. We use this as a measure to gauge our ability to pay cash dividends, fund growth outside of core operations, fund future debt principal repayments, and repurchase shares.

The following table summarizes the calculation of our free cash flow for the years ended March 31, 2023 and 2022:

	Years Ended March 31,	
(dollars in thousands)	2023	2022
Net cash provided by operating activities	**$ 756,947**	$ 684,811
Purchases of property, plant, equipment and intangibles, net	**(361,969)**	(287,563)
Proceeds from the sale of property, plant, equipment and intangibles	**14,587**	1,741
Free cash flow	**$ 409,565**	$ 398,989

Highlights. Revenues increased $372.8 million, or 8.1%, to $4,957.8 million for the year ended March 31, 2023, as compared to $4,585.1 million for the year ended March 31, 2022. These increases reflect growth in the Healthcare, Applied Sterilization Technologies, Life Sciences, and Dental segments, partially offset by unfavorable fluctuations in currencies and divestiture activities.

Our gross profit percentage decreased to 43.6% for fiscal 2023 as compared to 44.0% for fiscal 2022. Unfavorable impacts from inflation and productivity were partially offset by favorable impacts from pricing, mix, divestiture activity and fluctuations in currency.

Fiscal 2023 operating income decreased 37.0% to $268.2 million, as compared to fiscal 2022 operating income of $425.6 million. This decline was primarily due to a one time goodwill impairment charge of $490.6 million offset by a decrease in acquisition and integration expenses, which were primarily related to our acquisition of Cantel, as well as an increase in amortization of purchased intangible assets.

Cash flows from operations were $756.9 million and free cash flow was $409.6 million in fiscal 2023 compared to cash flows from operations of $684.8 million and free cash flow of $399.0 million in fiscal 2022 (see subsection of Directors' Report titled, "Non-GAAP Financial Measures" for additional information and related reconciliation of cash flows from operations to free cash flow). The fiscal 2023 increase in cash flows from operations was primarily from lower costs associated with the acquisition and integration of Cantel, partially offset by higher working capital, particularly inventory and accounts receivable. The increase in free cash flow was limited by increased capital spending.

Our debt-to-total capital ratio was 33.6% at March 31, 2023. During the year, we increased our quarterly dividend for the seventeenth consecutive year to $0.47 per share per quarter.

FISCAL 2023 AS COMPARED TO FISCAL 2022

Revenues. The following table compares our revenues, in total and by type and geography, for the year ended March 31, 2023 to the year ended March 31, 2022

	Years Ended March 31,			Percent
(dollars in thousands)	2023	2022	Change	Change
Total revenues	**$ 4,957,839**	$ 4,585,064	$ 372,775	8.1 %
Revenues by type:				
Service revenues	**2,172,512**	2,028,783	143,729	7.1 %
Consumable revenues	**1,714,857**	1,607,101	107,756	6.7 %
Capital equipment revenues	**1,070,470**	949,180	121,290	12.8 %
Revenues by geography:				
Ireland revenues	**74,463**	82,011	(7,548)	(9.2)%
United States revenues	**3,586,486**	3,228,864	357,622	11.1 %
Other foreign revenues	**1,296,890**	1,274,189	22,701	1.8 %

Revenues increased $372.8 million, or 8.1%, to $4,957.8 million for the year ended March 31, 2023, as compared to $4,585.1 million for the year ended March 31, 2022. These increases reflect added volume in the Healthcare, Applied Sterilization Technologies, and Life Sciences segments and the benefits of a full year of Cantel activity and price increases in all segments. These positives were partially offset by unfavorable fluctuations in currencies and divestiture activities.

Service revenues for fiscal 2023 increased $143.7 million, or 7.1% over fiscal 2022, reflecting growth in the Healthcare, Life Sciences and Applied Sterilization Technologies business segments. Consumable revenues for fiscal 2023 increased $107.8 million, or 6.7%, over fiscal 2022, reflecting growth in the Healthcare and Life Sciences segments and the benefit of a full year of Cantel activity. Capital equipment revenues for fiscal 2023 increased by $121.3 million, or 12.8%, over fiscal 2022, driven by organic growth in the Healthcare and Life Sciences segments.

Ireland revenues for fiscal 2023 were $74.5 million, representing a decline of $7.5 million, or 9.2%, as compared to fiscal 2022 revenues of $82.0 million, reflecting declines in service and consumable revenues.

United States revenues for fiscal 2023 were $3,586.5 million, representing an increase of $357.6 million, or 11.1%, over fiscal 2022 revenues of $3,228.9 million, reflecting growth in service and capital equipment revenues.

Revenues from other foreign locations for fiscal 2023 were $1,296.9 million, representing an increase of $22.7 million, or 1.8% over the fiscal 2022 revenues of $1,274.2 million. The increase reflects growth within the EMEA, Canada, and Latin American regions, which was partially offset by declines in the Asia Pacific region.

Gross Profit. The following table compares our gross profit for the year ended March 31, 2023 to the year ended March 31, 2022:

(dollars in thousands)	Years Ended March 31, 2023	2022	Change	Percent Change
Gross profit:				
Product	**$ 1,271,357**	$ 1,136,356	$ 135,001	11.9 %
Service	**888,335**	880,006	8,329	0.9 %
Total gross profit	**$ 2,159,692**	$ 2,016,362	$ 143,330	7.1 %
Gross profit percentage:				
Product	**45.6 %**	44.5 %		
Service	**40.9 %**	43.4 %		
Total gross profit percentage	**43.6 %**	44.0 %		

Our gross profit is affected by the volume, pricing and mix of sales of our products and services, as well as the costs associated with the products and services that are sold. Our gross profit percentage decreased to 43.6% for fiscal 2023 as compared to 44.0% for fiscal 2022. Unfavorable impacts from inflation (330 basis points) and productivity (50 basis points) were partially offset by favorable impacts from pricing (150 basis points), mix and other adjustments (130 basis points), divestiture activity (40 basis points), and fluctuations in currency (20 basis points).

Operating Expenses. The following table compares our operating expenses for the year ended March 31, 2023 to the year ended March 31, 2022:

(dollars in thousands)	Years Ended March 31, 2023	2022	Change	Percent Change
Operating expenses:				
Selling, general, and administrative	**$ 1,298,876**	$ 1,502,752	$ (203,876)	(13.6)%
Goodwill impairment loss	**490,565**	—	$ 490,565	NM
Research and development	**101,581**	87,944	13,637	15.5 %
Restructuring expenses	**485**	48	437	910.4 %
Total operating expenses	**$ 1,891,507**	$ 1,590,744	$ 300,763	18.9 %

NM - Not meaningful

Selling, General, and Administrative Expenses. Significant components of total Selling, general, and administrative expenses (“SG&A”) are compensation and benefit costs, fees for professional services, travel and entertainment, facilities costs, gains or losses from divestitures, and other general and administrative expenses. SG&A decreased 13.6% in fiscal 2023, as compared to fiscal 2022. The fiscal 2023 reduction reflects lower spending for acquisition and integration expenses, which were primarily related to our acquisition of Cantel, and a decline in incentive compensation plan expense.

Goodwill Impairment Loss. A goodwill impairment loss of $490.6 million was recorded during the second quarter of fiscal 2023 as the result of an assessment of the fair value of the Dental segment made in connection with the preparation of our quarterly consolidated financial statements. For more information regarding our goodwill impairment loss, see Note 3 to our consolidated financial statements titled, "Goodwill and Intangible Assets."

Research and Development. Research and development expenses increased $13.6 million in fiscal 2023 over fiscal 2022, primarily due to the addition of Cantel and other recent acquisitions. Research and development expenses are influenced by the number and timing of in-process projects and labor hours and other costs associated with these projects. Our research and development initiatives continue to emphasize new product development, product improvements, and the development of new technological platform innovations. During fiscal 2023, our investments in research and development have continued to be focused on, but were not limited to, enhancing capabilities of sterile processing combination technologies, procedural products and accessories, and devices and support accessories used in gastrointestinal endoscopy procedures.

Non-Operating Expenses, Net. Non-operating expenses, net consists of interest expense on debt, offset by interest earned on cash, cash equivalents, short-term investment balances, a fair value adjustment related to convertible debt, and other miscellaneous expense (income). The following table compares our net non-operating expenses, net for the year ended

March 31, 2023 to the year ended March 31, 2022:

(dollars in thousands)	Years Ended March 31, 2023	2022	Change
Non-operating expenses, net:			
Interest expense	**$ 107,989**	$ 89,593	$ 18,396
Fair value adjustment related to convertible debt, premium liability	**—**	27,806	(27,806)
Interest and miscellaneous expense (income)	**2,848**	(6,284)	9,132
Non-operating expenses, net	**$ 110,837**	$ 111,115	$ (278)

Interest expense increased $18.4 million during fiscal 2023 over fiscal 2022, primarily due to higher interest rates on floating rate debt.

During fiscal 2022, we recorded fair value adjustments of $27.8 million, based on appreciation in our share price related to premium liability associated with the convertible debt assumed in the acquisition of Cantel.

Additional information regarding our outstanding debt and Cantel convertible debt is included in Note 7 to our consolidated financial statements titled, "Debt," and in the subsection of this MD&A titled, "Liquidity and Capital Resources."

Interest and miscellaneous expense (income) decreased $9.1 million during fiscal 2023, as compared to 2022, primarily due to losses recognized as a result of mark to market adjustments of our equity investments. Additional information regarding our mark to market adjustments of our equity investments is included in Note 14 to our consolidated financial statements titled, "Fair Value Measurements."

Income Tax Expense. The following table compares our tax expense and effective income tax rates for the years ended March 31, 2023 and March 31, 2022:

(dollars in thousands)	Years Ended March 31, 2023	2022	Change	Percent Change
Income tax expense	**$ 51,535**	$ 71,633	$ (20,098)	(28.1)%
Effective income tax rate	**32.8 %**	22.8 %		

The effective income tax rate for fiscal 2023 was 32.8% when compared to 22.8% for fiscal 2022. The fiscal 2023 effective tax rate increased when compared to 2022, primarily due to the tax impact of the goodwill impairment loss recognized on the Dental segment during the second quarter of fiscal 2023. The fiscal 2023 effective tax rate was also favorably impacted by changes in U.S. state and local tax rates applied to existing deferred tax assets and liabilities.

Business Segment Results of Operations.

We operate and report our financial information in four reportable business segments: Healthcare, Applied Sterilization Technologies, Life Sciences and Dental. Non-allocated operating costs that support the entire Company and items not indicative of operating trends are excluded from segment operating income.

Our Healthcare segment provides a comprehensive offering for healthcare providers worldwide, focused on sterile processing departments and procedural centers, such as operating rooms and endoscopy suites. Our products and services range from infection prevention consumables and capital equipment, as well as services to maintain that equipment; to the repair of re-usable procedural instruments; to outsourced instrument reprocessing services. In addition, our procedural solutions also include endoscopy accessories and capital equipment infrastructure used primarily in operating rooms, ambulatory surgery centers, endoscopy suites, and other procedural areas.

Our Applied Sterilization Technologies ("AST") segment is a third-party service provider for contract sterilization, as well as testing services needed to validate sterility services for medical device and pharmaceutical manufacturers. Our technology-neutral offering supports Customers every step of the way, from testing through sterilization.

Our Life Sciences segment provides a comprehensive offering of products and services that support pharmaceutical manufacturing, primarily for vaccine and other biopharma Customers focused on aseptic manufacturing. These solutions include a full suite of consumable products, equipment maintenance and specialty services, and capital equipment.

Our Dental segment provides a comprehensive offering for dental practitioners and dental schools, offering instruments, infection prevention consumables and instrument management systems.

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. 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.

For more information regarding our segments please refer to Note 16 to our consolidated financial statements titled, "Business Segment Information".

The following table compares business segment revenues as well as impacts from acquisitions, divestitures, and foreign currency movements for the year ended March 31, 2023 to the year ended March 31, 2022.

	Years ended March 31,							
	As reported, GAAP		Impact of Acquisitions	Impact of Divestitures	Impact of Foreign Currency Movements	GAAP Growth	Organic Growth	Constant Currency Organic Growth
	2023	2022	2023	2022	2023	2023	2023	2023
Segment revenues:								
Healthcare	**$ 3,085,131**	$ 2,845,467	$ 98,400	$ (101,631)	$ (52,416)	8.4 %	8.9 %	10.8 %
Applied Sterilization Technologies	**914,431**	852,972	—	—	(37,750)	7.2 %	7.2 %	11.6 %
Life Sciences	**536,704**	524,964	2,800	(5,502)	(12,842)	2.2 %	2.8 %	5.3 %
Dental	**421,573**	361,661	65,009	—	(6,442)	16.6 %	(1.4)%	0.4 %
Total	**$ 4,957,839**	$ 4,585,064	$ 166,209	**$ (107,133)**	$ (109,450)	8.1 %	7.0 %	9.4 %

Healthcare revenues increased 8.4% in fiscal 2023, as compared to fiscal 2022, reflecting growth in capital equipment, service, and consumable revenues of 14.6%, 7.5%, and 4.6% respectively. This increase reflects increased volume and pricing, partially offset by unfavorable fluctuations in currencies. The Healthcare segment’s backlog at March 31, 2023 amounted to $494.7 million. Excluding Cantel, the Healthcare segment's backlog at March 31, 2022 was $423.6 million. In addition to the added volume from Cantel, the increase is primarily due to built up demand and supply chain disruptions.

AST revenues increased 7.2% in fiscal 2023, as compared to fiscal 2022. The increase was primarily due to increases in volume and pricing, partially offset by unfavorable fluctuations in currencies.

Life Sciences revenues increased 2.2% in fiscal 2023, as compared to fiscal 2022 reflecting growth in capital equipment, service, and consumable revenues of 3.6%, 3.4%, and 0.7% respectively. This increase was driven by increased volume and pricing, partially offset by divestiture activity and unfavorable fluctuations in currency. The Life Sciences backlog at March 31, 2023 and 2022 amounted to $104.9 million and $104.7 million, respectively.

Dental segment revenues increased 16.6% to $421.6 million in fiscal 2023, as compared to $361.7 million from the Cantel acquisition date of June 2, 2021 through March 31, 2022. The increase was driven primarily by the timing of the Cantel acquisition.

The following table compares business segment and Corporate operating income for the year ended March 31, 2023 to the year ended March 31, 2022.

(dollars in thousands)	Years ended March 31, 2023	2022	Change	Percent Change
Operating income (loss):				
Healthcare	**706,020**	649,704	56,316	8.7 %
Applied Sterilization Technologies	**429,020**	410,101	18,919	4.6 %
Life Sciences	**210,225**	216,188	(5,963)	(2.8)%
Dental	**89,527**	84,441	5,086	6.0 %
Corporate	**(264,791)**	(283,665)	18,874	(6.7)%
Total operating income before adjustments	**$ 1,170,001**	$ 1,076,769	$ 93,232	8.7 %
Less: Adjustments				
Amortization of acquired intangible assets [1]	**376,822**	366,434		
Acquisition and integration related charges [2]	**24,196**	205,788		
Tax restructuring costs [3]	**661**	301		
Gain on fair value adjustment of acquisition related contingent consideration [1]	**(3,100)**	(2,350)		
Net gain on divestiture of businesses [1]	**(67)**	(874)		
Amortization of inventory and property "step up" to fair value [1]	**12,254**	81,804		
Restructuring charges	**485**	48		
Goodwill impairment loss [4]	**490,565**	—		
Total operating income	**$ 268,185**	$ 425,618		

[1] For more information regarding our recent acquisitions and divestitures, refer to Note 2 to our consolidated financial statements titled, "Business Acquisitions and Divestitures."
[2] Acquisition and integration related charges include transaction costs and integration expenses associated with acquisitions.
[3] Costs incurred in connection with the Redomiciliation and subsequent tax restructuring.
[4] For more information regarding our goodwill impairment loss, refer to Note 3 to our consolidated financial statements titled, "Goodwill and Intangible Assets."

The Healthcare segment’s operating income increased $56.3 million to $706.0 million in fiscal year 2023, as compared to $649.7 million in fiscal year 2022, due to higher volumes as well as the favorable impact from pricing. The segment's operating margins were 22.9% for fiscal year 2023 and 22.8% for fiscal year 2022. The increase in operating margin is primarily due to the benefits of higher volume and pricing which more than offset increased material costs.

The AST segment’s operating income increased $18.9 million to $429.0 million in fiscal year 2023, as compared to $410.1 million in fiscal year 2022. The AST segment's operating margins were 46.9% for fiscal year 2023 and 48.1% for fiscal year 2022. The increase in segment operating income is primarily due to increased volume. Operating margins declined as higher labor and energy costs more than offset the benefit of increased volume.

The Life Sciences business segment’s operating income decreased $6.0 million to $210.2 million in fiscal year 2023, as compared to $216.2 million in fiscal year 2022. The segment’s operating margins were 39.2% for fiscal year 2023 and 41.2% for fiscal year 2022. The decreases in segment operating income and operating margin were primarily due to a reduction in productivity as well as supply chain and inflationary cost increases partially offset by the benefits of increases in pricing and volume.

The Dental business segment's operating income increased $5.1 million to $89.5 million in fiscal year 2023 as compared to $84.4 million in fiscal year 2022. The segment's operating margins were 21.2% for fiscal year 2023 and 23.3% for fiscal year 2022. The Dental segment's increase in operating income is primarily due to an increase in pricing. Operating margins declined as a reduction in productivity and increased supply chain and labor costs more than offset the benefit of pricing.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes significant components of our cash flows for the years ended March 31, 2023 and 2022:

	Years Ended March 31,	
(dollars in thousands)	2023	2022
Net cash provided by operating activities	**$ 756,947**	$ 684,811
Net cash used in investing activities	**(383,330)**	(666,559)
Net cash (used in) provided by financing activities	**(498,718)**	115,830
Debt-to-total capital ratio	**33.6 %**	32.1 %
Free cash flow	**$ 409,565**	$ 398,989

Net Cash Provided By Operating Activities – The net cash provided by our operating activities was $756.9 million for the year ended March 31, 2023, compared to $684.8 million for the year ended March 31, 2022. Net cash provided by operating activities increased in fiscal 2023 by 10.5% over fiscal 2022, largely due to lower costs associated with the acquisition and integration of Cantel in the fiscal 2023 period, partially offset by higher working capital, particularly inventory and accounts receivable.

Net Cash Used In Investing Activities – The net cash used in our investing activities was $383.3 million for the year ended March 31, 2023, compared to $666.6 million for the year ended March 31, 2022. The following discussion summarizes the significant changes in our investing cash flows for the years ended March 31, 2023 and 2022:

- Purchases of property, plant, equipment, and intangibles, net – Capital expenditures totaled $362.0 million and $287.6 million for fiscal 2023 and 2022, respectively. The fiscal 2023 increase was primarily due to additional expenditures in our AST segment.
- Proceeds from the sale of property, plant, equipment and intangibles – During fiscal 2023 and 2022 we received $14.6 million and $1.7 million, respectively, for proceeds from the sale of property, plant, equipment and intangibles. The fiscal 2023 increase was primarily due to the sale of a facility previously used by the Dental segment.
- Proceeds from the sale of business – During fiscal 2023 and 2022, we received $6.6 million and $169.7 million, respectively, for proceeds from the sale of certain non-core businesses. For more information, refer to Note 2 to our consolidated financial statements titled, "Business Acquisitions and Divestitures."
- Acquisition of businesses, net of cash acquired – During fiscal 2023 and 2022, we used $42.6 million and $550.4 million, respectively, for acquisitions. For more information on these acquisitions refer to Note 2 to our consolidated financial statements titled, "Business Acquisitions and Divestitures."

Net Cash Provided By/Used In Financing Activities – Net cash used in financing activities was $498.7 million for the year ended March 31, 2023, compared to net cash provided by financing activities of $115.8 million for the year ended March 31, 2022. The following discussion summarizes the significant changes in our financing cash flows for the years ended March 31, 2023 and 2022:

- Proceeds from issuance of senior notes – During fiscal 2022, we received $1,350.0 million in proceeds from the issuance of our Senior Public Notes. For more information on our Senior Public Notes, refer to Note 7 to our consolidated financial statements titled, "Debt."
- Proceeds from term loan – During fiscal 2022, we borrowed $650.0 million under our Delayed Draw Term Loan. For more information on our term loans, refer to Note 7 to our consolidated financial statements titled, "Debt."
- Payments on term loans – During fiscal 2023, we repaid $156.9 million of our Term Loans. During fiscal 2022, we repaid $345.0 million of our Term Loans. For more information on our term loans, refer to Note 7 to our consolidated financial statements titled, "Debt."
- Payments on long-term obligations – During fiscal 2023, we repaid $91.0 million of Private Placement Senior Notes. For more information on our Private Placement Senior Notes, refer to Note 7 to our consolidated financial statements titled, "Debt." During fiscal 2022, we repaid $721.3 million of Cantel's outstanding debt in connection with the acquisition. For more information on Cantel's debt, refer to Note 2 to our consolidated financial statements titled, "Business Acquisitions and Divestitures."
- Payments on convertible debt obligations – During fiscal 2022, we paid $371.4 million to settle obligations associated with Cantel's convertible debt assumed at the time of acquisition. For more information on Cantel's debt, refer to Note 7 to our consolidated financial statements titled, "Debt."

- Proceeds/Payments under credit facilities, net – Net proceeds received under credit facilities totaled $241.7 million for fiscal 2023, compared to net payments under credit facilities of $190.2 million for fiscal 2022. At the end of fiscal 2023, $301.7 million of debt was outstanding under our bank credit facility, compared to $58.9 million of debt outstanding under this facility at the end of fiscal 2022. We provide additional information about our bank credit facility in Note 7 to our consolidated financial statements titled, "Debt."
- Deferred financing fees and debt issuance costs – During fiscal 2022, we paid $17.5 million for financing fees and debt issuance costs primarily related to our Senior Public Notes and Delayed Draw Term Loan. For more information on our debt, refer to Note 7 to our consolidated financial statements titled, "Debt."
- Repurchases of shares – During fiscal 2023, we obtained 79,169 of our ordinary shares in connection with share-based compensation award programs in the aggregate amount of $13.5 million. During fiscal 2023, we also purchased 1,563,983 of our ordinary shares in the aggregate amount of $295.0 million through our share repurchase program. Due to the uncertainty surrounding the COVID-19 pandemic, share repurchases were suspended on April 9, 2020. The suspension was lifted effective February 10, 2022, enabling the Company to resume stock repurchases pursuant to the prior authorizations. From February 14, 2022, through March 31, 2022, we repurchased 108,368 of our ordinary shares for the aggregate amount of $25.0 million pursuant to the authorizations. We also obtained 244,395 of our ordinary shares in the aggregate amount of $30.8 million in connection with share-based compensation award programs. We provide additional information about our share repurchases in Note 11 to our consolidated financial statements titled, "Shareholders' Equity."
- Acquisition related deferred or contingent consideration – During fiscal 2023, we paid $1.5 million in acquisition related deferred and contingent consideration. During fiscal 2022, we paid $32.7 million in acquisition related deferred and contingent consideration, the majority of which was associated with a pre-acquisition arrangement related to an acquisition made by Cantel prior to our purchase of the company. For more information, refer to Note 2 to our consolidated financial statements titled, "Business Acquisitions and Divestitures."
- Cash dividends paid to ordinary shareholders – During fiscal 2023, we paid cash dividends totaling $183.5 million or $1.84 per outstanding share. During fiscal 2022, we paid cash dividends totaling $163.2 million or $1.69 per outstanding share.
- Transactions with noncontrolling interest holders – During fiscal 2023, we paid $0.8 million in distributions to noncontrolling interest holders. During fiscal 2022, we received contributions from noncontrolling interest holders of $3.7 million and paid $1.0 million in distributions to noncontrolling interest holders.
- Stock option and other equity transactions, net – We generally receive cash for issuing shares upon the exercise of options under our employee stock option program. During fiscal 2023 and fiscal 2022, we received cash proceeds totaling $1.8 million and $10.1 million, respectively, under these programs.

Cash Flow Measures. The net cash provided by our operating activities was $756.9 million in fiscal 2023 compared to $684.8 million in fiscal 2022. Free cash flow was $409.6 million in fiscal 2023, compared to $399.0 million in fiscal 2022 (see subsection above titled "Non-GAAP Financial Measures" for additional information and related reconciliation of cash flows from operations to free cash flow). The fiscal 2023 increase in free cash flow was primarily due to lower costs associated with the acquisition and integration of Cantel, partially offset by higher working capital, particularly inventory and accounts receivable, as well as increased capital spending.

Our debt-to-total capital ratio was 33.6% at March 31, 2023 and 32.1% at March 31, 2022.

Sources of Credit. Our sources of credit as of March 31, 2023 are summarized in the following table:

(dollars in thousands)	Maximum Amounts Available	Reductions in Available Credit Facility for Other Financial Instruments	March 31, 2023 Amounts Outstanding	March 31, 2023 Amounts Available
Sources of Credit				
Private Placement Senior Notes	**$ 750,302**	**$ —**	**$ 750,302**	**$ —**
Term Loan	**72,500**	**—**	**72,500**	**—**
Delayed Draw Term Loan	**625,625**	**—**	**625,625**	**—**
Revolving Credit Agreement [(1)]	**1,250,000**	**9,942**	**301,672**	**938,386**
Senior Public Notes	**1,350,000**	**—**	**1,350,000**	**—**
Total Sources of Credit	**$ 4,048,427**	**$ 9,942**	**$ 3,100,099**	**$ 938,386**

[(1)] At March 31, 2023, there were $9.9 million of letters of credit outstanding under the Credit Agreement.

Our sources of funding from credit as of March 31, 2023 are summarized below:

- On March 19, 2021, STERIS plc ("the Company"), STERIS Corporation, STERIS Limited (“Limited”), and STERIS Irish FinCo Unlimited Company ("FinCo", "STERIS Irish FinCo"), each as a borrower and guarantor, entered into a credit agreement with various financial institutions as lenders, and JPMorgan Chase Bank, N.A., as administrative agent (the “Revolving Credit Agreement”) providing for a $1,250.0 million revolving credit facility (the “Revolver”), which replaced a prior revolving credit agreement.
- The Revolver provides for revolving credit borrowings, swing line borrowings and letters of credit, with sublimits for swing line borrowings and letters of credit. The Revolver may be increased in specified circumstances by up to $625.0 million at the discretion of the lenders. The Revolver matures on the date that is five years after March 19, 2021, and all unpaid borrowings, together with accrued and unpaid interest thereon, are repayable on that date. The Revolver bears interest from time to time, at either the Base Rate, the applicable Relevant Rate, or the applicable Adjusted Daily Simple RFR, as defined in and calculated under and as in effect from time to time under the Revolving Credit Agreement, plus the Applicable Margin, as defined in the Revolving Credit Agreement. The Applicable Margin is determined based on the Debt Rating of STERIS, as defined in the Credit Agreement. Interest on Base Rate Advances is payable quarterly in arrears, interest on Term Benchmark Advances is payable at the end of the relevant interest period therefor, but in no event less frequently than every three months, and interest on RFR Advances is payable monthly after the date of borrowing. Swingline borrowings bear interest at a rate to be agreed upon by the applicable swingline lender and the applicable borrower, subject to a cap in the case of swingline borrowings denominated in U.S. Dollars equal to the Base Rate plus the Applicable Margin for Base Rate Advances plus the Facility Fee. Advances may be extended in U.S. Dollars or in specified alternative currencies. In connection with the cessation of British Pound Sterling LIBOR and Swiss Franc LIBOR as of December 31, 2021, JPMorgan Chase Bank, N.A. as administrative agent, pursuant to authority contained in the Revolver, amended the Revolver on January 1, 2022 to make Benchmark Replacement Conforming Changes (as defined in the Revolver). The amendment concerns technical, administrative or operational changes related to borrowings in British Pounds Sterling and Swiss Francs.
- On March 19, 2021, the Company, STERIS Corporation, Limited, and FinCo, each as a borrower and guarantor, entered into a term loan agreement with various financial institutions as lenders, and JPMorgan Chase Bank, N.A., as administrative agent (the “Term Loan Agreement”) providing for a $550.0 million term loan facility (the “Term Loan”), which replaced an existing term loan agreement, dated as of November 18, 2020 (the “Existing Term Loan Agreement”). The proceeds of the Term Loan were used to refinance the Existing Term Loan Agreement.
- The Term Loan matures on the date that is five years after March 19, 2021 (the “Term Loan Closing Date”). No principal payments are due on the Term Loan for the period beginning from the first full fiscal quarter ended after the Term Loan Closing Date to and including the fourth full fiscal quarter ended after the Term Loan Closing Date. For the period beginning from the fifth full fiscal quarter ended after the Term Loan Closing Date to and including the twelfth full fiscal quarter ended after the Term Loan Closing Date, quarterly principal payments, each in the amount of 1.25% of the original principal amount of the Term Loan, are due on the last business day of each fiscal quarter. For the period beginning from the thirteenth full fiscal quarter ended after the Term Loan Closing Date through the maturity of the loan, quarterly principal payments, each in the amount of 1.875% of the original principal amount of the Term Loan, are due on the last business day of each fiscal quarter. The remaining unpaid principal is due and payable on the maturity date.
- The Term Loan bears interest from time to time, at either the Base Rate or the Adjusted Term SOFR Rate, as defined in and calculated under and as in effect from time to time under the Term Loan Agreement, plus the Applicable Margin, as defined in the Term Loan Agreement. The Applicable Margin is determined based on the Debt Rating of STERIS, as defined in the Term Loan Agreement. Interest on Base Rate Advances is payable quarterly in arrears and interest on Term Benchmark Advances is payable in arrears at the end of the relevant interest period therefor, but in no event less frequently than every three months.
- Also on March 19, 2021, the Company, STERIS Corporation, Limited, and FinCo, each as a borrower and guarantor, entered into a delayed draw term loan agreement with various financial institutions as lenders, and JPMorgan Chase Bank, N.A., as administrative agent (the “Delayed Draw Term Loan Agreement”) providing for a delayed draw term loan facility of up to $750.0 million (the “Delayed Draw Term Loan”) in connection with STERIS’s acquisition of Cantel. During the first quarter of fiscal 2022, we borrowed $650.0 million under our Delayed Draw Term Loan Agreement. The Delayed Draw Term Loan was funded by the lenders upon consummation of the Cantel acquisition (the “Acquisition Closing Date”). The proceeds of the Delayed Draw Term Loan were used, together with the proceeds from other new indebtedness, to fund the cash consideration for the acquisition, as well as for various other items.
- The Delayed Draw Term Loan matures on the date that is five years after the Acquisition Closing Date. No principal payments are due on the Delayed Draw Term Loan for the period beginning from the first full fiscal quarter ended after the Acquisition Closing Date to and including the fourth full fiscal quarter ended after the Acquisition Closing Date. For the period beginning from the fifth full fiscal quarter ended after the Acquisition Closing Date to and

including the twelfth full fiscal quarter ended after the Acquisition Closing Date, quarterly principal payments, each in the amount of 1.25% of the original principal amount of the Delayed Draw Term Loan, are due on the last business day of each fiscal quarter. For the period beginning from the thirteenth full fiscal quarter ended after the Acquisition Closing Date through the maturity of the loan, quarterly principal payments, each in the amount of 1.875% of the original principal amount of the Delayed Draw Term Loan, are due on the last business day of each fiscal quarter. The remaining unpaid principal is due and payable on the maturity date.

- The Delayed Draw Term Loan bears interest from time to time, at either the Base Rate or the Adjusted Term SOFR Rate, as defined in and calculated under and as in effect from time to time under the Delayed Draw Term Loan Agreement, plus the Applicable Margin, as defined in the Delayed Draw Term Loan Agreement. The Applicable Margin is determined based on the Debt Rating of STERIS, as defined in the Delayed Draw Term Loan Agreement. Interest on Base Rate Advances is payable quarterly in arrears and interest on Term Benchmark Advances is payable in arrears at the end of the relevant interest period therefor, but in no event less frequently than every three months.
- On May 3, 2023, in connection with the upcoming replacement of U.S. dollar LIBOR with SOFR, the Borrower, Guarantors, Lenders, and JPMorgan Chase Bank, N.A., each as defined in each of the agreements, amended the Revolving Credit Agreement, the Term Loan Agreement, and the Delayed Draw Term Loan Agreement. The amendments concern pricing, technical, administrative, and operational changes related to borrowings in U.S. dollars. The above descriptions reflect those amendments.
- On April 1, 2021, STERIS Irish FinCo Unlimited Company ("FinCo," "STERIS Irish FinCo," the "Issuer") completed an offering of $1,350.0 million in aggregate principal amount, of its senior notes in two separate tranches: (i) $675.0 million aggregate principal amount of the Issuer's 2.70% Senior Notes due 2031 (the "2031 Notes") and (ii) $675.0 million aggregate principal amount of the Issuer's 3.750% Senior Notes due 2051 (the "2051 Notes" and, together with the 2031 Notes, the "Senior Public Notes"). The Senior Public Notes were issued pursuant to an Indenture, dated as of April 1, 2021 (the "Base Indenture"), among FinCo, STERIS plc, STERIS Corporation and STERIS Limited (the "Guarantors") and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of April 1, 2021, among FinCo, the Guarantors and the Trustee (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"). Each of the Guarantors guaranteed the Senior Public Notes jointly and severally on a senior unsecured basis (the "Guarantees"). The 2031 Notes will mature on March 15, 2031 and the 2051 Notes will mature on March 15, 2051. The Senior Public Notes will bear interest at the rates set forth above. Interest on the Senior Public Notes is payable on March 15 and September 15 of each year, beginning on September 15, 2021, until their respective maturities.
- As of March 31, 2023, a total of $301.7 million was outstanding under the Revolving Credit Agreement, based on currency exchange rates as of March 31, 2023. At March 31, 2023, we had $938.4 million of unused funding available under the Revolving Credit Agreement. The Revolving Credit Agreement includes a sub-limit that reduces the maximum amount available to us by letters of credit outstanding. At March 31, 2023, there was $9.9 million in letters of credit outstanding under the Credit Agreement. As of March 31, 2023, $72.5 million and $625.6 million were outstanding under the Term Loan and Delayed Draw Term Loan, respectively.

Our outstanding Private Placement Senior Notes at March 31, 2023 were as follows:

(dollars in thousands)	Applicable Note Purchase Agreement	Maturity Date	U.S. Dollar Value at March 31, 2023
$80,000 Senior notes at 3.35%	2012 Private Placement	December 2024	**80,000**
$25,000 Senior notes at 3.55%	2012 Private Placement	December 2027	**25,000**
$125,000 Senior notes at 3.45%	2015 Private Placement	May 2025	**125,000**
$125,000 Senior notes at 3.55%	2015 Private Placement	May 2027	**125,000**
$100,000 Senior notes at 3.70%	2015 Private Placement	May 2030	**100,000**
$50,000 Senior notes at 3.93%	2017 Private Placement	February 2027	**50,000**
€60,000 Senior notes at 1.86%	2017 Private Placement	February 2027	**65,254**
$45,000 Senior notes at 4.03%	2017 Private Placement	February 2029	**45,000**
€20,000 Senior notes at 2.04%	2017 Private Placement	February 2029	**21,752**
£45,000 Senior notes at 3.04%	2017 Private Placement	February 2029	**55,579**
€19,000 Senior notes at 2.30%	2017 Private Placement	February 2032	**20,664**
£30,000 Senior notes at 3.17%	2017 Private Placement	February 2032	**37,053**
Total Senior Notes			**$ 750,302**

The Private Placement Senior Notes were issued as follows:

- On February 27, 2017, Limited issued and sold an aggregate principal amount of $95.0 million, €99.0 million, and £75.0 million of senior notes in a private placement to certain institutional investors in an offering that was exempt from the registration requirements of the Securities Act of 1933. These notes have maturities of between 10 years and 15 years from the issue date. The agreement governing these notes contains leverage and interest coverage covenants.
- On May 15, 2015, STERIS Corporation issued and sold $350.0 million of senior notes in a private placement to certain institutional investors in an offering that was exempt from the registration requirements of the Securities Act of 1933. These notes have maturities of 10 years to 15 years from the issue date. The agreement governing these notes contains leverage and interest coverage covenants.
- In December 2012 and in February 2013, STERIS Corporation issued and sold $200.0 million of senior notes in a private placement to certain institutional investors in offerings that were exempt from the registration requirements of the Securities Act of 1933. The agreement governing the notes contains leverage and interest coverage covenants.
- The private placement note purchase agreements specify increases to the coupon interest rates while the ratio of Consolidated Total Debt to Consolidated EBITDA, as defined in the note purchase agreements, exceeds certain thresholds. Beginning September 1, 2021, and through March 31, 2023, the coupon rates on the 2012 private placement notes were increased by 0.50%.
- On March 19, 2021, STERIS Corporation as issuer, and the Company, Limited and FinCo, as guarantors, entered into (1) a First Amendment to Amended and Restated Note Purchase Agreement dated March 5, 2019 (which had amended and restated certain note purchase agreements originally dated December 4, 2012) per the 2012 and 2013 senior notes (the "2012 Amendment"), and (2) a First Amendment to Amended and Restated Note Purchase Agreement dated March 5, 2019 (which had amended and restated certain note purchase agreements originally dated March 31, 2015) for the 2015 senior notes (the "2015 Amendment"). Also on March 19, 2021, Limited, as Issuer, and the Company, STERIS Corporation and FinCo, as guarantors, entered into a First Amendment to Amended and Restated Note Purchase Agreement dated March 5, 2019 (which had amended and restated a certain note purchase agreement originally dated January 23, 2017) for the 2017 senior notes (together with the 2012 Amendment and the 2015 Amendment, the "NPA Amendments"). The NPA Amendments provided, among other things, for the waiver of certain repurchase rights of the note holders and increased the size of certain baskets to more closely align with other current credit agreement baskets.

At March 31, 2023, we were in compliance with all financial covenants associated with our indebtedness. For additional information on our sources of funding and credit, refer to Note 7 to our consolidated financial statements titled, "Debt."

CAPITAL EXPENDITURES

Our capital expenditure program is a component of our long-term strategy. This program includes, among other things, investments in new and existing facilities, business expansion projects, radioisotope (cobalt-60), and information technology enhancements and research and development advances. During fiscal 2023, our capital expenditures amounted to $362.0 million. We use cash provided by operating activities and our cash and cash equivalent balances to fund capital expenditures. In fiscal 2024, we plan to continue to invest in facility expansions, particularly within the Healthcare and Applied Sterilization Technologies segments and in ongoing maintenance for existing facilities.

MATERIAL FUTURE CASH OBLIGATIONS AND COMMERCIAL COMMITMENTS

Cash Requirements. We intend to use our existing cash and cash equivalent balances and cash generated from operations to fund capital expenditures and meet our other liquidity needs. Our capital requirements depend on many uncertain factors, including our rate of sales growth, our Customers' acceptance of our products and services, the costs of obtaining adequate manufacturing capacities, the timing and extent of our research and development projects, changes in our operating expenses and other factors. To the extent that existing and anticipated sources of cash are not sufficient to fund our future activities, we may need to raise additional funds through additional borrowings or the sale of equity securities. There can be no assurance that our financing arrangements will provide us with sufficient funds or that we will be able to obtain any additional funds on terms favorable to us or at all.

Our material future cash obligations and commercial commitments as of March 31, 2023 are presented in the following tables. Commercial commitments include standby letters of credit, letters of credit required as security under our self-insured risk retention policies, and other potential cash outflows resulting from events that require us to fulfill commitments.

	Payments due by March 31,					
(dollars in thousands)	2024	2025	2026	2027	2028 and thereafter	Total
Material Future Cash Obligations:						
Debt	$ 60,000	$ 165,938	$ 479,173	$ 614,942	$ 1,780,047	$ 3,100,100
Operating leases	41,709	33,584	26,129	19,659	120,359	241,440
Purchase obligations	214,272	39,418	569	569	1,328	256,156
Benefit payments under defined benefit plans	6,279	6,265	6,458	6,663	44,160	69,825
Trust assets available for benefit payments under defined benefit plans	(6,279)	(6,265)	(6,458)	(6,663)	(44,160)	(69,825)
Benefit payments under other post-retirement benefits plans	1,121	1,019	913	823	3,351	7,227
Expected contributions to defined benefit plans	3,955	1,992	—	—	—	5,947
Total Material Future Cash Obligations	$ 321,057	$ 241,951	$ 506,784	$ 635,993	$ 1,905,085	$ 3,610,870

The table above includes only the principal amounts of our material future cash obligations. We provide information about the interest component of our long-term debt in the subsection of the Directors' Report titled, “Liquidity and Capital Resources,” and in Note 7 to our consolidated financial statements titled, “Debt.”

Purchase obligations shown in the table above relate to minimum purchase commitments with suppliers for materials purchases and long-term construction contracts.

The table above excludes contributions we make to our defined contribution plans. Our future contributions to the defined contribution plans depend on uncertain factors, such as the amount and timing of employee contributions and discretionary employer contributions. We provide additional information about our defined benefit pension plans, defined contribution plan, and other post-retirement benefits plan in Note 17 to our consolidated financial statements titled, "Benefit Plans."

	Amount of Commitment Expiring March 31,					
(dollars in thousands)	2024	2025	2026	2027	2028 and thereafter	Totals
Commercial Commitments:						
Letters of credit and surety bonds	$ 98,411	$ 492	$ 358	$ 291	$ 782	$ 100,334
Letters of credit as security for self-insured risk retention policies	8,036	—	—	—	—	8,036
Total Commercial Commitments	$ 106,447	$ 492	$ 358	$ 291	$ 782	$ 108,370

INTEREST RATE RISK

As of March 31, 2023, we had $2,100.3 million in fixed rate senior notes outstanding. As of March 31, 2023, we had $301.7 million in outstanding borrowings under our Credit Agreement and $698.1 million in term loans which are exposed to changes in interest rates. Based upon our debt structure at March 31, 2023, a hypothetical 100 basis point increase in floating interest rates would increase annual interest expense by approximately $10.0 million. We monitor our interest rate risk, but do not engage in any hedging activities using derivative financial instruments. For additional information regarding our debt structure, refer to Note 7 to our consolidated financial statements titled, “Debt.”

FOREIGN CURRENCY RISK

We are exposed to the impact of foreign currency exchange fluctuations. This foreign currency exchange risk arises when we conduct business in a currency other than the U.S. dollar. For most operations, local currencies have been determined to be the functional currencies. The financial statements of subsidiaries are translated to their U.S. dollar equivalents at end-of-period exchange rates for assets and liabilities and at average currency exchange rates for revenues and expenses. Translation adjustments for subsidiaries whose local currency is their functional currency are recorded as a

component of accumulated other comprehensive income (loss) within equity. Note 12 to our consolidated financial statements titled, “Other Reserves,” contains additional information about the impact of translation on accumulated other comprehensive income (loss) and equity. Transaction gains and losses arising from fluctuations in currency exchange rates on transactions denominated in currencies other than the functional currency are recognized in the Consolidated Profit and Loss Account. Since we operate internationally and approximately 30% of our revenues and 30% of our Cost of revenues are generated outside the United States, foreign currency exchange rate fluctuations can significantly impact our financial position, results of operations, and competitive position.

We enter into foreign currency forward contracts to hedge monetary assets and liabilities denominated in foreign currencies, including intercompany transactions. We do not use derivative financial instruments for speculative purposes. At March 31, 2023, we held foreign currency forward contracts to buy 19.5 million British pounds sterling; and to sell 150.0 million Mexican pesos, and 7.0 million Singapore dollars and 6.0 million euros.

COMMODITY RISK

We are dependent on basic raw materials, sub-assemblies, components, and other supplies used in our operations. Our financial results could be affected by the availability and changes in prices of these materials. Some of these materials are sourced from a limited number of suppliers or only a single supplier. These materials are also key source materials for our competitors. Therefore, if demand for these materials rises, we may experience increased costs and/or limited or unavailable supplies. As a result, we may not be able to acquire key production materials on a timely basis, which could impact our ability to produce products and satisfy incoming sales orders on a timely basis. In addition, the costs of these materials can rise suddenly and result in significantly higher costs of production. We believe that we have adequate sources of supply for many of our key materials and energy sources. Where appropriate, we enter into long-term supply contracts as a basis to guarantee a reliable supply. We may also enter into commodity swap contracts to hedge price changes in a certain commodity that impacts raw materials included in our Cost of revenues. At March 31, 2023, we held commodity swap contracts to buy 753.0 thousand pounds of nickel.

ACCOUNTING RECORDS

The Directors are responsible for ensuring that the Company is keeping proper accounting records and appropriate accounting systems. On a periodic basis, regular reports, certifications and attestations on our financial matters and internal controls, including those established to monitor for non-compliance with relevant components of the Company's Business Code of Conduct and related policies, are made to the Audit Committee of the Board of Directors, who then, briefs the full Board of Directors on these matters. These measures ensure the compliance with requirements of Section 281 to 285 of the Companies Act 2014 in support of the Directors Compliance Statement included in this Directors' Report. The accounting records of the Company are maintained at our registered offices located at 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

FUTURE DEVELOPMENTS

The Directors do not anticipate that the Company's significant/material activities will change in the foreseeable future.

SUBSEQUENT EVENTS

This report was issued on June 2, 2023. The Company has evaluated events and transactions subsequent to the balance sheet date. The Company is not aware of any events or transactions (other than those disclosed) that occurred subsequent to the balance sheet date but prior to June 2, 2023, that would require recognition or disclosure in its Consolidated Financial Statements or Company Balance Sheet.

On May 3, 2023, the Board of Directors approved a quarterly interim dividend of $0.47 per share. The dividend is payable June 28, 2023 to shareholders of record at the close of business on June 14, 2023.

NON-FINANCIAL DISCLOSURES

In compliance with Statutory Instrument 360/2017 European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) we provide information on several non-financial matters.

Our Business Model

Information regarding our business model can be found in the Principal Activities section of this Directors' Report.

Key Performance Indicators

WE HELP OUR CUSTOMERS CREATE A HEALTHIER AND SAFER WORLD by providing innovative healthcare, life sciences and dental products and services. Inspired by our Customers’ efforts to create a healthier and safer world, and guided by our legacy of leadership and innovation, we strive to be a Great Company. To STERIS, this means we will make a difference by providing world-class products and services for our Customers, safe and rewarding work for our People, and superior returns for our Shareholders.

We have an Enterprise Risk Management process ("ERM") to manage risk, which is led by our Chief Compliance Officer. Identifying and managing key risks to our business operations are essential to our future growth, profitability, and successful execution of strategic plans. We are committed to understanding and managing these risks through a consistent approach to risk assessment, monitoring, reporting, and mitigation. Key management sponsors are responsible for participating in the risk assessment process, including a periodic review with the Board of Directors. The objective of ERM is to identify key risks, the potential impacts of compliance failure, identify key mitigating activities, develop potential improvements for managing the risks, and to ensure execution of oversight activities on a monthly, annual or as needed basis.

Our Environmental, Social, and Governance ("ESG") function is led by the Vice President of ESG. The ESG function, with support from our Chief Executive Officer, General Counsel and other senior executives, works to actively develop and refine our ESG strategies, programs, and policies. The ESG function works closely with our Global Sustainability Steering Committee to build ESG values and implement strategies, programs, and policies across the Company. The Global Sustainability Steering Committee is a cross-functional team of senior leadership, subcommittee chairs, and subject matter experts spanning our businesses and Legal, Investor Relations, Human Resources, Continuous Improvement, Compliance, Facilities, and Health, Safety and Environment functions. The ESG team regularly updates the Nominating and Governance Committee of our Board of Directors regarding its activities, including evaluating carbon emissions, preparing for regulatory requirements, reporting ESG metrics, and reviewing ESG ratings.

Key performance indicators and metrics have been established for those areas we believe to be relevant and potentially significant to our business. Certain of these disclosures relate to Sustainability Accounting Standards Board (SASB) Standards for Medical Equipment & Supplies that we have identified to be closely aligned with our business. Our reporting against the SASB Standards is a voluntary disclosure aligned with our focus on financial materiality. We seek to provide investors with useful, relevant and meaningful sustainability information and have selected metrics under the SASB Standards. We describe below how we continuously monitor and track our policies and activities in the areas of ethical business practices, energy and environmental conservation, employees and human capital management, and quality.

ETHICAL BUSINESS PRACTICES

Code of Business Conduct. Our Code of Business Conduct sets the standard for legal and ethical behavior, addressing topics such as bribery and corruption, supply chain transparency, proper behavior in the workplace, and avoiding conflicts of interest.

Anti-Bribery and Anti-Corruption. We are committed to conducting our business fairly, honorably, with integrity and in compliance with the law in all jurisdictions where we operate. Our policy prohibits bribery and corruption in any form, and we explain our commitment in our Statement on Anti-Corruption Policies and Procedures. As an ongoing due diligence measure, we have established a program to recognize those sales and marketing intermediaries who demonstrate an elevated commitment to compliance. Through this Commercial Compliance Program, we formally recognize organizations that have not only met STERIS's standard ethical requirements for inclusion in our network but have also taken additional steps, such as adopting their own code of conduct and training their employees on their own firm's ethical values, to ensure compliant behavior. In 2023, STERIS incurred no monetary losses as a result of legal proceedings associated with bribery or corruption.

Supplier Code of Conduct. Our expectations for ethical behavior extend beyond STERIS to our Suppliers as well. Our Supplier Code of Conduct defines the minimum requirements and expectations for all Suppliers and their subcontractors. We have mechanisms in place to identify when suppliers do not meet our Supplier Code of Conduct requirements. Suspicions of supplier non-compliance are promptly investigated and addressed. We believe in conducting business with integrity and honesty and in accordance with all applicable laws and regulations of the countries in which we operate. We expect our suppliers to comply with the laws of the countries in which they operate, including but not limited to the European Union Customs Code, the EU Restriction of Hazardous Substances Directive, the UK Modern Slavery Act, the US Foreign Corrupt Practices Act, the UK Bribery Act, the US Dodd-Frank Conflict Minerals Rules, applicable data privacy laws, and all applicable local labor and employment laws.

Conflict Minerals Sourcing Policy. We file reports with the SEC disclosing our use of tin, tantalum, tungsten, and gold ("conflict minerals" or "3TG") in products sold anywhere in the world. In accordance with these legal requirements and as a part of the overall commitment to responsible sourcing, we are working with our suppliers to ensure transparency to the smelter/refining source for 3TG materials used in our products. Furthermore, we seek to identify the countries of origin of the 3TG in our products and the smelter/refiners that process the 3TG in our products. We undertake this effort to promote responsible sourcing. Because of our general downstream position in the supply chain, we rely on our suppliers for information. We expect suppliers to respond to our requests for complete transparency about the sources whose 3TG materials are used in our products and to conduct due diligence measures to ensure the information provided is accurate, up-to-date and complete. This Policy applies to all suppliers of products and materials to the Company and to all our affiliates. We will consider taking various progressive actions with respect to suppliers who do not make reasonable efforts

to cooperate with our requests for information or requests to take corrective actions to enable us to identify smelters and refiners in our supply chains.

Risks and Prevention. We regularly assess the risks associated with our business, including the risk of potential corruption or bribery in the environments where we do business, and we have designed our management systems to respond accordingly. As part of our anti-corruption program, our employees and third-party intermediaries are subject to mandatory comprehensive anti-bribery and anti-corruption training online and in-person. The training covers the various forms that corruption can take, red flags, and individuals' roles in our anti-bribery and anti-corruption efforts.

In accordance with our policy, we engage a third-party due diligence firm to perform background checks, including bribery and corruption, before entering into commercial relationships with sales and marketing intermediaries, and other service providers.

We communicate our bribery and corruption policies and expectations to our officers, Directors, employees, dealers, distributors and agents. It is the expectation of the Company that all of the aforementioned individuals comply with the requirements set forth in our policy and relevant rules and regulations.

Managing Compliance and Ethics. We require all employees to be lawful and ethically responsible in all business practices. We expect all employees to comply with all Company policies, applicable laws, and the principles outlined in our Code of Business Conduct.

Senior members of STERIS's leadership team are involved in numerous industry associations that focus on setting the standards and driving change. We hold seats and actively participate on the Boards of AdvaMed and the Medical Device Manufacturers Association ("MDMA"). We are also an active member of the Association for the Advancement of Medical Instrumentation ("AAMI") and MedTech Europe. AdvaMed has roughly 400 member companies and promotes policies that foster the highest ethical standards, timely patient access to safe and effective products, and economic policies that reward value creation. The AdvaMed Code of Ethics on Interactions with Health Care Professionals ("AdvaMed Code") facilitates ethical interactions between MedTech companies and health care professionals to ensure that medical decisions are based on the best interests of the patient. STERIS has adopted and requires compliance with the AdvaMed Code.

MDMA is the leading voice representing the interests of innovative and entrepreneurial medical technology companies. MDMA's goal is to provide patients and clinicians with timely access to safe and effective medical technologies that improve the quality of life. AAMI is a nonprofit organization founded in 1967. It is a diverse community of more than 10,000 healthcare technology professionals united by one important mission-supporting the healthcare community in the development, management, and use of safe and effective healthcare technology. MedTech Europe is the European trade association for the medical technology industry including diagnostics, medical devices and digital health. MedTech Europe's purpose is to make innovative medical technology available to more people, while helping healthcare systems move towards a more sustainable path. The MedTech Europe Code of Ethical Business Practice regulates all aspects of the industry's relationship with Healthcare Professionals (HCPs) and Healthcare Organizations (HCOs), to ensure that all interactions are ethical and professional at all times and to maintain the trust of regulators, and patients. STERIS has adopted and requires compliance with the MedTech Europe Code of Ethical Business Practice.

Using the STERIS Integrity Helpline or Webline, employees can anonymously report potential Code of Conduct concerns. A management Ethics Committee meets monthly to monitor and investigate reports of Code of Business Conduct violations and provides quarterly reporting to the Board of Director's Compliance and Technology Committee. With respect to financial matters, reports are provided to the Board of Director's Audit Committee.

The STERIS Code of Business Conduct covers ethical marketing and off-label promotion. In fiscal 2023, STERIS incurred no monetary losses as a result of legal proceedings associated with false marketing claims.

ENERGY, GHG EMISSIONS AND ENVIRONMENTAL CONSERVATION

We are subject to various laws and governmental regulations concerning environmental matters and employee safety and health in Ireland, the United States and other countries. We have made, and continue to make, significant investments to comply with these laws and regulations. Our Continuous Improvement objectives include efforts to improve energy and water efficiency and reduce or eliminate certain chemicals used in, and wastes generated from, our operations thereby reducing the impact of our operations on the environment.

STERIS tracks greenhouse gas ("GHG") emissions and we complete the annual Carbon Disclosure Project ("CDP") questionnaire. CDP is an internationally recognized nonprofit organization that collects and reports environmental metrics. Currently, we report our direct (Scope 1) and indirect (Scope 2) energy use and emissions from all legacy STERIS facilities. In fiscal 2023, we completed an energy assessment of our global operations to identify opportunities for reducing our global GHG emissions and evaluate potential target setting opportunities. We recognize that a significant portion of our carbon impact is as a result of our value chain, outside of electricity and energy consumption at our global sites. More recently, we initiated a comprehensive review to establish the baseline for our Scope 3 carbon emissions.

We have a broad and comprehensive portfolio of sterilization and disinfection products that support the procedural spaces within hospitals, endoscopy and surgery centers as well as pharmaceutical, medical device and dental Customers. When we think about new products or next generation products, part of our effort is to reduce the environmental impact of what we do. That can include anything from reformulating chemistries to eliminating metals-based ingredients or reducing the effluence produced as a result of the use of our products, to creating ultra-concentrate chemistries such as Prolystica® Ultra Concentrate Cleaning Chemistries, which offer 10x the uses per container. That means 5 and 10-liter containers of concentrate replace 114-liter drums, creating benefits from safer lifting, elimination of packaging waste, and less frequent deliveries with smaller trucks. We also work to utilize containers that can be recycled and build products with materials that can be recycled at the end of their life.

We are actively evaluating our ability to report in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework and in light of evolving regulatory disclosure requirements.

Risks and Prevention. We actively monitor and take steps to manage the risks associated with environmental matters, none of which we consider material at this time.

EMPLOYEES AND HUMAN CAPITAL MANAGEMENT

Strategy and Overview. People are the key to our success, which is reflected in our two core values of people and teamwork. We are committed to the safety and success of our people. We expect the performance of every person to continually improve with personal initiative and proper support. We expect our people to treat each other with mutual respect. Our ideal business team is engaged, diverse, inclusive and talented, and we create programs and policies in support of these goals.

We believe unity of purpose and teamwork enables us to do far more than we could individually. We draw strength from each other and encourage communication with fairness, candor, respect and courage. Our collaboration turns interesting ideas into great products and services for our Customers.

Our senior management team and Board receive regular updates on our people, including data and metrics on retention, engagement and safety which are used to determine our human resources priorities, programs and training.

We are committed to upholding human rights in all our operations globally and respect human rights as recognized by the principles of the United Nations Global Compact. We strongly oppose all forms of slavery, servitude, forced labor, child labor and human trafficking.

Employees by Segment. As of March 31, 2023, we had over 17,000 employees throughout the world of which less than 12% are represented by work councils or labor unions. We believe we generally have good relations with our employees.

The average number of persons employed by STERIS plc and its subsidiaries during each of the following fiscal years was as follows:

	Fiscal 2023	Fiscal 2022
Healthcare	**10,629**	10,546
Applied Sterilization Technologies	**3,163**	2,961
Life Sciences	**965**	1,111
Dental	**1,451**	1,020
Corporate	**892**	784
Total employees	**17,100**	16,422

Diversity, Equity & Inclusion (DE&I). We are dedicated to creating and sustaining a diverse, equitable and inclusive work environment. We believe that the different ideas, experiences, perspectives and backgrounds of our global employees create a stronger organization that allows us to fulfill our ultimate goal of serving our Customers. To put it simply, we believe a diverse and inclusive workforce is essential to a thriving organization.

We strive to recruit the best available people who are aligned with and embody our core values. We are committed to equality and assessing candidates based on qualifications. We believe that our success is dependent on attracting and retaining people from a cross-section of our communities who understand their markets, and in doing so we continue to create a competitive advantage for STERIS.

Our success depends on our ability to attract and retain talented employees, and we do so without regard to race, color, social or economic status, religion, national origin, marital status, age, veteran status, sexual orientation, gender identity, or any protected status. It is the policy of the Company to make all decisions regarding employment, including hiring, compensation, training, promotions, transfers, or lay-offs, based on the job requirements and skills of the individuals and utilizing the principle of equal employment opportunity without discrimination. We have biennial training on anti-harassment, except where required annually.

Total directors and employee's distribution by gender is shown in the table below:

	March 31, 2023		March 31, 2022	
	Male	**Female**	Male	Female
Non-Executive Directors	**6**	**2**	6	2
Senior Managers	**739**	**297**	663	236
Other employees of the Company	**10,774**	**5,846**	10,294	5,629

Directors and United States employees by race is shown in the table below:

	March 31, 2023		March 31, 2022	
	White	Minority [1]	White	Minority [1]
Non-Executive Directors	**75%**	**25%**	75%	25%
Senior Managers	**86%**	**14%**	88%	12%
Other employees of the Company	**61%**	**39%**	63%	37%

(1) A minority person is defined as a person who identifies as American Indian/Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Island, or two or more races.

Health, Safety & Environment. We realize the importance of Health, Safety & Environment ("HSE") to the well-being of our Customers, employees, community, the environment, and ultimately our shareholders. To that end, our HSE teams and management are committed to supporting HSE programs with ongoing involvement through our continuous improvement process. Our ultimate goal is to be an incident-free company. The cornerstone of this initiative is the belief that incidents result from unsafe acts or conditions, both of which are preventable. We apply the U.S. Occupational Safety and Health Administration (OSHA) recordkeeping practices worldwide. Key metrics for purposes of benchmarking performance include Total Recordable Incident Rate ("TRIR") and Lost-time Incident Rate ("LTIR") injury and illness incident rates, both of which are presented in the table below:

	STERIS		Industry Benchmarks [2]	
	Fiscal 2023	Fiscal 2022	Average	Best in Class
Total Recordable Incident Rate [1]	1.05	0.85	2.50	1.43
Lost-time Incident Rate [1]	0.36	0.24	1.25	0.32

[1] We apply the U.S. Occupational Safety and Health Administration ("OSHA") recordkeeping practices worldwide. All rates are based on 100 full-time employees ("FTE") working one year. 100 FTEs equals 200,000 work hours. TRIR includes work-related injuries or illnesses requiring medical attention beyond first-aid. LTIR includes work-related injuries or illnesses that cause an employee to be away from work at least one full day after the date of the incident.

[2] Our external benchmarks include the OSHA average and 1st Quartile injury/illness rates which are derived from the Bureau of Labor Statistics.

Our annual workplace injury prevention results are within the manufacturing sector's best-in-class performance as defined by the Bureau of Labor Statistics.

The ISO 14001 and 45001 sets out the criteria that a company can follow to establish an effective HSE management system. Designed for any type of organization, regardless of its activity or sector, it can provide assurance that environmental impact is being measured, controlled and improved in a holistic manner. To date, one facility and 14 reprocessing locations have undergone the formal process to receive ISO 14001.

The OSHA Voluntary Protection Program ("VPP") Star Award recognizes employers who have implemented effective safety and health management systems and maintain injury and illness rates below national Bureau of Labor Statistics averages for their industry. We currently have 12 locations that hold the OSHA VPP Star Award.

We utilize internal HSE management systems and compliance audits designed to identify percent compliance of our global operations against our standards.

Employee Engagement and Development. We believe that engaged employees are more productive, innovative, and satisfied in their work. Examples of how we engage our employees include quarterly management meetings, a robust intranet for communication with our global teams and various communications efforts within each department. In addition, our global human resources team has programs focused on career development and training for employees at all levels.

Our employee turnover rate was 15% and 17% for fiscal 2023 and 2022, respectively, and we are continuously working towards a goal of achieving a rate of 10% or less, excluding retirements and reductions in force. Although

reductions in force are sometimes necessary, we work to avoid them and they must always be approved by executive management. Every year we encourage all employees to participate in our employee engagement survey which is administered by a third party on a confidential basis. This process has been valuable in helping us recognize what we do well and foster an open conversation about how we can make STERIS an even better place to work. We are pleased to report that 85% of our employees completed our 2023 survey. In our most recent survey, we measured fifteen principal factors and overall employee engagement was 74%, in-line with our results for the past five years. The results indicate that the majority of our people are committed to serving our Customers, are proud to work for STERIS, and have confidence in the stability of our business.

We are committed to supporting the development of our people. Employees benefit from hands-on continuous improvement ("Lean") training, a web-based learning management system and STERIS University. In addition, we provide biennial Code of Conduct training and other key required training at all levels of the Company. In our manufacturing and service organizations, we provide training for employees who do not have the necessary experience or background. This training is conducted through a combination of hands-on and module-based training. Our focus is on safety, quality and consistency in approach and outcome. As a Lean focused organization, we have created standard work instructions for many processes and refresher courses are offered regularly for existing employees. Where possible, we look to provide cross-training for employees looking to expand their knowledge or grow into new roles. We encourage all employees to create individual development plans and provide the support to assist in that effort.

Compensation and Benefits. Our total rewards offerings include an array of programs to support our employees' financial, physical, and mental well-being, including providing competitive salaries, variable performance pay, healthcare benefits, tuition assistance, paid time off, annual merit increases, and incentive plans based on the national norms of employees' employment. Total employee compensation is presented in the table below:

(in thousands)	**Fiscal 2023**	Fiscal 2022
Wages and salaries	**$ 1,172,234**	$ 1,100,357
Commission and incentive plans	**$ 154,840**	$ 225,863
Social security costs	**91,653**	65,525
Share-based compensation expense	**38,951**	57,660
Pension and post-retirement benefits expense	**37,936**	32,423
Other, primarily employee benefits	**139,133**	130,217
Total employee costs	**$ 1,634,747**	$ 1,612,045

QUALITY

We are subject to strict regulatory compliance and quality standards to ensure the safety and supply of our products and services. The quality and regulatory systems are broad in scope and designed to achieve quality from incoming materials through the design, development, manufacture, storage, handling and distribution of our products and delivery of services. To monitor compliance with these standards, internal and third-party assessments of our quality and regulatory systems are conducted. FDA conducts inspections of our manufacturing and contract sterilization facilities on a periodic basis to confirm compliance. In connection with an inspection, the FDA may initiate warning letters and/or consent decrees, which list conditions or practices that may indicate a violation of the FDA’s requirements. In fiscal 2023, STERIS did not receive any warning letters, seizures, or consent decrees. Additionally, STERIS had zero products listed in the FDA’s MedWatch Safety Alerts for Human Medical Products database.

We have in place processes to monitor and support compliance with product and service regulations worldwide, including design controls, product changes, labeling and advertising, marketing materials, good manufacturing practices, and adverse event reporting requirements. We take prompt action whenever we are alerted to regulatory or field-safety issues with a STERIS product. Following immediate assessment, we take corrective action, including voluntary product recalls, when needed. We examine underlying issues and root cause and work to resolve these to avoid recurrence. STERIS had no Class I recalls in fiscal 2023, 2022 or 2021.

DIRECTORS' INTEREST IN SHARES

All Directors have served since fiscal 2022 and continue to serve since March 31, 2023.

No director, secretary, assistant secretary or any member of their immediate families has any interest in shares or debentures of any subsidiary. Directors’ remuneration is set forth in Note 20 to our consolidated financial statements. The interests in ordinary share capital of STERIS plc of those persons serving as Directors of STERIS plc on March 31, 2023 and March 31, 2022 are presented in the following table:

	March 31, 2023			March 31, 2022 (or date of appointment if later)		
	Stock Options	Ordinary Shares	CRSU's	Stock Options	Ordinary Shares	CRSUs
Executive Director						
Daniel Carestio	**257,660**	**39,601**	**—**	177,712	31,849	—
Non-Executive Directors						
Richard C. Breeden	**31,000**	**70,079**	**16,961**	36,605	62,204	15,984
Cynthia L. Feldmann	**17,680**	**9,368**	**6,622**	15,811	9,368	5,975
Christopher Holland	**—**	**67**	**3,464**	—	67	2,317
Dr. Jacqueline B. Kosecoff	**22,831**	**26,639**	**5,163**	20,641	26,639	4,186
Paul E. Martin	**—**	**—**	**2,531**	—	—	1,384
Dr. Nirav Shah	**3,923**	**292**	**4,997**	2,054	292	4,424
Dr. Mohsen M. Sohi	**35,481**	**22,361**	**4,163**	32,738	22,361	3,321
Dr. Richard M. Steeves	**12,840**	**—**	**7,321**	10,730	—	6,748

AUDIT COMMITTEE

The Audit Committee assists the Board in providing oversight relating to the integrity of the Company's financial statements and effectiveness of the Company's internal controls over financial reporting, including its systems of internal accounting and financial controls, the internal audit process, the annual independent audit of the Company's annual financial statements, compliance with legal and regulatory requirements, and the qualifications and independence of the Independent Auditors. The Audit Committee's activities relative to fiscal 2023 included confirmation that appropriate arrangements are in place to secure material compliance with relevant obligations in support of the Directors Compliance Statement included in this Directors' Report.

POLITICAL DONATIONS

No political donations that require disclosure under Irish law were made by the Company during fiscal 2023 or fiscal 2022.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS

The results for the year are set out in the Consolidated Profit and Loss Account. The balance to be transferred to reserves is $107.0 million.

DIVIDENDS

During fiscal 2023, the Board of Director's declared and paid quarterly dividends totaling $183.5 million or $1.84 per outstanding share. During fiscal 2022, the Board of Director's declared and paid quarterly dividends totaling $163.2 million million or $1.69 per outstanding share.

RESEARCH AND DEVELOPMENT

Research and development is an important factor in our long-term strategy. We incurred these expenses primarily for the research and development of commercial products. We are focused on introducing products that increase efficiencies for our Customers. We seek to introduce new products throughout our business and have done so in the last several years, including hydrogen peroxide sterilizers, washer disinfectors, steam sterilizers, consumables, including sterility assurance products, accessories for use in GI procedures and surgical products including the latest generation of operating room integration products. The Company incurred $101.6 million and $87.9 million of research and development costs that were expensed during fiscal 2023 and 2022, respectively.

SUBSIDIARY COMPANIES AND BRANCHES

Information regarding subsidiary undertakings, including information regarding branches, is provided in Note 24 to our consolidated financial statements.

GOING CONCERN

The going concern assessment has been performed for a period of at least 12 months from the approval of the financial statements, examining the period up to 30 June 2024. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made inquiries of fellow Directors and the group's auditor, each Director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law in the Republic of Ireland requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the assets, liabilities and financial position of the Parent Company and of the Group and of the profit or loss of the Group for that period. The Directors at the date of this report are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

In preparing the financial statements of the Group, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- comply with applicable U.S. generally accepted accounting principles to the extent that the use of U.S. generally accepted accounting principles does not contravene any provision of the Companies Act 2014, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are also set out on pages 108 - 118), in respect of which the applicable accounting standards are those which are generally accepted in the Republic of Ireland.

The Directors have elected to prepare the Parent Company's financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in Ireland).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position, of the group and Parent Company as at the end of the financial year, and the profit or loss for the group for the financial year, and otherwise comply with the Companies Act 2014.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy the assets, liabilities, financial position and profit and loss of the Parent Company and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable U.S. generally accepted accounting principles and comply with the provisions of the Companies Acts 2014. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS COMPLIANCE STATEMENT

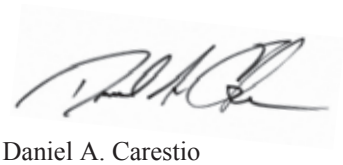
The Directors acknowledge that they are responsible for securing compliance by the Company with its Relevant Obligations as defined in the Companies Act, 2014 (hereinafter called the Relevant Obligations). The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations. The Directors further confirm the Company has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations and that they have reviewed the effectiveness of these arrangements or structures during the financial period to which this Report relates.

AUDITORS

In accordance with Section 383(2) of the Companies Act 2014, the auditor, Ernst & Young, Chartered Accountants, will continue in office.

On behalf of the Directors:

Mohsen M. Sohi
Chairman of the Board



Daniel A. Carestio
Director

June 2, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STERIS PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of STERIS plc ('the Parent Company') and its subsidiaries ('the Group') for the year ended 31 March 2023, which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive (Loss) Income, the Consolidated Balance Sheet, the Consolidated Statement of Shareholders' Equity, the Consolidated Statement of Cash Flows, the Parent Company Statement of Financial Position, the Parent Company Statement of Changes in Equity, the related notes 1 to 24 in respect of the Group financial statements and the related notes 1 to 12 in respect to the Parent Company financial statements, including a summary of significant accounting policies as set out therein. The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish law and U.S. Generally Accepted Accounting Principles (U.S. GAAP) issued in the United States of America by the Financial Accounting Standards Board, as defined in section 279 of Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable Irish law and accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 March 2023 and of its profit for the year then ended, and have been properly prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP), as defined in section 279 of Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014;
- the Parent Company financial statements gives a true and fair view of the assets, liabilities and financial position of the Parent Company as at 31 March 2023 and has been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the Group financial statements and Parent Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Parent Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority ('IAASA'), as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Arising from our evaluation of the directors' going concern assessment, we observed that the assessment modelled an adverse scenario, focused on the level of Consolidated EBITDA required to maintain compliance with leverage covenants applicable to the Group's debt facilities.

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of the Director's going concern assessment process and also engaged with management early to ensure all key factors were considered in their assessment;
- We obtained the directors' going concern assessment, including the cash forecast and covenant calculation for the going concern period, and which covered at least a year from the date of signing this audit opinion;
- We reviewed a reverse stress test performed by management and tested the factors and assumptions included therein. We considered the appropriateness of the methods used to calculate the cash forecasts and covenant calculations and determined through inspection and testing of the methodology and calculations that the methods utilised were sufficiently robust to enable an assessment for the Group;
- We performed additional stress testing, under alternative assumptions to those utilised in the directors' assessment, in order to identify what factors would lead to the Group utilizing all liquidity or breaching the leverage covenant during the going concern period. As part of this review we considered any mitigating factors that are within the control of the Group, including review of the Group's non-operating cash outflows and consideration of the Group's ability to control these outflows as mitigating actions, if required. We also considered credit facilities available to the Group; and
- We read the Group's going concern disclosures included in the financial statements in order to assess that the disclosures were appropriate and in conformity with financial reporting standards.

Conclusion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition – non-standard journal entries posted to increase revenues during the consolidation process at Corporate (2023: total revenues of $4,958 million, 2022: $4,585 million) Refer to Directors report on page 21 and the Accounting policies in Note 1 to the Consolidated Financial Statements. The Group's revenues are disaggregated into various types of contracts associated with product and service revenues across four reportable business segments and numerous geographical areas. Further, revenues can be recognized through posting non-standard journal entries during the consolidation process at Corporate. Auditing the non-standard journal entries posted to increase revenues during the consolidation process at Corporate was a matter that, in our professional judgement, was of significance in our audit of the financial statements and was a significant assessed risk of material misstatement.	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Group's process to recognize revenues including the controls over non-standard journal entries recorded by management and others during the consolidation process at Corporate. We also involved our IT specialists to test the design and operational effectiveness of the IT processes, the application controls, and the data and reports used in performing the IT dependent controls associated with recording non-standard journal entries during the consolidation process at Corporate. Our audit procedures also included, among others, evaluating the completeness of the population of entries recorded to revenue and performing a test of detail with regard to certain transactions. Such procedures included testing all non-routine transactions recorded to revenues during the consolidation process at Corporate and testing a sample of routine and non-routine transactions recorded to revenues outside of the consolidation process at Corporate to evaluate their propriety by inspecting the corroborating supporting documentation. We also evaluated the completeness and accuracy of the Group's revenue recognition disclosures included in Notes 1 and 16 to the consolidated financial statements.	Our observations included a summary of our audit procedures over revenue recognition including non-standard journal entries posted to revenue during the consolidation process, our consideration of the Group's revenue recognition policies and the related disclosures in the financial statements.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Auditing management's analysis of tax positions related to the lack of deemed dividend inclusions and associated withholding tax that are subject to the more-likely-than-not recognition threshold Refer to the Accounting policies (Note 1); and Note 10 to the Consolidated Financial Statements. The Group operates in a complex multinational tax environment and is subject to on-going changes in tax laws. The measurement of income tax positions in a multinational tax environment is complex, judgmental and based on interpretations of tax laws. As discussed in Note 10 to the consolidated financial statements, the Company received two notices of proposed tax adjustments from the U.S. Internal Revenue Service (the "IRS") regarding deemed dividend inclusions and associated withholding tax for fiscal year 2018. The IRS adjustments would result in a cumulative tax liability of approximately $50 million. The Company believes it is more-likely-than-not that they will be able to sustain the tax benefit recognized in the U.S. and appropriately has not recorded a liability for an uncertain tax position related to this matter. Auditing management's analysis of tax positions related to the lack of deemed dividend inclusions and associated withholding tax was challenging as the analysis is highly judgmental due to complex interpretations of tax laws and legal rulings. This tax position must be evaluated, and there may be uncertainties around initial recognition and de-recognition of tax positions, including regulatory changes, litigation and examination activity.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting process for uncertain tax positions. For example, we tested controls over management's identification of uncertain tax positions and its application of the recognition and measurement principles, including management's review of the facts and circumstances and the corresponding tax laws relied upon to conclude that it is currently more-likely-than-not that they will realize the benefit recorded. Our audit procedures included, among others, involving income tax subject matter professionals to assess the technical merits of the Company's tax positions related to the deemed dividend inclusions and associated withholding tax. We assessed the Company's correspondence with the relevant tax authorities and evaluated income tax opinions and other third-party advice obtained by the Company. We analyzed the Company's assumptions and data used to determine the amount of tax benefit to recognize and we tested the accuracy of the calculations performed. We also evaluated the completeness and accuracy of the Company's income tax disclosures included in Note 10 to the consolidated financial statements in relation to these matters.	Our observations included a summary of our audit procedures over income tax related accounts. We also communicated our consideration of the Group's related accounting policies and disclosures in the financial statements.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Goodwill impairment assessment of the Dental Reporting Unit Refer to the Accounting policies (Note 1); and Note 3 to the Consolidated Financial Statements. Management tests goodwill for impairment at least annually in the third quarter at the reporting unit level, or when evidence of potential impairment exists. This requires management to estimate the fair value of the reporting units with goodwill allocated to them. As a result of the deteriorating macroeconomic conditions including rising interest rates and inflationary pressures on material and labor costs, as well as uncertainty regarding the impact such economic strains will have on patient and customer behavior in the short-term, management performed an interim discounted cash flow analysis for the Dental reporting unit as of 30 September 2022. Consequently, management determined that the estimated fair value of the Company's Dental reporting no longer exceeded it's carrying value. Management recognized a goodwill impairment charge of $490.6 million and the Company has no remaining goodwill associated to the Dental reporting unit. Auditing management's quantitative impairment test for the Dental reporting unit goodwill was complex and judgmental due to the significant estimation uncertainty in the Company's determination of the fair value of the reporting unit using the income approach. The significant estimation uncertainty was primarily due to the sensitivity of the fair value to underlying assumptions including forecasted revenue growth rates, forecasted profit margins, and the discount rate. Elements of these significant assumptions are forward looking and could be affected by future economic and market conditions.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill impairment review process. For example, we tested controls over the estimation of the fair values of the reporting unit, including the Company's controls over the valuation model, the mathematical accuracy of the valuation model and development of underlying assumptions used to estimate fair value of the reporting unit. To test the estimated fair values of the reporting unit, our audit procedures included, among others, assessing the valuation methodology and the underlying data used by the Company in its analysis, including testing the significant assumptions discussed above. We compared the significant assumptions used by management to current industry and economic trends, changes to the Company's business model and other relevant factors. We assessed the historical accuracy of management's assumptions of future expected net cash flows and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the assumptions. We involved valuation specialists to assist in our evaluation of the valuation methodology and the significant assumptions, including the discount rate used in determining the fair value of the reporting unit.	Our observations included our assessment of management's impairment model methodology and conclusion on the estimated fair value of reporting units. We also communicated our consideration of the Group's related accounting policies and disclosures in the financial statements.

In the prior year a further key audit matter was identified, being "Auditing the valuation of customer relationships intangible asset related to the Cantel acquisition". This matter was identified as a key audit matter in the prior year as the Company had performed a preliminary valuation of the customer relationships acquired as part of the Cantel acquisition. The purchase accounting assessment was finalised in the current year, with no significant changes in the valuation of acquired customer relationships, and therefore the related key audit matter is no longer relevant.

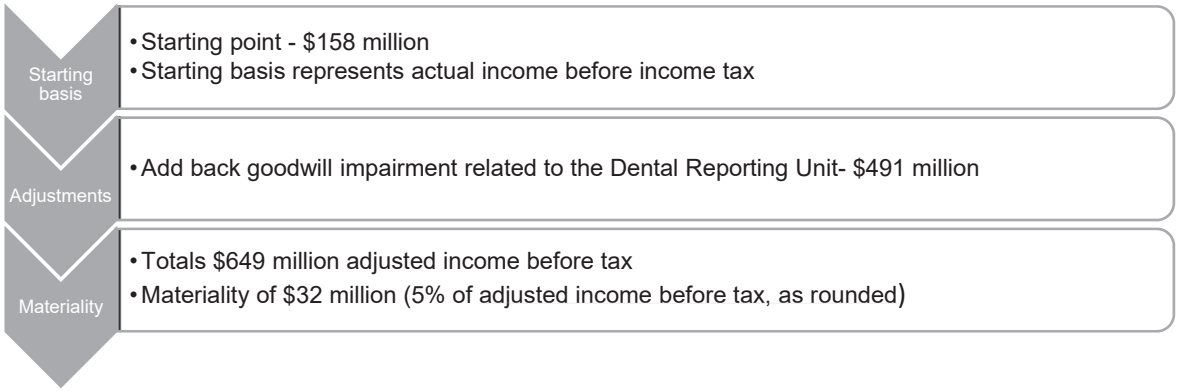
Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be $32 million (2022: $31 million), which is approximately 5% of the Group income before income tax expense adjusted for non-recurring items (2022: 5% of Group income before income tax expense adjusted for non-recurring items). We believe that income before income tax expense adjusted for non-recurring items is a key performance indicator for the Group. We therefore considered income before income tax expense adjusted for non-recurring items to be the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant performance measure to the main stakeholders of the Group.



Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality should be set at 75% (2022: 75%) of our planning materiality, namely $24 million (2022: $23 million). We have set performance materiality at this percentage due to the past history of a low number of misstatements, our ability to assess the likelihood of misstatements, both corrected and uncorrected, the effectiveness of the control environment and other factors affecting the entity and its financial reporting.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was $5.2 million to $24 million (2022: $5.2 million to $23 million).

Reporting threshold

Reporting Threshold is the amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $1.6 million (2022: $1.5 million), which is set at approximately 5% (2022: 5%) of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit report

Audit scope

We performed an audit of the complete financial information of 2 (2022: 2) full scope components and performed audit procedures on specific balances for a further 12 (2022: 15) components.

The components where we performed either full or specific audit procedures accounted for 93% (2022: 88%) of the Group's income before income tax expense adjusted for non-recurring items, 74% (2022: 71%) of the Group's Revenue and 90% (2022: 93%) of the Group's Total Assets.

'Components' represent business units across the Group considered for audit scoping purposes.

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the Consolidated Financial Statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in business environment and other factors when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 247 (2022: 294) reporting components of the Group, we selected 22 (2022: 25) components covering entities across the United States of America, the United Kingdom, Canada and Malaysia, which represent the principal business units within the Group.

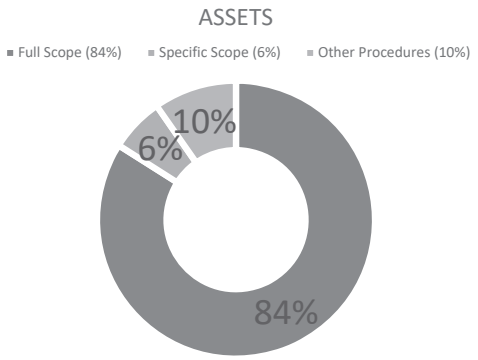
For 14 (2022: 17) components selected, we performed an audit of the complete financial information of 2 (2022: 2) components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 12 (2022: 15) components ("specific scope components"), we performed audit procedures on specific accounts within those components that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

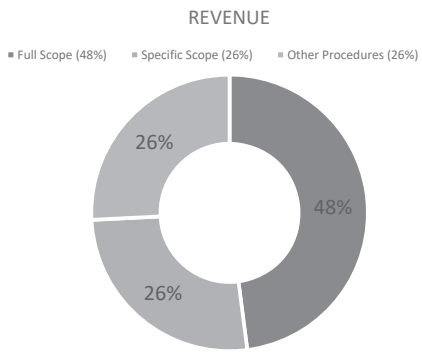
The reporting components where we performed audit procedures accounted for 93% (2022: 88%) of the Group's income before income tax expense adjusted for non-recurring items, 74% (2022: 71%) of the Group's revenue and 90% (2022: 93%) of the Group's total assets.

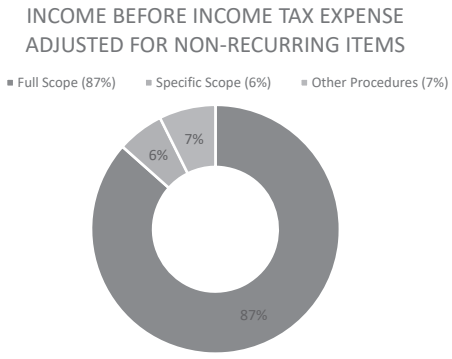
For the current year, the full scope components contributed 87% (2022: 46%) of the Group's income before income tax expense adjusted for non-recurring items, 48% (2022: 38%) of the Group's revenue and 84% (2022: 82%) of the Group's total assets. The specific scope components contributed 6% (2022: 42%) of the Group's income before income tax expense adjusted for non-recurring items, 26% (2022: 33%) of the Group's revenue and 6% (2022: 11%) of the Group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

The remaining components together represent 7% (2022: 12%) of the Group's income before income tax expense adjusted for non-recurring items, none are individually greater than 5% (2022: 5%) of the Group's income before income tax expense adjusted for non-recurring items. Included within the remaining components are 8 (2022: 8) components selected for specified procedures over certain accounts, such as inventory and cash. For these remaining components, we have evaluated the existence and effectiveness of group wide controls at a consolidated level over the preparation of the component financial information, including a number of monitoring and review controls which assess the overall performance of the group. Further to this we performed other procedures at a consolidated level, including gross margin analytical review, testing of consolidation journals, intercompany elimination and foreign currency translation recalculations to respond to potential risks of material misstatement to the group financial statements.

The charts below illustrate the coverage obtained from the work performed by our component audit teams.







Involvement with component teams

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. For all components we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the group as a whole. The primary team interacted with component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at a group level, gave us appropriate evidence for our opinion on the consolidated financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Consolidated Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit:

- the information given in the directors' report, other than those parts dealing with the non-financial statement pursuant to the requirements of the European Union (Disclosure of non-financial and diversity Information by certain large undertakings and groups) Regulations 2017 (as amended) on which we are not required to report, for the financial year for which the statutory financial statements are prepared, is consistent with the statutory financial statements in respect of the financial year concerned; and

- the directors' report, other than those parts dealing with the non-financial statement pursuant to the requirements of the European Union (Disclosure of non-financial and diversity Information by certain large undertakings and groups) Regulations 2017 (as amended) on which we are not required to report, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Parent Company were sufficient to permit the financial statements to be readily and properly audited and the Parent Company Balance Sheet is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312, which relate to disclosures of directors' remuneration and transaction, are not complied with by the Company. We have nothing to report in this regard.

We have nothing to report in respect of section 13 of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended), which require us to report to you if, in our opinion, the Company has not provided in the non-financial statement the information required by Section 5(2) to (7) of those Regulations, in respect of year ended 31 March 2022.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 40 and 41, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud, that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional

misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedure will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group across the various jurisdictions globally in which the Group operates. We determined that the most significant are those that relate to the form and content of external financial and corporate governance reporting including company law, tax legislation, employment law and regulatory compliance with agencies such as the U.S. Food and Drug Administration

- We understood how STERIS plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the General Counsel. We corroborated our enquiries through our review of the Group's Compliance Policies, board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies

- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management, including within various parts of the business, to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential for management to influence earnings or the perceptions of analysts. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error

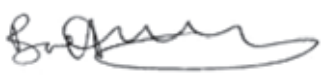
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included a review of board minutes to identify any non-compliance with laws and regulations, a review of the reporting to the Audit Committee on compliance with regulations, enquiries of internal and external legal counsel and management

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Parent Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Breffni Maguire
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm
Dublin
2 June 2023

CONSOLIDATED PROFIT AND LOSS ACCOUNT
(in thousands, except per share amounts)

Years ended March 31,	Note	2023	2022
Revenues:			
Product	16	**$ 2,785,327**	$ 2,556,281
Service	16	**2,172,512**	2,028,783
Total revenues	16	**4,957,839**	4,585,064
Cost of revenues:			
Product		**1,513,970**	1,419,925
Service		**1,284,177**	1,148,777
Total cost of revenues		**2,798,147**	2,568,702
Gross profit		**2,159,692**	2,016,362
Operating expenses:			
Selling, general, and administrative		**1,298,943**	1,503,626
Net gain on divestitures	2	**(67)**	(874)
Goodwill impairment loss		**490,565**	—
Research and development		**101,581**	87,944
Restructuring expenses		**485**	48
Total operating expenses		**1,891,507**	1,590,744
Income from operations		**268,185**	425,618
Non-operating expenses, net:			
Interest expense		**107,989**	89,593
Fair value adjustment related to convertible debt, premium liability		**—**	27,806
Interest income and miscellaneous expense (income)		**2,848**	(6,284)
Total non-operating expenses, net		**110,837**	111,115
Income before income tax expense		**157,348**	314,503
Income tax expense	10	**51,535**	71,633
Net income		**105,813**	242,870
Less: Net loss attributable to noncontrolling interests		**(1,217)**	(1,018)
Net income attributable to shareholders		**$ 107,030**	$ 243,888
Net income per share attributable to ordinary shareholders			
Basic		**$ 1.07**	$ 2.50
Diluted		**$ 1.07**	$ 2.48
Weighted Average number of ordinary shares outstanding			
Basic	11	**99,706**	97,535
Diluted	11	**100,246**	98,326
Cash dividends declared per ordinary share outstanding	11	**$ 1.84**	$ 1.69

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME
(in thousands)

Years ended March 31,	Note	2023	2022
Net income		**$ 105,813**	$ 242,870
Less: Net loss attributable to noncontrolling interests		**(1,217)**	(1,018)
Net income attributable to shareholders		**$ 107,030**	$ 243,888
Other comprehensive (loss) income			
Pension and postretirement benefit plan changes (net of taxes of $521 and , $507 respectively)	12	**(1,264)**	6,795
Change in cumulative foreign currency translation adjustment	12	**(109,638)**	(155,360)
Total other comprehensive loss attributable to shareholders		**(110,902)**	(148,565)
Comprehensive (loss) income attributable to shareholders		**$ (3,872)**	$ 95,323

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS
(in thousands)

March 31,	Note	2023	2022
ASSETS			
Fixed Assets			
Intangible Assets - Goodwill	3	**$ 3,879,219**	$ 4,404,343
Intangible Assets - Other, net	3	**2,955,780**	3,328,537
Tangible Assets - Property, plant and equipment, net	4	**1,705,512**	1,552,576
Operating lease assets	9	**191,741**	188,480
Financial Assets - Other loans		**1,500**	8,129
Current Assets			
Inventory	5	**695,493**	574,999
Debtors	6	**1,175,102**	1,007,418
Investments	14	**9,135**	10,792
Cash		**208,357**	348,320
TOTAL ASSETS		**$ 10,821,839**	$ 11,423,594
LIABILITIES			
Shareholders' Equity	11		
Ordinary shares, with $0.001 par value; 500,000 shares authorized; 98,629 and 100,067 ordinary shares issued and outstanding, respectively		**$ 103**	$ 102
Share premium account		**2,763,003**	2,760,710
Capital redemption reserve		**483**	483
Share option and other reserves		**2,413,069**	2,374,586
Other reserves	12	**(320,710)**	(209,808)
Profit and loss account		**1,221,250**	1,606,283
Total Shareholders' Equity		**6,077,198**	6,532,356
Noncontrolling interests		**9,974**	12,281
Total Equity		**6,087,172**	6,544,637
Provisions for Liabilities			
Deferred income taxes	10	**617,538**	780,619
Retirement benefit obligations	17	**13,234**	13,768
Other provisions for liabilities	9	**72,929**	64,327
Creditors			
Debt	7	**3,078,655**	3,088,356
Creditors	8	**952,311**	931,887
Total for provision and creditors		**4,734,667**	4,878,957
TOTAL LIABILITIES		**$ 10,821,839**	$ 11,423,594

The accompanying notes are an integral part of the consolidated financial statements.

The financial statements were approved by the Audit Committee of the Board of Directors and the Board of Directors on June 2, 2023 and signed on its behalf by;

Mohsen M. Sohi
Chairman of the Board

Daniel A. Carestio
Director

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(in thousands, except per share amounts)	Called up share capital		Share premium	Capital redemption reserve	Share option and other reserves	Other reserves	Profit and loss account	Non-controlling Interest	Total Equity
	Shares	Amount							
Balance at March 31, 2020	84,924	$ 86	$ 34,731	$ 483	$ 2,273,101	$(235,463)	$ 1,332,424	$ 12,848	$ 3,418,210
Comprehensive income:									
Net income (loss)	—	—	—	—	—	—	397,400	(530)	396,870
Other comprehensive income	—	—	—	—	—	174,220	—	—	174,220
Repurchases of ordinary shares	(127)	—	—	—	—	—	(14,646)	—	(14,646)
Equity compensation programs and other	556	1	26,782	—	25,708	—	—	—	52,491
Dividends – $1.57 per ordinary share	—	—	—	—	—	—	(133,837)	—	(133,837)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	(4,179)	(4,179)
Contributions from noncontrolling interest holders								2,258	2,258
Other changes in noncontrolling interest holders	—	—	—	—	—	—	—	81	81
Balance at March 31, 2021	85,353	$ 87	$ 61,513	$ 483	$ 2,298,809	$ (61,243)	$ 1,581,341	$ 10,478	$ 3,891,468
Comprehensive income:									
Net income (loss)	—	—	—	—	—	—	243,888	(1,018)	242,870
Other comprehensive loss	—	—	—	—	—	(148,565)	—	—	(148,565)
Repurchases of ordinary shares	(353)	—	—	—	—	—	(55,777)	—	(55,777)
Equity compensation programs and other	770	1	9,894	—	57,604	—	—	—	67,499
Dividends – $1.69 per ordinary share	—	—	—	—	—	—	(163,169)	—	(163,169)
Issuance of shares for acquisition of Cantel Medical LLC("Cantel")	14,297	14	2,689,303	—	—	—	—	—	2,689,317
Consideration related to equity component of Cantel convertible debt	—	—	175,555	—	—	—	—	—	175,555
Consideration related to Cantel equity compensation programs	—	—	—	—	18,173	—	—	—	18,173
Reclassification to Cantel convertible debt, premium liability	—	—	(175,555)	—	—	—	—	—	(175,555)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	(997)	(997)
Contributions from noncontrolling interest holders	—	—	—	—	—	—	—	3,672	3,672
Other changes in noncontrolling interest holders	—	—	—	—	—	—	—	146	146
Balance at March 31, 2022	100,067	$ 102	$2,760,710	$ 483	$ 2,374,586	$(209,808)	$ 1,606,283	$ 12,281	$ 6,544,637
Comprehensive income:									
Net income (loss)	**—**	**—**	**—**	**—**	**—**	**—**	**107,030**	**(1,217)**	**105,813**
Other comprehensive loss	**—**	**—**	**—**	**—**	**—**	**(110,902)**	**—**	**—**	**(110,902)**
Repurchases of ordinary shares	**(1,642)**	**—**	**—**	**—**	**—**	**—**	**(308,565)**	**—**	**(308,565)**
Equity compensation programs and other	**204**	**1**	**2,293**	**—**	**38,483**	**—**	**—**	**—**	**40,777**
Dividends – $1.84 per ordinary share	**—**	**—**	**—**	**—**	**—**	**—**	**(183,498)**	**—**	**(183,498)**
Distributions to noncontrolling interest holders	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(794)**	**(794)**
Other changes in noncontrolling interest holders	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(296)**	**(296)**
Balance at March 31, 2023	**98,629**	**$ 103**	**$2,763,003**	**$ 483**	**$ 2,413,069**	**$(320,710)**	**$ 1,221,250**	**$ 9,974**	**$ 6,087,172**

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

Years Ended March 31,	2023	2022
Operating activities:		
Net income	**$ 105,813**	$ 242,870
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion, and amortization	**552,897**	553,104
Deferred income taxes	**(185,913)**	(106,620)
Share-based compensation expense	**38,951**	57,660
Loss on the disposal of property, plant, equipment, and intangibles, net	**22,193**	15,117
Gain on sale of businesses	**(67)**	(874)
Fair value adjustment related to convertible debt, premium liability	**—**	27,806
Amortization of inventory fair value adjustments	**7,363**	66,663
Goodwill impairment loss	**490,565**	—
Other items	**(24,832)**	(21,639)
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable, net	**(133,304)**	(51,969)
Inventories, net	**(123,921)**	(102,922)
Other current assets	**(24,086)**	7,126
Accounts payable	**53,342**	14,887
Accruals and other, net	**(22,054)**	(16,398)
Net cash provided by operating activities	**756,947**	684,811
Investing activities:		
Purchases of property, plant, equipment, and intangibles, net	**(361,969)**	(287,563)
Proceeds from the sale of property, plant, equipment, and intangibles	**14,587**	1,741
Proceeds from the sale of businesses	**6,624**	169,712
Acquisition of businesses, net of cash acquired	**(42,572)**	(550,449)
Net cash used in investing activities	**(383,330)**	(666,559)
Financing activities:		
Proceeds from issuance of senior public notes	**—**	1,350,000
Proceeds from term loans	**—**	650,000
Payments on term loans	**(156,875)**	(345,000)
Payments on long-term obligations	**(91,000)**	(721,284)
Payments on convertible debt	**—**	(371,361)
Proceeds (payments) under credit facilities, net	**241,657**	(190,174)
Deferred financing fees and debt issuance costs	**—**	(17,472)
Acquisition related deferred or contingent consideration	**(1,471)**	(32,679)
Repurchases of ordinary shares	**(308,565)**	(55,777)
Cash dividends paid to ordinary shareholders	**(183,498)**	(163,169)
Distributions to noncontrolling interest holders	**(794)**	(997)
Contributions from noncontrolling interest holders	**—**	3,672
Stock option and other equity transactions, net	**1,828**	10,071
Net cash (used in) provided by financing activities	**(498,718)**	115,830
Effect of exchange rate changes on cash and cash equivalents	**(14,862)**	(6,293)
(Decrease) increase in cash and cash equivalents	**(139,963)**	127,789
Cash and cash equivalents at beginning of period	**348,320**	220,531
Cash and cash equivalents at end of period	**$ 208,357**	$ 348,320

The accompanying notes are an integral part of the consolidated financial statements.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations. 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, life sciences and dental products and services. We offer our Customers a unique mix of innovative consumable products, such as detergents, endoscopy accessories, barrier products, and other products and services, including: equipment installation and maintenance, microbial reduction of medical devices, dental instruments and tools, instrument and scope repair, laboratory testing services, outsourced reprocessing, and capital equipment products, such as sterilizers and surgical tables, automated endoscope reprocessors, and connectivity solutions such as operating room (“OR”) integration.

We operate and report in four reportable business segments: Healthcare, Applied Sterilization Technologies, Life Sciences, and Dental. We describe our business segments in Note 16 titled, "Business Segment Information."

Our fiscal year ends on March 31. References in this Annual Report to a particular "year," "fiscal," "fiscal year," or "year-end" mean our fiscal year. The significant accounting policies applied in preparing the accompanying consolidated financial statements of the Company are summarized below.

Basis of Presentation. The consolidated financial statements of the Company have been prepared in accordance with Section 279 of the Companies Act 2014, which provides that a true and fair view of the assets, liabilities, financial position and profit or loss may be given by preparing the financial statements in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"), as defined in Section 279 (1) of the Companies Act 2014, to the extent that the use of those principles in the preparation of the consolidated financial statements does not contravene any provision of Part 6 of the Companies Act 2014.

These consolidated financial statements were prepared in accordance with Irish Company Law, to present to the shareholders of the Company and file with the Companies Registration Office in Ireland. Accordingly, these consolidated financial statements include presentation and additional disclosures required by the "Republic of Ireland's Companies Act, 2014" ("Companies Act") in addition to those disclosures required under U.S. GAAP. However, there are no material differences to be reconciled between the two financial statements.

The going concern assessment has been performed for a period of at least 12 months from the approval of the financial statements, examining the period up to 30 June 2024. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Terminology typically utilized in a set of U.S. GAAP financial statements has been retained for the benefit of those users of these financial statements who also access our Form 10-K U.S. GAAP financial statements, rather than utilizing the terminology set out under Irish Company Law. Accordingly, references to revenues, cost of revenues, interest income, interest expense, income tax expense, net income, property, plant and equipment, net, inventory and cash have the same meaning as references to turnover, cost of sales, other interest receivable and similar income, interest payable and similar charges, tax on profit on ordinary activities, profit on ordinary activities after taxation, tangible assets, stocks and cash at bank and in hand under Irish Company Law.

Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and notes. Actual results could differ from these estimates. STERIS does not have off-balance sheet arrangements or financings with unconsolidated entities. In the ordinary course of business, the Company leases certain real properties and equipment, as described in Note 4, titled "Property, Plant and Equipment".

STERIS's functional currency is United States Dollars (USD). The functional currency for most subsidiaries is their local currency. We translate our non-U.S. operations’ assets and liabilities denominated in foreign currencies into USD at current rates of exchange as of the balance sheet date and income and expense at the weighted average exchange rates. All resulting translation adjustments are recognized in Other Reserves.

Reconciliation to amounts reported in our annual report on Form 10-K filed with the United States Securities and Exchange Commission. These Consolidated Financial Statements are prepared using U.S. GAAP to the extent that the use of such principles does not contravene Irish Company Law. The Consolidated Financial Statements included in the annual report on Form 10-K as filed on May 26, 2023 with the United States Securities and Exchange Commission are prepared using U.S. GAAP. The primary differences between these financial statements and the Consolidated Financial Statements included on Form 10-K relate to the presentation format of the income statement and balance sheet

and the inclusion of certain additional disclosures. There are no material differences present that would require reconciliation between the two financial statements.

Principles of Consolidation. We use the consolidation method to report our investment in our subsidiaries. Therefore, the accompanying consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries. We eliminate intercompany accounts and transactions when we consolidate these accounts. Investments in equity of unconsolidated affiliates, over which the Company has significant influence, but not control, over the financial and operating polices, are accounted for primarily using the equity method. These investments are immaterial to the Company's consolidated financial statements.

Use of Estimates. We make certain estimates and assumptions when preparing financial statements according to U.S. GAAP that affect the reported amounts of assets and liabilities at the financial statement dates and the reported amounts of revenues and expenses during the periods presented. These estimates and assumptions involve judgments with respect to many factors that are difficult to predict and are beyond our control. Actual results could be materially different from these estimates. We revise the estimates and assumptions as new information becomes available.

Cash Equivalents and Supplemental Cash Flow Information. Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased. We invest our excess cash in short-term instruments including money market funds, money market deposit accounts, bank savings accounts, and time deposits with major banks and financial institutions. We select investments in accordance with the criteria established in our investment policy. Our investment policy specifies, among other things, maturity, credit quality and concentration restrictions with the objective of preserving capital and maintaining adequate liquidity.

Information supplementing our Consolidated Statements of Cash Flows is as follows:

Years Ended March 31,	2023	2022
Cash paid during the year for:		
Interest	**$ 108,470**	$ 84,696
Income taxes	**254,661**	138,382
Cash received during the year for income tax refunds	**2,315**	4,605

Revenue Recognition and Associated Liabilities. Revenue is recognized when obligations under the terms of the contract are satisfied and control of the promised products or services have transferred to the Customer. Revenues are measured at the amount of consideration that we expect to be paid in exchange for the products or services. Product revenue is recognized when control passes to the Customer, which is generally based on contract or shipping terms. Service revenue is recognized when the Customer benefits from the service, which occurs either upon completion of the service or as it is provided to the Customer. Our Customers include end users as well as dealers and distributors who market and sell our products. Our revenue is not contingent upon resale by the dealer or distributor, and we have no further obligations related to bringing about resale. Our standard return and restocking fee policies are applied to sales of products. Shipping and handling costs charged to Customers are included in Product revenues. The associated expenses are treated as fulfillment costs and are included in Cost of revenues. Revenues are reported net of sales and value-added taxes collected from Customers.

We have individual Customer contracts that offer discounted pricing. Dealers and distributors may be offered sales incentives in the form of rebates. We reduce revenue for discounts and estimated returns, rebates, and other similar allowances in the same period the related revenues are recorded. The reduction in revenue for these items is estimated based on historical experience and trend analysis to the extent that it is probable that a significant reversal of revenue will not occur. Estimated returns are recorded gross on the Consolidated Balance Sheets.

In transactions that contain multiple performance obligations, such as when products, maintenance services, and other services are combined, we recognize revenue as each product is delivered or service is provided to the Customer. We allocate the total arrangement consideration to each performance obligation based on its relative standalone selling price, which is the price for the product or service when it is sold separately.

Payment terms vary by the type and location of the Customer and the products or services offered. Generally, the time between when revenue is recognized and when payment is due is not significant. We do not evaluate whether the selling price contains a financing component for contracts that have a duration of less than one year.

We do not capitalize sales commissions as substantially all of our sales commission programs have an amortization period of one year or less.

Certain costs to fulfill a contract are capitalized and amortized over the term of the contract if they are recoverable, directly related to a contract and generate resources that we will use to fulfill the contract in the future. At March 31, 2023, assets related to costs to fulfill a contract were not material to our consolidated financial statements.

Refer to Note 16 titled, "Business Segment Information" for disaggregation of revenue.

Product Revenues

Product revenues consist of revenues generated from sales of consumables and capital equipment. These contracts are primarily based on a Customer's purchase order and may include a Distributor, Dealer or Group Purchasing Organization ("GPO") agreement. We recognize revenue for sales of product when control passes to the Customer, which generally occurs either when the products are shipped or when they are received by the Customer. Revenue related to capital equipment products is deferred until installation is complete if the capital equipment and installation are highly integrated and form a single performance obligation.

Service Revenues

Within our Healthcare and Life Sciences segments, service revenues include revenue generated from parts and labor associated with the maintenance, repair and installation of capital equipment. These contracts are primarily based on a Customer's purchase order and may include a Distributor, Dealer, or GPO agreement. For maintenance, repair and installation of capital equipment, revenue is recognized upon completion of the service. Healthcare service revenues also include outsourced reprocessing services and instrument repairs. Contracts for outsourced reprocessing services are primarily based on an agreement with a Customer, ranging in length from several months to 15 years. Outsourced reprocessing services revenue is recognized ratably over the contract term using a time-based input measure, adjusted for volume and other performance metrics, to the extent that it is probable that a significant reversal of revenue will not occur. Contracts for instrument repairs are primarily based on a Customer's purchase order, and the associated revenue is recognized upon completion of the repair.

We also offer preventive maintenance and separately priced extended warranty agreements to our Customers, which require us to maintain and repair our products over the duration of the contract. Generally, these contract terms are cancellable without penalty and range from one to five years. Amounts received under these Customer contracts are initially recorded as a service liability and are recognized as service revenue ratably over the contract term using a time-based input measure.

Within our Applied Sterilization Technologies segment, service revenues include contract sterilization and laboratory services. Sales contracts for contract sterilization and laboratory services are primarily based on a Customer's purchase order and associated Customer agreement and revenues are generally recognized upon completion of the service.

Contract Liabilities

Payments received from Customers are based on invoices or billing schedules as established in contracts with Customers. Deferred revenue is recorded when payment is received in advance of performance under the contract. Deferred revenue is recognized as revenue upon completion of the performance obligation, which generally occurs within one year. During fiscal 2023, we recognized revenue of $78,752 that was included in our contract liability balance at the beginning of the period. During fiscal 2022, we recognized revenue of $46,760 that was included in our contract liability balance at the beginning of the period.

Refer to Note 8 titled, "Creditors" for deferred revenue balances.

Service Liabilities

Payments received in advance of performance for cancellable preventive maintenance and separately priced extended warranty contracts are recorded as service liabilities. Service liabilities are recognized as revenue as performance is rendered under the contract.

Refer to Note 8 titled, "Creditors" for service liability balances.

Remaining Performance Obligations

Remaining performance obligations reflect only the performance obligations related to agreements for which we have a firm commitment from a Customer to purchase, and exclude variable consideration related to unsatisfied performance obligations. With regard to products, these remaining performance obligations include capital equipment and consumable orders which have not shipped. With regard to service, these remaining performance obligations primarily include installation, certification, and outsourced reprocessing services. As of March 31, 2023, the transaction price allocated to remaining

(amounts in thousands, except per share amounts and as noted)

performance obligations was approximately $1,553,461. We expect to recognize approximately 60% of the transaction price within one year and approximately 30% beyond one year. The remainder has yet to be scheduled for delivery.

Accounts Receivable. Accounts receivable are presented at their face amount, less allowances for sales returns and uncollectible accounts. Accounts receivable consist of amounts billed and currently due from Customers and amounts earned but unbilled. We generally obtain and perfect security interest in products sold in the United States when we have a concern with the Customer's risk profile.

We maintain an allowance for uncollectible accounts receivable for estimated losses in the collection of amounts owed by Customers. We estimate the allowance based on analyzing a number of factors, including amounts written off historically, Customer payment practices, and general economic conditions. We also analyze significant Customer accounts on a regular basis and record a specific allowance when we become aware of a specific Customer's inability to pay. As a result, the related accounts receivable are reduced to an amount that we reasonably believe is collectible.

We maintain an allowance for sales returns based upon known returns and estimated returns for both capital equipment and consumables. We estimate returns of capital equipment and consumables based upon recent historical experience.

Inventories, net. Inventories are stated at the lower of their cost and net realizable value determined by the first-in, first-out ("FIFO") cost method. Inventory costs include material, labor, and overhead.

We review inventory on an ongoing basis, considering factors such as deterioration, obsolescence, and other items. We record an allowance for estimated losses when the facts and circumstances indicate that particular inventories will not be usable. If future market conditions vary from those projected, and our estimates prove to be inaccurate, we may be required to write-down inventory values and record an adjustment to Cost of revenues.

Property, Plant, and Equipment. Our property, plant, and equipment consists of land and land improvements, buildings and leasehold improvements, machinery and equipment, information systems, radioisotope (cobalt-60), and construction in progress. Property, plant, and equipment are presented at cost less accumulated depreciation and depletion. We capitalize additions and improvements. Repairs and maintenance are charged to expense as they are incurred.

Land is not depreciated and construction in progress is not depreciated until placed in service. Depreciation of most assets is computed on the cost less the estimated salvage value by using the straight-line method over the estimated remaining useful lives. Depletion of radioisotope is computed using the annual decay factor of the material, which is similar to the sum-of-the-years-digits method.

We generally depreciate or deplete property, plant, and equipment over the useful lives presented in the following table:

Asset Type	Useful Life (years)
Land improvements	3-40
Buildings and leasehold improvements	2-50
Machinery and equipment	2-20
Information Systems	2-20
Radioisotope (cobalt-60)	20

When we sell, retire, or dispose of property, plant, and equipment, we remove the asset's cost and accumulated depreciation from our Consolidated Balance Sheet. We recognize the net gain or loss on the sale or disposition in the Consolidated Profit and Loss Account in the period when the transaction occurs.

Interest. We capitalize interest costs incurred during the construction of long-lived assets. We capitalized interest costs of $6,366 and $3,886 for the years ended March 31, 2023 and 2022, respectively. Total interest expense for the years ended March 31, 2023 and 2022 was $107,989 and $89,593, respectively.

Goodwill and Indefinite Life Intangible Assets. Irish Company Law requires that goodwill and indefinite-lived intangible assets be amortized over a period of time which does not exceed their useful lives. STERIS does not believe this presents a true and fair view because not all goodwill and intangible assets decline in value. In addition, since goodwill that does decline in value rarely does so on a straight-line basis, straight-line amortization of goodwill over an arbitrary period does not reflect the economic reality. Therefore, in order to present a true and fair view of the economic reality under U.S. GAAP, goodwill and certain other intangible assets are considered indefinite-lived and are not amortized; however, they are subjected to annual impairment testing. The Company is not able to determine the financial effect of the impact of non-amortization of goodwill nor is the pattern in which goodwill diminishes known.

We perform our annual impairment test for goodwill in the third quarter of each year. We may consider qualitative indicators of the fair value of a reporting unit when it is unlikely that a reporting unit has impaired goodwill. We may also utilize a discounted cash flow analysis that requires certain assumptions and estimates be made regarding market conditions and our future profitability. We review the book value compared to the fair value at the reporting unit level. We calculate the fair value of our reporting units based on the present value of estimated future cash flows. Management's judgment is necessary to evaluate the impact of operating and macroeconomic changes and to estimate future cash flows to measure fair value. Assumptions used in our impairment evaluations, such as forecasted growth rates and cost of capital, are consistent with internal projections, strategic plans, and operating plans. We believe such assumptions and estimates are also comparable to those that would be used by other marketplace participants.

Identifiable Intangible Assets. Our identifiable intangible assets include product technology rights, trademarks, licenses, non-compete agreements, and Customer and vendor relationships. We record these assets at cost, or when acquired as part of a business acquisition, at estimated fair value. Determining the fair value of identifiable intangible requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to forecasted revenue growth rates, forecasted profit margins, and Customer attrition rates, among other items. We generally amortize identifiable intangible assets over periods ranging from 5 to 20 years using the straight-line method. Our intangible assets also include indefinite lived assets including certain trademarks and tradenames that were acquired in connection with business combinations. These assets are tested at least annually for impairment.

Investments. Investments in marketable securities are stated at fair value and are included in Investments on the Consolidated Balance Sheets. Changes in the fair value of these investments are recorded in the Interest income and miscellaneous expense line of the Consolidated Profit and Loss Account.

Asset Impairment Losses. Property, plant, equipment, and identifiable intangible assets are reviewed for impairment when indicators of impairment exist and circumstances indicate that the carrying value of such assets may not be recoverable. Impaired assets are recorded at the lower of carrying value or estimated fair value. We monitor for such indicators on an ongoing basis and if an impairment exists, we record the loss in the Consolidated profit and Loss Account during that period.

Asset Retirement Obligations. We incur retirement obligations for certain assets. We record initial liabilities for the asset retirement obligations ("ARO") at fair value. Recognition of ARO includes: estimating the present value of a liability and offsetting asset, the subsequent accretion of that liability and depletion of the asset, and a periodic review of the ARO liability estimates and discount rates used in the analysis. We provide additional information about our asset retirement obligations in Note 4 titled, "Property, Plant and Equipment."

Acquisitions of Business. Assets acquired and liabilities assumed in a business combination are accounted for at fair value on the date of acquisition. Costs related to the acquisition are expensed as incurred.

Self-Insurance Liabilities. We record a liability for self-insured risks that we retain for general and product liabilities, workers' compensation, and automobile liabilities based on actuarial calculations. We use our historical loss experience and actuarial methods to calculate the liability. This liability includes estimates for both losses and incurred but not reported claims. We review the assumptions used to calculate the estimated liability at least annually to evaluate the adequacy of the amount recorded. We maintain insurance policies to cover losses greater than our estimated liability, which are subject to the terms and conditions of those policies. We are also self-insured for certain employee medical claims. We estimate a liability for incurred but not reported claims based upon recent claims experience.

Benefit Plans. We sponsor defined benefit pension plans. We also sponsor a post-retirement benefits plan for certain former employees. We determine our costs and obligations related to these plans by evaluating input from third-party professional advisers. These costs and obligations are affected by assumptions including the discount rate, expected long-term rate of return on plan assets, the annual rate of change in compensation for eligible employees, estimated changes in costs of healthcare benefits, and other factors. We review the assumptions used on an annual basis.

We recognize an asset for the overfunded status or a liability for the underfunded status of defined benefit pension and post-retirement benefits plans in our consolidated balance sheets. This amount is measured as the difference between the fair value of plan assets and the benefit obligation (the projected benefit obligation for pension plans and the accumulated post-retirement benefit obligation for other post-retirement benefit plans). Changes in the funded status of the plans are recorded in other comprehensive income in the year they occur. We measure plan assets and obligations as of the balance sheet date. We provide additional information about our pension and other post-retirement benefits plans in Note 17 titled, "Benefit Plans."

Fair Value of Financial Instruments. Except for long-term debt, our financial instruments are highly liquid or have short-term maturities. We provide additional information about the fair value of our financial instruments in Note 14 titled, "Fair Value Measurements."

Foreign Currency Translation. Most of our operations use their local currency as their functional currency. Financial statements of subsidiaries are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities and a weighted average exchange rate for each period for revenues, expenses, gains and losses. Translation adjustments for subsidiaries whose local currency is their functional currency are recorded as a component of accumulated other comprehensive income (loss) within equity. Transaction gains and losses resulting from fluctuations in currency exchange rates on transactions denominated in currencies other than the functional currency are recognized as incurred in the accompanying Consolidated Profit and Loss Account, except for certain intercompany balances designated as long-term in nature.

Forward and Swap Contracts. We enter into foreign currency forward contracts to hedge assets and liabilities denominated in foreign currencies, including intercompany transactions.We may also enter into commodity swap contracts to hedge price changes in nickel that impact raw materials included in our Cost of revenues. We may also hold forward foreign exchange contracts to hedge a portion of our expected non-U.S. dollar denominated earnings against our reporting currency, the U.S. dollar. We do not use derivative financial instruments for speculative purposes. These contracts are marked to market, with gains and losses recognized within Selling, general, and administrative expenses or Cost of revenues in the accompanying Consolidated Profit and Loss Account.

Warranty. Warranties are provided on the sale of certain of our products and services and an accrual for estimated future claims is recorded at the time revenue is recognized. We estimate warranty expense based primarily on historical warranty claim experience.

Shipping and Handling. We record shipping and handling costs in costs of revenues. Shipping and handling costs charged to Customers are recorded as revenues in the period the product revenues are recognized.

Advertising Expenses. Costs incurred for communicating, advertising and promoting our products are generally expensed when incurred as a component of Selling, general, and administrative expenses. We incurred $21,668, and $15,599 of advertising costs during the years ended March 31, 2023, and 2022, respectively.

Research and Development. We incur research and development costs associated with commercial products and expense these costs as incurred. If a Customer reimburses us for research and development costs, the costs are charged to the related contracts as costs of revenues.

Income Taxes. We defer income taxes for all temporary differences between pre-tax financial and taxable income and between the book and tax basis of assets and liabilities. We record valuation allowances to reduce net deferred tax assets to an amount that we expect will more-likely-than-not be realized. In making such a determination, we consider all available information, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies, and if applicable, any carryback claims that can be filed. In the event we were to determine that we would be able to realize our deferred income tax assets in the future in excess of their net recorded amount, we would make an adjustment to the valuation allowance which would reduce the provision for income taxes and the effective tax rate.

We evaluate uncertain tax positions in accordance with a two-step process. The first step is recognition: The determination of whether or not it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, we presume that the position will be examined by the appropriate tax authority and that the tax authority will have full knowledge of all relevant information. The second step is measurement: A tax position that meets the more-likely-than-not threshold is measured to determine the amount of benefit to recognize in the financial statements. The measurement process requires the determination of the range of possible settlement amounts and the probability of achieving each of the possible settlements. The tax position is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. No tax benefits are recognized for positions that do not meet the more-likely-than-not threshold. Tax positions that previously failed to meet the more-likely-than-not threshold are recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not recognition threshold are derecognized in the first subsequent financial reporting period in which the threshold is no longer met. We describe income taxes further in Note 10 titled, "Income Taxes."

(amounts in thousands, except per share amounts and as noted)

Share-Based Compensation. We describe share-based compensation in Note 15 titled, “Share-Based Compensation.” We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. We record liability awards at fair value each reporting period and the change in fair value is reflected as share-based compensation expense in our Consolidated Profit and Loss Accounts . The expense is classified as Cost of revenues, Selling, general, and administrative expenses or Research and development expenses in a manner consistent with the employee’s compensation and benefits. These costs are recognized in the Consolidated Profit and Loss Accounts over the period during which an employee is required to provide service in exchange for the award.

Restructuring. We recognize restructuring expenses as incurred. Asset impairment and accelerated depreciation expenses primarily relate to inventory write-downs for rationalized products and adjustments in the carrying value of the related facilities and machinery and equipment to their estimated fair value. In addition, the remaining useful lives of other property, plant, and equipment associated with the related operations are re-evaluated based on the respective restructuring plan, which may result in the acceleration of depreciation and amortization of certain assets.

Recently Issued Accounting Standards Impacting the Company

Recently Issued Accounting Standards Impacting the Company are presented in the following table:

Standard	Date of Issuance	Description	Date of Adoption	Effect on the financial statements or other significant matters
Standards that have been adopted in fiscal 2023.				
ASU 2021-08 "Business Combinations (Topic 805) Accounting for Contract Assets and Contract Liabilities from Contracts with Customers."	October 2021	The standard provides guidance to improve the accounting for acquired revenue contracts with Customers in a business combination by addressing diversity in practice and inconsistency related to the recognition of an acquired contract liability and payment terms and their effect on subsequent revenue recognized by the acquirer.	First Quarter Fiscal 2023	We adopted this standard effective April 1, 2022 with no material impact to our consolidated financial statements.
Standards that have not yet been adopted.				
ASU 2022-04 "Liabilities - Supplier Finance Programs (Subtopic 405-50) Disclosure of Supplier Finance Program Obligations	September 2022	The standard provides guidance to enhance the transparency of disclosures for entities that utilize supplier finance programs to include information about the key terms of the programs and present a rollforward of any obligations under the program where those obligations are presented in the balance sheet.	NA	We are in the process of evaluating the impact that the standard will have on our consolidated financial statements.

2. BUSINESS ACQUISITIONS AND DIVESTITURES

Fiscal 2023Acquisitions

During fiscal 2023, we completed several tuck-in acquisitions which continued to expand our product and service offerings in the Applied Sterilization Technologies and Healthcare segments. Total aggregate consideration was approximately $49,842, including potential contingent consideration of $7,269.

Purchase price allocations will be finalized within the measurement period not to exceed one year from closing.

Fiscal 2022 Acquisition of Cantel Medical LLC

On June 2, 2021, we acquired all outstanding equity interests in Cantel Medical LLC ("Cantel") through a U.S. subsidiary. Cantel, formerly headquartered in Little Falls, New Jersey, with approximately 3,700 employees, is a global provider of infection prevention products and services primarily to endoscopy and dental Customers.

We believe that the acquisition will strengthen STERIS's leadership in infection prevention by bringing together two complementary businesses able to offer a broader set of Customers a more diversified selection of infection prevention, endoscopy and sterilization products and services. Cantel's Dental business extended our business into a new Customer segment where there is an increasing focus on infection prevention protocols and processes. This business is reported as the Dental segment. The rest of Cantel was integrated into our existing Healthcare and Life Sciences segments. Additionally, the acquisition is expected to result in cost savings from optimizing global back-office infrastructure, leveraging best-demonstrated practices across locations and eliminating redundant public company costs.

Total Purchase Consideration

The total consideration for Cantel Common Stock and stock equivalents was $3,599,471. The consideration was comprised of the following:

(shares in thousands)		
Cash consideration $16.93 per Cantel share (42,816 shares)	**$**	**716,412**
Cash consideration for fractional shares		**14**
STERIS plc ordinary shares 14,297 shares at ($188.07 per share)		**2,689,317**
Consideration related to Cantel equity compensation programs		**18,173**
Consideration related to equity component of Cantel convertible debt		**175,555**
Total purchase consideration	**$**	**3,599,471**

In addition, STERIS assumed and repaid $721,284 of existing Cantel debt obligations and assumed Cantel's obligations associated with convertible senior notes issued on May 15, 2020, which is described in Note 7 titled, "Debt."

We funded the cash portion of the transaction consideration and repayment of a significant amount of Cantel's existing debt obligations with a portion of the proceeds from new debt, which is described in Note 7 titled, "Debt."

Fair Value of Assets Acquired and Liabilities Assumed

The acquisition of Cantel has been accounted for using the acquisition method of accounting which requires, among other things, the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. Acquisition accounting is dependent upon certain valuations and other studies. The process for estimating the fair values of identifiable intangible assets and certain tangible assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates.

Fair value estimates are based on a complex series of judgments about future events and uncertainties and rely heavily on estimates and assumptions. The judgments used to determine the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact our results of operations. Goodwill has been allocated to the Healthcare, Dental and Life Sciences segments. Goodwill is the excess of the consideration transferred over the net assets recognized and represents the expected revenue and cost synergies of the combined company and assembled workforce. Goodwill recognized as a result of the acquisition is not deductible for tax purposes.

During the second quarter of fiscal 2023, in connection with the preparation of our quarterly consolidated financial statements, we identified and recognized a goodwill impairment loss of $490,565 related to goodwill that arose with respect to assets acquired in the Cantel acquisition. For more information on the impairment loss, see Note 3 to our consolidated financial statements titled, "Goodwill and Intangible Assets."

(amounts in thousands, except per share amounts and as noted)

The table below presents the allocation of the purchase price to the net assets acquired based on the fair values at the acquisition date.

	March 31, 2022 (As Previously Reported)	Adjustments	Final
Cash	$ 169,073	$ —	**$ 169,073**
Accounts receivable	172,226	—	**172,226**
Inventory	249,221	—	**249,221**
Property, plant and equipment	267,360	(1,282)	**266,078**
Lease right-of-use assets	59,720	—	**59,720**
Other assets	72,864	—	**72,864**
Intangible assets	2,942,000	—	**2,942,000**
Goodwill	1,522,381	22,088	**1,544,469**
Total assets acquired	5,454,845	20,806	**5,475,651**
Convertible debt, par value	168,000	—	**168,000**
Other current liabilities	247,549	5,595	**253,144**
Long-term lease obligations	47,856	—	**47,856**
Deferred income taxes, net	670,685	15,211	**685,896**
Long-term indebtedness	721,284	—	**721,284**
Total liabilities assumed	1,855,374	20,806	**1,876,180**
Net assets acquired	$ 3,599,471	$ —	**$ 3,599,471**

Cantel Other Intangible Assets

The estimated fair values of identifiable intangible assets were prepared using income valuation methodologies, which require a forecast of expected future cash flows using either the relief-from-royalty method or the multi-period excess earnings method. The estimated useful lives are based on the historical experience of STERIS, available similar industry data and assumptions made by management.Values and useful lives are presented in the table below.

	Total	Useful Life
Customer relationships	**$ 2,278,000**	**9-10 years**
Trade names	**422,000**	**11 years**
Developed technology	**222,000**	**9 years**
Non-compete agreements	**20,000**	**2 years**
Total intangible assets acquired	**$ 2,942,000**	

Contingent liabilities assumed totaled $25,000 and were related to contingent consideration associated with a prior acquisition completed by Cantel. Payment was made in June 2021.

Actual and Pro Forma Impact

Our consolidated financial statements for fiscal 2022 include Cantel's results of operations from the date of acquisition on June 2, 2021 through March 31, 2022. Net sales and operating income attributable to Cantel from the date of acquisition and included in our consolidated financial statements for the fiscal year ended March 31, 2022 total $974,408 and $41,757, respectively.

The following unaudited pro forma information gives effect to our acquisition of Cantel as if the acquisition had occurred on April 1, 2020 and Cantel had been included in our consolidated results of operations for the fiscal year ended March 31, 2022.

	Fiscal Year Ended March 31, 2022 (unaudited)
Net revenues	**$ 4,790,161**
Net income from continuing operations	**449,382**

The historical consolidated financial information of STERIS and Cantel has been adjusted in the pro forma information to give effect to pro forma events that are directly attributable to the transaction and factually supportable. The unaudited pro forma results include adjustments to reflect the amortization of the inventory step-up and the incremental depreciation and amortization to be reported based on the latest draft of valuations of assets acquired. Adjustments to financing costs and income tax expense also were made to reflect the capital structure and anticipated effective tax rate of the combined entity. These pro forma amounts are not necessarily indicative of the results that would have been obtained if the acquisition had occurred as of the beginning of the period presented or that may occur in the future, and does not reflect future synergies, integration costs, or other such costs or savings.

Other Fiscal 2022 Acquisitions

In addition to the acquisition of Cantel, we completed three other tuck-in acquisitions during fiscal 2022, which continued to expand our product and service offerings in the Healthcare segment. Total aggregate consideration for these transactions was approximately $3,146, net of cash acquired and including deferred consideration of $50.

Fair Value of Assets Acquired and Liabilities Assumed

The table below summarizes the allocation of the purchase price to the net assets acquired based on fair values at the acquisition dates for our fiscal 2023 and 2022 acquisitions.

	Fiscal Year 2023[1]	**Fiscal Year 2022**
(dollars in thousands)	All Acquisitions	Other Acquisitions (Excluding Cantel)
Cash	**$ —**	**$ —**
Accounts receivable	**2,405**	**—**
Inventory	**12,342**	**—**
Property, plant and equipment	**2,131**	**—**
Lease right-of-use assets, net	**667**	**—**
Other assets	**177**	**—**
Intangible assets	**27,576**	**1,578**
Goodwill	**7,024**	**1,602**
Total assets	**52,322**	**3,180**
Current liabilities	**(2,007)**	**(34)**
Non-current liabilities	**(473)**	**—**
Total liabilities	**(2,480)**	**(34)**
Net assets	**$ 49,842**	**$ 3,146**

[1] Purchase price allocation is still preliminary as of March 31, 2023 for certain acquisitions, as valuations have not been finalized, pending further analyses of the significant drivers of fair value.

Goodwill is the excess of the consideration transferred over the net assets recognized and represents the expected revenue and cost synergies of the combined company and assembled workforce. The deductible portion of goodwill for tax purposes recognized as a result of the fiscal 2023 and fiscal 2022 acquisitions was $4,863 and $427,035, respectively.

Acquisition related transaction and integration costs totaled $24,196 and $205,788 for the fiscal years ended March 31, 2023 and 2022, respectively. Fiscal 2022 acquisition and integration expenses were primarily related to the acquisition of Cantel. These costs are included in Selling, general, and administrative expenses in the Consolidated Profit and Loss Account.

(amounts in thousands, except per share amounts and as noted)

Divestitures

Fiscal 2023

Divestitures. In April 2022, we entered into an Asset Purchase Agreement to sell certain assets of our Animal Health business to Veterinary Orthopedic Implants, LLC. We recorded net proceeds of $5,228 and recognized a pre-tax loss on the sale of $4,852 in the Selling, general, and administrative expenses line of the Consolidated Statements of Income. The business generated annual revenues of approximately $12,000.

Fiscal 2022

Divestitures. In December 2021, we entered into an Asset Purchase Agreement to sell our Renal Care business to Evoqua Water Technologies Corp., for cash consideration of approximately $196,000, subject to certain potential adjustments, including a customary working capital adjustment and contingent consideration of $12,300. We recognized a pre-tax gain on the sale of $4,919. The transaction closed on January 3, 2022. We acquired the Renal Care business as part of the Cantel transaction, which closed on June 2, 2021, and had been integrated into STERIS's Healthcare segment. The Renal Care business generated annual revenues of approximately $180,000. The proceeds from the sale received at closing were used to repay outstanding debt. During the third quarter of fiscal 2023, we received an additional $1,396 in working capital settlements related to the sale of this business.

3. GOODWILL AND INTANGIBLE ASSETS

Changes to the carrying amount of goodwill for the years ended March 31, 2023 and 2022 were as follows:

	Healthcare Segment	Applied Sterilization Technologies Segment	Life Sciences Segment	Dental	Total
Balance at March 31, 2021	1,384,763	1,492,239	149,047	—	3,026,049
Cantel goodwill acquired	1,019,332	—	30,356	472,693	1,522,381
Measurement period adjustments to acquired goodwill	(6,533)	(9,286)	—	—	(15,819)
Divestitures	(7,000)	—	—	—	(7,000)
Foreign currency translation adjustments and other	(63,732)	(50,095)	(115)	(7,326)	(121,268)
Balance at March 31, 2022	$ 2,326,830	$ 1,432,858	$ 179,288	$ 465,367	$ 4,404,343
Goodwill acquired	**6,221**	**803**	**—**	**—**	**7,024**
Measurement period adjustments to acquired goodwill	**(21,624)**	**—**	**3,147**	**40,565**	**22,088**
Impairment	**—**	**—**	**—**	**(490,565)**	**(490,565)**
Divestiture	**(2,358)**	**—**	**—**	**—**	**(2,358)**
Foreign currency translation adjustments and other	**(7,796)**	**(37,527)**	**(623)**	**(15,367)**	**(61,313)**
Balance at March 31, 2023	**$ 2,301,273**	**$ 1,396,134**	**$ 181,812**	**$ —**	**$ 3,879,219**

See Note 2 titled, "Business Acquisitions and Divestitures," for additional information regarding our recent business acquisitions and divestitures.

We evaluate the recoverability of recorded goodwill annually at the reporting unit level during the third fiscal quarter, or when evidence of potential impairment exists. The Company's reporting units are equivalent to the reportable operating segments.

In connection with the preparation of our second quarter consolidated financial statements, we considered the risk of impairment due to deteriorating macroeconomic conditions including rising interest rates and inflationary pressures on material and labor costs, as well as uncertainty regarding the impact such economic strains will have on patient and Customer behavior in the short-term. Our conclusion, based on the qualitative assessment of these factors, was that it was more likely than not that the goodwill allocated to the Dental segment as of September 30, 2022 was impaired.

Our quantitative analysis to measure the extent of goodwill impairment compared the estimated fair value to the carrying value of the Dental segment. The fair value is estimated as the present value of future cash flows. Future cash flow projections

(amounts in thousands, except per share amounts and as noted)

are consistent with those used in our forecasting and strategic planning processes. The determination of the discount rate requires judgement and assumptions to be developed about the weighted average cost of capital that market participants would employ in evaluating the current fair value of the business. The macroeconomic factors that triggered the interim review are also the drivers of the increase in the weighted average cost of capital assumption.

In connection with the preparation of our second quarter consolidated financial statements, we identified that the estimated fair value of the Dental segment was below the carrying value and recognized a non-cash goodwill impairment charge of $490,565. The impairment charge was recorded within "Goodwill impairment loss" in the Consolidated Statements of Income during the second quarter of fiscal 2023.

Our review as of the second quarter of fiscal 2023 did not indicate that impairment of goodwill was more likely than not for any of the remaining segments during the period. The annual goodwill impairment review was conducted in the third quarter of fiscal 2023 as planned. No additional goodwill impairment was identified during this review.

As a result of our annual impairment review of goodwill for fiscal year 2022, no indicators of impairment were identified.

Information regarding our intangible assets is as follows:

	2023		2022	
March 31,	Gross Carrying Amount [1]	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	**$ 3,099,544**	**$ 818,810**	$ 3,117,314	$ 539,845
Non-compete agreements	**23,486**	**21,535**	23,571	12,392
Patents and technology	**534,539**	**252,809**	518,714	211,822
Trademarks and tradenames	**468,729**	**111,158**	470,919	74,455
Supplier relationships	**54,800**	**21,006**	54,800	18,267
Total	**$ 4,181,098**	**$ 1,225,318**	$ 4,185,318	$ 856,781

(amounts in thousands, except per share amounts and as noted)

The table below contains additional information regarding our intangibles by category:

	Customer Relationships	Non-compete Agreements	Patents and Technology	Trademarks and Tradenames	Supplier Relationships	Total
March 31, 2021						
Cost	968,040	5,401	318,424	78,058	54,800	1,424,723
Accumulated amortization	291,802	4,169	171,952	42,867	15,527	526,317
Net book value	$ 676,238	$ 1,232	$ 146,472	$ 35,191	$ 39,273	$ 898,406
Cantel acquisition	$ 2,278,000	$ 20,000	$ 222,000	$ 422,000	$ —	$2,942,000
Additions and other acquisitions	318	—	5,769	—	—	6,087
Amortization expense	(275,728)	(8,611)	(42,790)	(38,829)	(2,740)	(368,698)
Renal divestiture	(75,333)	(1,417)	(12,157)	(26,515)	—	(115,422)
Translation and other	(26,026)	(25)	(12,402)	4,617	—	(33,836)
March 31, 2022						
Cost	3,117,314	23,571	518,714	470,919	54,800	4,185,318
Accumulated amortization	539,845	12,392	211,822	74,455	18,267	856,781
Net book value	$ 2,577,469	$ 11,179	$ 306,892	$ 396,464	$ 36,533	$3,328,537
Additions and acquisitions	**$ 3,225**	**$ —**	**$ 24,351**	**$ —**	**$ —**	**$ 27,576**
Amortization expense	**(285,120)**	**(9,339)**	**(42,058)**	**(40,496)**	**(2,739)**	**(379,752)**
Divestiture	**—**	**—**	**(770)**	**—**	**—**	**(770)**
Translation and other	**(14,840)**	**111**	**(6,685)**	**1,603**	**—**	**(19,811)**
March 31, 2023						
Cost	**3,099,544**	**23,486**	**534,539**	**468,729**	**54,800**	**4,181,098**
Accumulated amortization	**818,810**	**21,535**	**252,809**	**111,158**	**21,006**	**1,225,318**
Net book value	**$ 2,280,734**	**$ 1,951**	**$ 281,730**	**$ 357,571**	**$ 33,794**	**$2,955,780**

Certain trademarks and tradenames obtained as a result of business combinations are indefinite-lived assets. The approximate carrying value of these assets at March 31, 2023 and March 31, 2022 was $14,250. We evaluate our indefinite-lived intangible assets annually during the third quarter, or when evidence of potential impairment exists. No impairment was recognized for fiscal years 2023 or 2022.

Total amortization expense for intangible assets was $379,752 and $368,698 for the years ended March 31, 2023 and 2022, respectively. Based upon the current amount of intangible assets subject to amortization, the amortization expense for each of the five succeeding fiscal years is estimated to be as follows:

	2024	2025	2026	2027	2028
Estimated amortization expense	$ 369,358	$ 363,499	$ 354,672	$ 348,506	$ 343,510

The estimated annual amortization expense presented in the preceding table has been calculated based upon March 31, 2023 currency exchange rates.

(amounts in thousands, except per share amounts and as noted)

4. PROPERTY, PLANT, AND EQUIPMENT, NET

Information related to the major categories of our depreciable assets is as follows:

March 31,	2023	2022
Land and land improvements [1]	**$ 84,313**	$ 84,015
Buildings and leasehold improvements	**691,933**	654,851
Machinery and equipment	**994,188**	903,649
Information systems	**247,873**	222,620
Radioisotope	**637,920**	597,641
Construction in progress [1]	**478,316**	356,013
Total property, plant, and equipment	**3,134,543**	2,818,789
Less: accumulated depreciation and depletion	**(1,429,031)**	(1,266,213)
Property, plant, and equipment, net	**$ 1,705,512**	$ 1,552,576

[1] Land is not depreciated. Construction in progress is not depreciated until placed in service.

The table below contains additional information regarding our property, plant and equipment by category:

	Land and Land Improvements	Building and Leasehold Improvements	Machinery and Equipment	Information Systems	Radioisotope	Construction in Progress	Total
March 31, 2021							
Cost	69,477	567,132	779,044	193,222	565,681	211,381	2,385,937
Accumulated depreciation	8,583	218,038	443,754	149,597	330,565	—	1,150,537
Net book value	$ 60,894	$ 349,094	$ 335,290	$ 43,625	$ 235,116	$ 211,381	$ 1,235,400
Capital expenditures and transfers	626	16,216	88,057	8,060	44,566	130,038	287,563
Cantel acquisition	18,551	103,196	104,919	21,550	—	19,144	267,360
Divestitures	(979)	(4,137)	(15,012)	(160)	—	(372)	(20,660)
Depreciation expense	(601)	(37,451)	(81,544)	(20,577)	(44,233)	—	(184,406)
Retirements and disposals	(641)	(9,065)	(6,264)	(565)	—	(1,983)	(18,518)
Translation and other	(2,987)	118	3,376	(8,177)	(4,298)	(2,195)	(14,163)
March 31, 2022							
Cost	84,015	654,851	903,649	222,620	597,641	356,013	2,818,789
Accumulated depreciation	9,152	236,880	474,827	178,864	366,490	—	1,266,213
Net book value	$ 74,863	$ 417,971	$ 428,822	$ 43,756	$ 231,151	$ 356,013	$ 1,552,576
Capital expenditures and transfers	**10,946**	**38,678**	**97,881**	**18,953**	**43,161**	**152,350**	**361,969**
Acquisitions	**—**	**1,467**	**572**	**—**	**—**	**91**	**2,130**
Depreciation expense	**(504)**	**(37,367)**	**(76,367)**	**(18,515)**	**(40,392)**	**—**	**(173,145)**
Retirements and disposals	**(10,406)**	**(3,175)**	**(8,467)**	**(3,386)**	**—**	**(11,346)**	**(36,780)**
Translation and other	**(225)**	**2,377**	**2,141**	**6,518**	**6,743**	**(18,792)**	**(1,238)**
March 31, 2023							
Cost	**84,313**	**691,933**	**994,188**	**247,873**	**637,920**	**478,316**	**3,134,543**
Accumulated depreciation	**9,639**	**271,982**	**549,606**	**200,547**	**397,257**	**—**	**1,429,031**
Net book value	**$ 74,674**	**$ 419,951**	**$ 444,582**	**$ 47,326**	**$ 240,663**	**$ 478,316**	**$ 1,705,512**

As of March 31, 2023, we also had commitments of $194,505 for long term construction contracts.

(amounts in thousands, except per share amounts and as noted)

Depreciation and depletion expense were $173,145 and $184,406, for the years ended March 31, 2023 and 2022, respectively.

Asset Retirement Obligations

We provide contract sterilization services including Gamma irradiation which utilizes cobalt-60 in the form of cobalt pencils. We have incurred asset retirement obligations ("ARO") associated with the future disposal of these assets once depleted. Recognition of ARO includes: the present value of a liability and offsetting asset, the subsequent accretion of that liability and depletion of the asset, and the periodic review of the ARO liability estimates and discount rates used in the analysis.

The following table summarizes the activity in the liability for asset retirement obligations.

	Asset Retirement Obligations
Balance at March 31, 2021	$ 13,330
Liabilities incurred during the period	86
Liabilities settled during the period	(3)
Accretion expense and change in estimate	146
Foreign currency and other	(16)
Balance at March 31, 2022	$ 13,543
Liabilities incurred during the period	**86**
Liabilities settled during the period	**(625)**
Accretion expense and change in estimate	**104**
Foreign currency and other	**23**
Balance at March 31, 2023	**$ 13,131**

5. INVENTORY

Inventory consisted of the following:

March 31,	2023	2022
Raw materials	**$ 239,081**	$ 195,035
Work in process	**97,756**	76,021
Finished goods	**404,238**	334,880
Reserve for excess and obsolete inventory	**(45,582)**	(30,937)
Inventories, net	**$ 695,493**	$ 574,999

Replacement cost is approximately equal to the total value of inventory.

(amounts in thousands, except per share amounts and as noted)

6. DEBTORS

Debtors consisted of the following:

March 31,	2023	2022
Debtors		
Amounts falling due within one year:		
Accounts receivable, net	**$ 928,315**	$ 799,041
Prepaid expenses and other	**179,277**	156,637
	1,107,592	955,678
Amounts falling due after one year:		
Other debtors	**67,510**	51,740
Total Debtors	**$ 1,175,102**	$ 1,007,418

7. DEBT

Indebtedness as of March 31, 2023 and 2022 was as follows:

	March 31, 2023	March 31, 2022
Short-term debt		
Term loan, current portion	**$ 27,500**	$ 27,500
Delayed draw term loan, current portion	**32,500**	24,375
Private Placement Senior Notes	**—**	91,000
Total short-term debt	**$ 60,000**	$ 142,875
Long-term debt		
Private Placement Senior Notes	**$ 750,302**	$ 758,726
Revolving Credit Facility	**301,672**	58,908
Deferred financing costs	**(21,444)**	(25,278)
Term loan	**45,000**	177,500
Delayed draw term loan	**593,125**	625,625
Senior Public Notes	**1,350,000**	1,350,000
Total long-term debt	**$ 3,018,655**	$ 2,945,481
Total debt	**$ 3,078,655**	$ 3,088,356

On March 19, 2021, STERIS plc ("the Company"), STERIS Corporation, STERIS Limited (“Limited”), and STERIS Irish FinCo Unlimited Company ("FinCo", "STERIS Irish FinCo"), each as a borrower and guarantor, entered into a credit agreement with various financial institutions as lenders, and JPMorgan Chase Bank, N.A., as administrative agent (the “Revolving Credit Agreement”) providing for a $1,250,000 revolving credit facility (the “Revolver”), which replaced a prior revolving credit agreement.

The Revolver provides for revolving credit borrowings, swing line borrowings and letters of credit, with sublimits for swing line borrowings and letters of credit. The Revolver may be increased in specified circumstances by up to $625,000 in the discretion of the lenders. The Revolver matures on the date that is five years after March 19, 2021, and all unpaid borrowings, together with accrued and unpaid interest thereon, are repayable on that date. The Revolver bears interest from time to time, at either the Base Rate, the applicable Relevant Rate, or the applicable Adjusted Daily Simple RFR, as defined in and calculated under and as in effect from time to time under the Revolving Credit Agreement, plus the Applicable Margin, as defined in the Revolving Credit Agreement. The Applicable Margin is determined based on the Debt Rating of STERIS, as defined in the Credit Agreement. Interest on Base Rate Advances is payable quarterly in arrears, interest on Term Benchmark Advances is payable at the end of the relevant interest period therefor, but in no event less frequently than every three months, and interest on RFR Advances is payable monthly after the date of borrowing. Swingline borrowings bear interest at a rate to be agreed upon by the applicable swingline lender and the applicable borrower, subject to a cap in the case of swingline borrowings denominated in U.S. Dollars equal to the Base Rate plus the Applicable Margin for Base Rate Advances plus the Facility Fee. Advances may be extended in U.S. Dollars or in specified alternative currencies. In connection with the cessation of British Pound Sterling LIBOR and Swiss Franc LIBOR as of December 31, 2021, JPMorgan Chase Bank, N.A. as administrative agent, pursuant to authority contained in the Revolver, amended the Revolver on January 1, 2022 to make Benchmark Replacement Conforming Changes (as defined in the Revolver). The amendment concerns technical, administrative or operational changes related to borrowings in British Pounds Sterling and Swiss Francs.

As of March 31, 2023 a total of $301,672 of Credit Agreement and Swing Line Facility borrowings were outstanding under the Credit Agreement, based on currency exchange rates as of March 31, 2023.

On March 19, 2021, the Company, STERIS Corporation, Limited, and FinCo, each as a borrower and guarantor, entered into a term loan agreement with various financial institutions as lenders, and JPMorgan Chase Bank, N.A., as administrative agent (the "Term Loan Agreement") providing for a $550,000 term loan facility (the "Term Loan"), which replaced an existing term loan agreement, dated as of November 18, 2020 (the "Existing Term Loan Agreement"). The proceeds of the Term Loan were used to refinance the Existing Term Loan Agreement.

The Term Loan matures on the date that is five years after March 19, 2021 (the "Term Loan Closing Date"). No principal payments are due on the Term Loan for the period beginning from the first full fiscal quarter ended after the Term Loan Closing Date to and including the fourth full fiscal quarter ended after the Term Loan Closing Date. For the period beginning from the fifth full fiscal quarter ended after the Term Loan Closing Date to and including the twelfth full fiscal quarter ended after the Term Loan Closing Date, quarterly principal payments, each in the amount of 1.25% of the original principal amount of the Term Loan, are due on the last business day of each fiscal quarter. For the period beginning from the thirteenth full fiscal quarter ended after the Term Loan Closing Date through the maturity of the loan, quarterly principal payments, each in the amount of 1.875% of the original principal amount of the Term Loan, are due on the last business day of each fiscal quarter. The remaining unpaid principal is due and payable on the maturity date.

The Term Loan bears interest from time to time, at either the Base Rate or the Adjusted Term SOFR Rate, as defined in and calculated under and as in effect from time to time under the Term Loan Agreement, plus the Applicable Margin, as defined in the Term Loan Agreement. The Applicable Margin is determined based on the Debt Rating of STERIS, as defined in the Term Loan Agreement. Interest on Base Rate Advances is payable quarterly in arrears and interest on Term Benchmark Advances is payable in arrears at the end of the relevant interest period therefor, but in no event less frequently than every three months.

Also on March 19, 2021, the Company, STERIS Corporation, Limited, and FinCo, each as a borrower and guarantor, entered into a delayed draw term loan agreement with various financial institutions as lenders, and JPMorgan Chase Bank, N.A., as administrative agent (the "Delayed Draw Term Loan Agreement") providing for a delayed draw term loan facility of up to $750,000 (the "Delayed Draw Term Loan") in connection with STERIS's acquisition of Cantel. During the first quarter of fiscal 2022, we borrowed $650,000 under our Delayed Draw Term Loan Agreement. The Delayed Draw Term Loan was funded by the lenders upon consummation of the Cantel acquisition (the "Acquisition Closing Date"). The proceeds of the Delayed Draw Term Loan were used, together with the proceeds from other new indebtedness, to fund the cash consideration for the acquisition, as well as for various other items.

The Delayed Draw Term Loan matures on the date that is five years after the Acquisition Closing Date. No principal payments are due on the Delayed Draw Term Loan for the period beginning from the first full fiscal quarter ended after the Acquisition Closing Date to and including the fourth full fiscal quarter ended after the Acquisition Closing Date. For the period beginning from the fifth full fiscal quarter ended after the Acquisition Closing Date to and including the twelfth full fiscal quarter ended after the Acquisition Closing Date, quarterly principal payments, each in the amount of 1.25% of the original principal amount of the Delayed Draw Term Loan, are due on the last business day of each fiscal quarter. For the period beginning from the thirteenth full fiscal quarter ended after the Acquisition Closing Date through the maturity of the loan, quarterly principal payments, each in the amount of 1.875% of the original principal amount of the Delayed Draw Term Loan, are due on the last business day of each fiscal quarter. The remaining unpaid principal is due and payable on the maturity date.

The Delayed Draw Term Loan bears interest from time to time, at either the Base Rate or the Adjusted Term SOFR Rate, as defined in and calculated under and as in effect from time to time under the Delayed Draw Term Loan Agreement, plus the Applicable Margin, as defined in the Delayed Draw Term Loan Agreement. The Applicable Margin is determined based on the Debt Rating of STERIS, as defined in the Delayed Draw Term Loan Agreement. Interest on Base Rate Advances is payable quarterly in arrears and interest on Term Benchmark Advances is payable in arrears at the end of the relevant interest period therefor, but in no event less frequently than every three months.

On May 3, 2023, in connection with the upcoming replacement of U.S. dollar LIBOR with SOFR, the Borrower, Guarantors, Lenders, and JPMorgan Chase Bank, N.A., each as defined in each of the agreements, amended the Revolving Credit Agreement, the Term Loan Agreement, and the Delayed Draw Term Loan Agreement. The amendments concern pricing, technical, administrative, and operational changes related to borrowings in U.S. dollars. The above descriptions reflect those amendments.

Senior Public Notes

On April 1, 2021, STERIS Irish FinCo Unlimited Company ("FinCo," "STERIS Irish FinCo," the "Issuer") completed an offering of $1,350,000 in aggregate principal amount, of its senior notes in two separate tranches: (i) $675,000 aggregate principal amount of the Issuer's 2.70% Senior Notes due 2031 (the "2031 Notes") and (ii) $675,000 aggregate principal amount of the Issuer's 3.750% Senior Notes due 2051 (the "2051 Notes" and, together with the 2031 Notes, the "Senior Public Notes"). The Senior Public Notes were issued pursuant to an Indenture, dated as of April 1, 2021 (the "Base Indenture"), among FinCo, and STERIS plc, STERIS Corporation and STERIS Limited (the "Guarantors") and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of April 1, 2021, among FinCo, the Guarantors and the Trustee (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"). Each of the Guarantors guaranteed the Senior Public Notes jointly and severally on a senior unsecured basis (the "Guarantees"). The 2031 Notes will mature on March 15, 2031 and the 2051 Notes will mature on March 15, 2051. The Senior Public Notes will bear interest at the rates set forth above. Interest on the Senior Public Notes is payable on March 15 and September 15 of each year, beginning on September 15, 2021, until their respective maturities.

Cantel's Convertible Debt

On May 15, 2020, Cantel issued $168,000 aggregate principal amount of 3.25% convertible senior notes due 2025 (the "Notes") in a private placement. The initial conversion price was $41.51 per share of Cantel common stock (based on an initial conversion rate of 24.0912 shares of Cantel common stock per one thousand dollars in principal amount of Notes) and was, along with the conversion rate, subject to adjustment if certain events occurred.

On June, 3, 2021, Cantel (a) delivered a notice to holders of its Notes pursuant to the indenture governing the Notes (as supplemented, the "Cantel Indenture"), notifying holders that, as a result of each of (i) the consummation of the series of mergers (the "Mergers") contemplated by the Agreement and Plan of Merger, dated as of January 12, 2021 (as amended by Amendment to Agreement and Plan of Merger, dated as of March 1, 2021), among Cantel, STERIS plc ("Parent"), Solar New US Holding Co, LLC (now known as Solar New US Holding Corporation) ("US Holdco"), an indirect and wholly owned subsidiary of Parent, and Crystal Merger Sub 1, LLC, a direct and wholly owned subsidiary of US Holdco, and (ii) the delisting of Cantel common stock from the New York Stock Exchange (the "NYSE"), a "Fundamental Change" and a "Make-Whole Fundamental Change," each as defined in the Cantel Indenture, had occurred effective as of June 2, 2021 and (b) commenced an offer to purchase any and all outstanding Notes as a result of the Fundamental Change.

A tender offer statement on Schedule TO ("Schedule TO") was filed by Cantel with the U.S. Securities and Exchange Commission ("SEC") with respect to the right of each holder (each, a "Holder") of the Notes to require Cantel to repurchase, at the Holder's option, 100% of the principal amount of the Notes, plus accrued and unpaid interest thereon to, but excluding the settlement date of July 6, 2021 (as such date was amended by Amendment No. 1 to Schedule TO ("Amendment No. 1"), dated June 29, 2021).

The offer to purchase the Notes expired at 11:59 p.m. New York City time, on July 1, 2021 (the "Expiration Time," as such date was amended by Amendment No. 1), and was not extended. Wells Fargo Bank, National Association, as paying agent and trustee under the Indenture (the "Cantel Trustee"), informed Cantel that as of the Expiration Time, none of the Notes had been validly tendered (and not properly withdrawn) for purchase.

Pursuant to the terms of the Cantel Indenture, in connection with the consummation of the Mergers, Cantel, Parent and the Cantel Trustee entered into a supplemental indenture providing that, following the Mergers, each holder's right to convert each one thousand dollar principal amount of Notes into shares of Cantel common stock was changed into a right to convert such principal amount of Notes into the kind and amount of cash, stock, other securities, other property or assets, subject to settlement method election provisions of the Indenture, that a holder of Cantel common stock was entitled to receive upon consummation of the Mergers. At the consummation of the Mergers, holders of Cantel common stock received $16.93 in cash and 0.33787 ordinary shares, par value $0.001 per share, of the Parent ("Parent Shares") for each share of Cantel common stock (each a "unit of Reference Property").

(amounts in thousands, except per share amounts and as noted)

Because each of the consummation of the Mergers and the delisting of Cantel common stock from the NYSE constituted a "Make-Whole Fundamental Change" under the Cantel Indenture, any Notes surrendered for conversion from and including June 2, 2021 until July 2, 2021 (the "Make-Whole Conversion Period") were subject to conversion at the conversion rate of 25.0843 units of Reference Property (the "Make-Whole Conversion Rate"), which corresponded to 8.4752 Parent Shares and approximately $424.68 in cash per one thousand dollars in principal amount of Cantel Notes. The Make-Whole Conversion Rate was based on an increase in the Conversion Rate by 0.9931 Additional Shares (as defined in the Indenture) based on a Make-Whole Effective Date of June 2, 2021 and a Stock Price (each as defined in the Indenture) of $81.3520. Cantel settled all conversions of Notes in connection with the Make-Whole Fundamental Changes that constituted the Mergers and delisting of Cantel common stock from the NYSE pursuant to the Cash Settlement provisions of the Cantel Indenture.

The Cantel Trustee, acting as conversion agent, informed Cantel that holders of 100% of the outstanding Notes elected to convert their Notes during the Make-Whole Conversion Period.

The fair value of the Notes exceeded their aggregate par value of $168,000 at the date of consummation of the Mergers. The fair value was estimated utilizing the closing price of Parent Shares on June 2, 2021. A premium of approximately $175,555 in excess of the aggregate par value of the Notes represented purchase consideration and was initially classified in additional paid-in capital in accordance with ASC 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)."

Because all Holders elected to convert during the Make-Whole Conversion Period, the aggregate par value outstanding was reclassified to current liabilities in the balance sheet. The premium initially recorded as additional paid in capital at the effective time of the Mergers was reclassified to "Convertible debt, premium liability," also classified as a current liability, and was settled in cash.

The final total Cash Settlement value of the Notes was approximately $371,361, comprised of the aggregate par value of $168,000 and the fair value of the liability representing the premium over par of approximately $203,361.

The liability representing the premium over par value increased between the effective date of the Mergers and settlement because of the movement in trading prices of Parent Shares during the Observation Periods. The fluctuation in fair value during such Observation Periods is reported in the Consolidated Profit and Loss Account as a component of "Non-operating expense, net."

Our outstanding Private Placement Senior Notes at March 31, 2023 and 2022 were as follows:

	Applicable Note Purchase Agreement	Maturity Date	U.S. Dollar Value at March 31, 2023	U.S. Dollar Value at March 31, 2022
$91,000 Senior notes at 3.20%	2012 Private Placement	December 2022	—	91,000
$80,000 Senior notes at 3.35%	2012 Private Placement	December 2024	**80,000**	80,000
$25,000 Senior notes at 3.55%	2012 Private Placement	December 2027	**25,000**	25,000
$125,000 Senior notes at 3.45%	2015 Private Placement	May 2025	**125,000**	125,000
$125,000 Senior notes at 3.55%	2015 Private Placement	May 2027	**125,000**	125,000
$100,000 Senior notes at 3.70%	2015 Private Placement	May 2030	**100,000**	100,000
$50,000 Senior notes at 3.93%	2017 Private Placement	February 2027	**50,000**	50,000
€60,000 Senior notes at 1.86%	2017 Private Placement	February 2027	**65,254**	66,815
$45,000 Senior notes at 4.03%	2017 Private Placement	February 2029	**45,000**	45,000
€20,000 Senior notes at 2.04%	2017 Private Placement	February 2029	**21,752**	22,271
£45,000 Senior notes at 3.04%	2017 Private Placement	February 2029	**55,579**	59,089
€19,000 Senior notes at 2.30%	2017 Private Placement	February 2032	**20,664**	21,158
£30,000 Senior notes at 3.17%	2017 Private Placement	February 2032	**37,053**	39,393
Total Senior Notes			**$ 750,302**	$ 849,726

On February 27, 2017, Limited issued and sold an aggregate principal amount of $95,000, €99,000, and £75,000, of senior notes in a private placement to certain institutional investors in an offering that was exempt from the registration requirements of the Securities Act of 1933. These notes have maturities of between 10 years and 15 years from the issue date. The agreement governing these notes contains leverage and interest coverage covenants.

(amounts in thousands, except per share amounts and as noted)

On May 15, 2015, STERIS Corporation issued and sold $350,000 of senior notes, in a private placement to certain institutional investors in an offering that was exempt from the registration requirements of the Securities Act of 1933. These notes have maturities of 10 years to 15 years from the issue date. The agreement governing these notes contains leverage and interest coverage covenants.

In December 2012, and in February 2013 STERIS Corporation issued and sold $200,000 of senior notes, in a private placement to certain institutional investors in offerings that were exempt from the registration requirements of the Securities Act of 1933. The agreement governing the notes contains leverage and interest coverage covenants.

The private placement note purchase agreements specify increases to the coupon interest rates while the ratio of Consolidated Total Debt to Consolidated EBITDA, as defined in the note purchase agreements, exceeds certain thresholds. Beginning September 1, 2021 and through March 31, 2023, the coupon rates on the 2012 private placement notes were increased by 0.50%.

On March 19, 2021, STERIS Corporation as issuer, and the Company, Limited and FinCo, as guarantors, entered into (1) a First Amendment to Amended and Restated Note Purchase Agreement dated March 5, 2019 (which had amended and restated certain note purchase agreements originally dated December 4, 2012) per the 2012 and 2013 senior notes (the "2012 Amendment"), and (2) a First Amendment to Amended and Restated Note Purchase Agreement dated March 5, 2019 (which had amended and restated certain note purchase agreements originally dated March 31, 2015) for the 2015 senior notes (the "2015 Amendment"). Also on March 19, 2021, Limited, as Issuer, and the Company, STERIS Corporation and FinCo, as guarantors, entered into a First Amendment to Amended and Restated Note Purchase Agreement dated March 5, 2019 (which had amended and restated a certain note purchase agreement originally dated January 23, 2017) for the 2017 senior notes (together with the 2012 Amendment and the 2015 Amendment, the "NPA Amendments"). The NPA Amendments provided, among other things, for the waiver of certain repurchase rights of the note holders and increased the size of certain baskets to more closely align with other current credit agreement baskets.

At March 31, 2023, we were in compliance with all financial covenants associated with our indebtedness.

The combined annual aggregate amount of maturities of our outstanding debt by fiscal year is as follows:

2024	$ 60,000
2025	165,938
2026	479,173
2027	614,942
2028 and thereafter	1,780,047
Total	$ 3,100,100

Interest expense for fiscal 2023 and fiscal 2022 consisted of the following:

March 31,	2023	2022
Bank debt	**$ 39,624**	$ 17,600
Non-bank debt	**68,365**	71,993
	$ 107,989	$ 89,593

The increase in interest expense during fiscal 2023, as compared to fiscal 2022, was primarily due to higher rates on floating rate debt.

(amounts in thousands, except per share amounts and as noted)

8. CREDITORS

Creditors consisted of the following:

March 31,	2023	2022
Creditors		
Amounts falling due within one year:		
Accounts payable	**$ 279,620**	$ 225,737
Compensation and related items	**48,565**	71,878
Accrued vacation/paid time off	**11,080**	13,669
Accrued bonuses	**33,605**	64,702
Accrued employee commissions	**29,257**	30,171
Accrued income taxes	**43,804**	26,873
Accrued other taxes	**8,984**	12,920
Deferred revenues	**92,283**	110,791
Service liabilities	**72,033**	51,365
Accrued dealer commissions	**31,096**	31,700
Lease obligations	**34,961**	36,472
Other	**85,441**	74,466
	770,729	750,744
Amounts falling due after one year:		
Accrued income taxes	**$ 10,082**	$ 12,225
Lease obligations	**160,493**	155,056
Other long term liabilities	**11,007**	13,862
	181,582	181,143
Total Creditors	**$ 952,311**	$ 931,887

9. OTHER PROVISIONS AND COMMITMENTS AND CONTINGENCIES

Other provisions are presented in the following table:

Description	March 31, 2023	March 31, 2022
Asset retirement obligation (Note 4)	**$ 13,131**	$ 13,543
Contingent consideration liabilities (Note 14)	**15,678**	10,550
Warranty obligations (Note 18)	**13,683**	14,108
Self-insured risk reserves (see below)	**30,437**	26,126
Total	**$ 72,929**	$ 64,327

(amounts in thousands, except per share amounts and as noted)

Activity in our Self-insured risk reserves is shown in the following table:

	Self- Insured Risk Reserves
Balance at March 31, 2021	$ 23,283
Utilization	(4,270)
Charges to costs and expenses	7,113
Balance at March 31, 2022	$ 26,126
Utilization	**(5,558)**
Charges to costs and expenses	**9,869**
Balance at March 31, 2023	**$ 30,437**

We are, and will likely continue to be, involved in a number of legal proceedings, government investigations, and claims, which we believe generally arise in the course of our business, given our size, history, complexity, and the nature of our business, products, Customers, regulatory environment, and industries in which we participate. These legal proceedings, investigations and claims generally involve a variety of legal theories and allegations, including, without limitation, personal injury (e.g., slip and falls, burns, vehicle accidents), product liability or regulation (e.g., based on product operation or claimed malfunction, failure to warn, failure to meet specification, or failure to comply with regulatory requirements), product exposure (e.g., claimed exposure to chemicals, gases, asbestos, contaminants, radiation), property damage (e.g., claimed damage due to leaking equipment, fire, vehicles, chemicals), commercial claims (e.g., breach of contract, economic loss, warranty, misrepresentation), financial (e.g., taxes, reporting), employment (e.g., wrongful termination, discrimination, benefits matters), and other claims for damage and relief.

We believe we have adequately reserved for our current litigation and claims that are probable and estimable, and further believe that the ultimate outcome of these pending lawsuits and claims will not have a material adverse effect on our consolidated financial position or results of operations taken as a whole. Due to their inherent uncertainty, however, there can be no assurance of the ultimate outcome or effect of current or future litigation, investigations, claims or other proceedings (including without limitation the matters discussed below). For certain types of claims, we presently maintain insurance coverage for personal injury and property damage and other liability coverages in amounts and with deductibles that we believe are prudent, but there can be no assurance that these coverages will be applicable or adequate to cover adverse outcomes of claims or legal proceedings against us.

Civil, criminal, regulatory or other proceedings involving our products or services could possibly result in judgments, settlements or administrative or judicial decrees requiring us, among other actions, to pay damages or fines or effect recalls, or be subject to other governmental, Customer or other third party claims or remedies, which could materially effect our business, performance, prospects, value, financial condition, and results of operations.

For additional information regarding these matters, see the risks and uncertainties described under the title "product and service related regulations and claims" section of this Annual Report.

From time to time, STERIS is also involved in legal proceedings as a plaintiff involving contract, patent protection, and other claims asserted by us. Gains, if any, from these proceedings are recognized when they are realized.

We are subject to taxation from United States federal, state and local, and foreign jurisdictions. Tax positions are settled primarily through the completion of audits within each individual jurisdiction or the closing of statutes of limitation. Changes in applicable tax law or other events may also require us to revise past estimates. We describe income taxes further in Note 10 to our consolidated financial statements titled, “Income Taxes”.

As of March 31, 2023 and 2022, our commercial commitments totaled $108,370 and $98,675, respectively. Commercial commitments include standby letters of credit, letters of credit required as security under our self-insured risk retention policies, and other potential cash outflows resulting from an event that requires payment by us. Approximately $8,036 and $13,900 of the March 31, 2023 and 2022 totals, respectively, relate to letters of credit required as security under our self-insured risk retention policies.

As of March 31, 2023, we had minimum purchase commitments with suppliers for raw material purchases totaling $57,221. As of March 31, 2023, we also had commitments of $194,505 for long term construction contracts.

(amounts in thousands, except per share amounts and as noted)

Leases

We lease manufacturing, warehouse and office space, service facilities, vehicles, equipment and communication systems. Certain leases contain options that provide us with the ability to extend the lease term. Such options are included in the lease term when it is reasonably certain that the option will be exercised. We made an accounting policy election to not recognize lease assets or lease liabilities for leases with a lease term of twelve months or less.

We determine if an agreement contains a lease and classify our leases as operating or finance at the lease commencement date. Finance leases are generally those leases for which we will pay substantially all the underlying asset's fair value or will use the asset for all or a major part of its economic life, including circumstances in which we will ultimately own the asset. Lease assets arising from finance leases are included in Property, plant and equipment, net and the liabilities are included in other liabilities. For finance leases, we recognize interest expense using the effective interest method and we recognize amortization expense on the lease asset over the shorter of the lease term or the useful life of the asset. Our finance leases are not material as of March 31, 2023 and for the twelve month period then ended.

Operating lease assets and liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. Lease assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. As most leases do not provide an implicit interest rate, we estimate an incremental borrowing rate to determine the present value of lease payments. Our estimated incremental borrowing rate reflects a secured rate based on recent debt issuances, our estimated credit rating, lease term, as well as publicly available data for instruments with similar characteristics. For operating leases, we recognize lease cost on a straight-line basis over the term of the lease. When accounting for leases, we combine payments for leased assets, related services and other components of a lease.

The components of operating lease expense are as follows:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Fixed operating lease expense	**$ 45,249**	$ 45,158
Variable operating lease expense	**21,486**	12,659
Total operating lease expense	**$ 66,735**	$ 57,817

Supplemental cash flow information related to operating leases is as follows:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Cash paid for amounts included in the measurement of operating lease liabilities	**$ 45,249**	$ 45,144
Right-of-use assets obtained in exchange for operating lease obligations, net	**$ 53,099**	$ 79,241

Maturities of lease liabilities at March 31, 2023 are as follows:

	March 31, 2023
2024	**$ 41,709**
2025	**33,584**
2026	**26,129**
2027	**19,659**
2028 and thereafter	**120,359**
Total operating lease payments	**241,440**
Less imputed interest	**45,986**
Total operating lease liabilities	**$ 195,454**

In the preceding table, the future minimum annual rentals payable under noncancelable leases denominated in foreign currencies have been calculated using March 31, 2023 foreign currency exchange rates.

(amounts in thousands, except per share amounts and as noted)

Supplemental information related to operating leases is as follows:

	March 31, 2023	March 31, 2022
Weighted-average remaining lease term of operating leases	**10.3 years**	9.6 years
Weighted-average discount rate of operating leases	**3.3 %**	3.4 %

	Operating Lease Assets
Balance at March 31, 2021	$ 150,142
Assets recognized for new leases	19,521
Acquired in Cantel acquisition	59,720
Amortization for the period	(38,538)
Other changes (terminations, modifications, impact of foreign currency)	(2,365)
Balance at March 31, 2022	$ 188,480
Assets recognized for new leases	**52,433**
Acquired in acquisitions	**667**
Amortization for the period	**(38,859)**
Other changes (terminations, modifications, impact of foreign currency)	**(10,980)**
Balance at March 31, 2023	**$ 191,741**

10. INCOME TAXES

Income from continuing operations before income taxes was as follows:

Years Ended March 31,	2023	2022
United States operations	**$ (16,759)**	$ 79,662
Ireland operations	**62,664**	88,078
Other locations operations	**111,443**	146,763
	$ 157,348	$ 314,503

(amounts in thousands, except per share amounts and as noted)

The components of the provision for income taxes related to income from continuing operations consisted of the following:

Years Ended March 31,	2023	2022
Current:		
United States federal	**$ 138,208**	$ 88,158
United States state and local	**33,234**	21,438
Ireland	**8,837**	12,002
Other locations	**61,446**	53,354
	241,725	174,952
Deferred:		
United States federal	**(114,523)**	(73,833)
United States state and local	**(50,530)**	(17,124)
Ireland	**(864)**	(739)
Other locations	**(24,273)**	(11,623)
	(190,190)	(103,319)
Total Provision for Income Taxes	**$ 51,535**	$ 71,633

The total provision for income taxes can be reconciled to the tax computed at the Ireland statutory tax rate as follows:

Years Ended March 31,	2023	2022
National statutory tax rate	**12.5 %**	12.5 %
(Decrease) increase in accruals for uncertain tax positions	**(0.1)%**	0.2 %
U.S. state and local taxes, net of federal income tax benefit	**(10.8)%**	1.4 %
(Decrease) increase in valuation allowances	**(0.1)%**	0.9 %
U.S. research and development credit	**(1.8)%**	(0.8)%
U.S. foreign income tax credit	**(1.2)%**	(1.1)%
Difference in non-Ireland tax rates	**8.6 %**	12.6 %
U.S. federal audit adjustments	**— %**	— %
Impairment of nondeductible goodwill	**29.0 %**	— %
Excess tax benefit for equity compensation	**(2.7)%**	(5.1)%
Tax rate changes on deferred tax assets and liabilities	**0.4 %**	2.3 %
U.S. tax reform impact, GILTI and FDII	**(1.3)%**	(0.9)%
Capitalized acquisition, redomiciliation costs	**— %**	1.8 %
All other, net	**0.3 %**	(1.0)%
Total Provision for Income Taxes	**32.8 %**	22.8 %

(amounts in thousands, except per share amounts and as noted)

Unrecognized Tax Benefits. We classify uncertain tax positions and related interest and penalties as long-term liabilities within "Creditors" in our accompanying Consolidated Balance Sheets. We recognize interest and penalties related to unrecognized tax benefits within "Income tax expense" in our accompanying Consolidated Profit and Loss Account.

A reconciliation of the beginning and ending balances of the total amounts of unrecognized tax benefits is as follows:

	2023	2022
Unrecognized Tax Benefits Balance at April 1	**$ 2,906**	$ 2,295
Increases for tax provisions of current year	**63**	—
Decreases for tax provisions of prior year	**—**	(135)
Balances related to acquired/disposed businesses	**(503)**	746
Other, including currency translation	**21**	—
Unrecognized Tax Benefits Balance at March 31	**$ 2,487**	$ 2,906

We recognized interest and penalties related to uncertain tax positions in the provision for income taxes. As of March 31, 2023 and 2022, we had $152 and $152 accrued for interest and penalties, respectively. If all unrecognized tax benefits were recognized, the net impact on the provision for income tax expense would be $2,640. The increase in unrecognized tax benefits from prior year is due to the additions of new positions. It is reasonably possible that during the next 12 months, there will be no material reductions in unrecognized tax benefits as a result of the expiration of various statutes of limitations or other matters.

We operate in numerous taxing jurisdictions and are subject to regular examinations by various United States federal, state and local, as well as foreign jurisdictions. We are no longer subject to United States federal examinations for years before fiscal 2018 and, with limited exceptions, we are no longer subject to United States state and local, or non-United States, income tax examinations by tax authorities for years before fiscal 2017. We remain subject to tax authority audits in various jurisdictions wherever we do business.

In the fourth quarter of fiscal 2021, we completed an appeals process with the U.S. Internal Revenue Service (the "IRS") regarding proposed audit adjustments related to deductibility of interest paid on intercompany debt for fiscal years 2016 through 2017. An agreement was reached on final interest rates, which also impacts subsequent years through 2020. We estimate the total federal, state, and local tax impact of the settlement to be approximately $12,000, for the fiscal years 2016 through 2020, of which approximately $7,500 has been paid through March 31, 2023.

In May 2021, we received two notices of proposed tax adjustment from the IRS regarding deemed dividend inclusions and associated withholding tax. The notices relate to the fiscal and calendar year 2018. The IRS adjustments would result in a cumulative tax liability of approximately $50,000. We are contesting the IRS's assertions. We have not established reserves related to these notices. An unfavorable outcome is not expected to have a material adverse impact on our consolidated financial position but it could be material to our consolidated results of operations and cash flows for any one period.

We estimate that the tax benefit from our Costa Rican Tax Holiday is $2,000 (or $0.02 per fully diluted share), annually. The Tax Holiday runs fully exempt from income tax through 2025, and partially exempt through 2029.

(amounts in thousands, except per share amounts and as noted)

Deferred Taxes. The significant components of the deferred tax assets and liabilities recorded in our accompanying balance sheets at March 31, 2023 and 2022 were as follows:

March 31,	2023	2022
Deferred Tax Assets:		
Post-retirement benefit accrual	**$ 1,737**	$ 2,086
Compensation	**15,858**	14,340
Net operating loss carryforwards	**37,667**	25,550
Accrued expenses	**13,150**	12,092
Insurance	**2,268**	2,561
Deferred income	**23,967**	20,688
Bad debt	**3,763**	2,187
Research & experimental expenditures	**15,382**	—
Operating leases [(1)]	**46,781**	44,401
Foreign tax credit carryforwards	**33,559**	36,036
Other	**11,701**	8,579
Deferred Tax Assets	**205,833**	168,520
Less: Valuation allowance	**20,315**	24,691
Total Deferred Tax Assets	**185,518**	143,829
Deferred Tax Liabilities:		
Depreciation and depletion	**98,601**	110,951
Operating leases [(1)]	**45,834**	43,593
Intangibles	**630,589**	755,980
Pension	**2,644**	2,004
Other	**3,186**	3,473
Total Deferred Tax Liabilities	**780,854**	916,001
Net Deferred Tax Assets (Liabilities)	**$ (595,336)**	$ (772,172)

(1) For more information regarding our operating leases, see Note 9 titled, "Other Provisions and Commitments and Contingencies."

At March 31, 2023, we had U.S. federal operating loss carryforwards of $9,407, which remain subject to a 20 year carryforward period. Additionally, we had non-U.S. operating loss carry forwards of $126,443. Although the majority of the non-U.S. carryforwards have indefinite expiration periods, those carryforwards that have definite expiration periods will expire if unused between fiscal years 2024 and 2044. In addition, we have recorded pre-valuation allowance tax benefits of $3,391 related to state operating loss carryforwards. If unused, these state operating loss carryforwards will expire between fiscal years 2024 and 2044. At March 31, 2023, we had $35,220 of pre-valuation allowance tax credit carryforwards of which $26,728 relates to offsets of deferred tax liabilities related to German branches of a U.S. subsidiary. These credit carryforwards can be used through fiscal 2033.

We review the need for a valuation allowance against our deferred tax assets. A valuation allowance of $20,315 has been applied to a portion of the net deferred tax assets because we do not believe it is more-likely-than-not that we will receive future benefit. The valuation allowance decreased during fiscal 2023 by $4,376.

Other than the tax expense previously recorded for the one-time transition tax on unremitted earnings of non-US subsidiaries, no additional provision has been made for income taxes on undistributed earnings of foreign subsidiaries as the Company’s position is that these amounts continue to be indefinitely reinvested. The amount of undistributed earnings of subsidiaries was approximately $1,915,000 at March 31, 2023. It is not practicable to estimate the additional income taxes and applicable withholding taxes that would be payable on the remittance of such undistributed earnings.

On October 8, 2021, the Organization for Economic Co-operation and Development ("OECD") announced the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting which agreed to a two-pillar solution to address tax challenges arising from digitalization of the economy. On December 20, 2021, the OECD released Pillar Two Model Rules defining the global

minimum tax, which calls for the taxation of large corporations at a minimum rate of 15%. The OECD continues to release additional guidance on the two-pillar framework with widespread implementation anticipated by 2024. We are continuing to evaluate the potential impact on future periods of the Pillar Two Framework, pending legislative adoption by individual countries. The legislation is anticipated to be effective for our fiscal year beginning April 1, 2024.

11. SHAREHOLDERS' EQUITY

Ordinary Shares

We calculate basic earnings per share based upon the weighted average number of shares outstanding. We calculate diluted earnings per share based upon the weighted average number of shares outstanding plus the dilutive effect of share equivalents calculated using the treasury stock method. The following is a summary of shares and share equivalents outstanding used in the calculations of basic and diluted earnings per share:

Years ended March 31,	2023	2022
Denominator (*shares in thousands*):		
Weighted average shares outstanding—basic	**99,706**	97,535
Dilutive effect of share equivalents	**540**	791
Weighted average shares outstanding and share equivalents—diluted	**100,246**	98,326

Options to purchase the following number of shares were outstanding but excluded from the computation of diluted earnings per share because the combined exercise prices, unamortized fair values, and assumed tax benefits upon exercise were greater than the average market price for the shares during the periods, so including these options would be anti-dilutive:

Years ended March 31,	2023	2022
Number of ordinary share options (*shares in thousands*)	**578**	243

Additional Authorized Shares

The Company has an additional authorized share capital of 50,000,000 preferred shares of $0.001 par value each, plus 25,000 deferred ordinary shares of €1.00 par value each, in order to satisfy minimum statutory capital requirements for all Irish public limited companies.

Repurchases of Shares

On May 7, 2019, our Board of Directors authorized a share repurchase program resulting in a share repurchase authorization of approximately $78,979 (net of taxes, fees and commissions). On July 30, 2019, our Board of Directors approved an increase in the May 7, 2019 authorization of an additional amount of $300,000 (net of taxes, fees and commissions). As of March 31, 2023, there was approximately $13,932 (net of taxes, fees and commissions) of remaining availability under the Board authorized share repurchase program. The share repurchase program has no specified expiration date.

Under the authorization, the Company may repurchase its shares from time to time through open market purchases, including 10b5-1 plans. Any share repurchases may be activated, suspended or discontinued at any time. Due to the uncertainty surrounding the COVID-19 pandemic, share repurchases were suspended on April 9, 2020. The suspension was lifted effective February 10, 2022, enabling the Company to resume stock repurchases pursuant to the prior authorizations.

During fiscal 2023, we repurchased 1,563,983 of our ordinary shares for the aggregate amount of $295,000 (net of fees and commissions) pursuant to the authorizations. From February 14, 2022, through March 31, 2022, we repurchased 108,368 of our ordinary shares for the aggregate amount of $25,000 (net of fees and commissions) pursuant to the authorizations.

During fiscal 2023, we obtained 79,169 of our ordinary shares in the aggregate amount of $13,534 in connection with share-based compensation award programs. During fiscal 2022, we obtained 244,395 of our ordinary shares in the aggregate amount of $30,775 in connection with share-based compensation award programs. The Company had no treasury shares at March 31, 2023 and 2022.

On May 3, 2023, our Board of Directors terminated the existing share repurchase program and authorized a new share repurchase program for the purchase of up to $500,000 (net of taxes, fees and commissions). We have not made any repurchases under the new share repurchase program to date.

Dividends paid during fiscal 2023 and 2022 were as follows:

Years ended March 31,	2023	2022
Dividends paid (in thousands)	**$ 183,498**	$ 163,169
Dividends paid (per share)	**1.84**	1.69

On May 3, 2023, the Board of Directors approved a quarterly interim dividend of $0.47 per share. The dividend is payable June 28, 2023 to shareholders of record at the close of business on June 14, 2023.

12. OTHER RESERVES

Amounts in Other Reserves are presented net of the related tax. Foreign Currency Translation is not adjusted for income taxes. Accumulated other comprehensive income (loss) shown in our Consolidated Statements of Shareholders' Equity and changes in our balances, net of tax, for the years ended March 31, 2023 and 2022 were as follows:

	Defined Benefit Plans [1]		Foreign Currency Translation [2]		Total Accumulated Other Comprehensive Income (Loss)	
	2023	2022	2023	2022	2023	2022
Beginning Balance	**$ 1,276**	$ (5,519)	**$ (211,084)**	$ (55,724)	**$ (209,808)**	$ (61,243)
Other Comprehensive (Loss) Income before reclassifications	**(799)**	11,148	**(109,638)**	(155,360)	**(110,437)**	(144,212)
Reclassified from Accumulated Other Comprehensive Loss	**(465)**	(4,353)	**—**	—	**(465)**	(4,353)
Net current-period Other Comprehensive (Loss) Income	**(1,264)**	6,795	**(109,638)**	(155,360)	**(110,902)**	(148,565)
Ending Balance	**$ 12**	$ 1,276	**$ (320,722)**	$ (211,084)	**$ (320,710)**	$ (209,808)

[1] Amortization (gain) of defined benefit plan items are reported in the Interest income and miscellaneous expense (income) line of our Consolidated Profit and Loss Account.

[2] The effective portion of gain or loss on net debt designated as non-derivative net investment hedging instruments is recognized in Accumulated Other Comprehensive Income and is reclassified to income in the same period when a gain or loss related to the net investment is included in income.

(amounts in thousands, except per share amounts and as noted)

13. FORWARD AND SWAP CONTRACTS

From time to time, we enter into forward contracts to hedge potential foreign currency gains and losses that arise from transactions denominated in foreign currencies, including intercompany transactions. We may also enter into commodity swap contracts to hedge price changes in nickel that impact raw materials included in our cost of revenues. During fiscal 2023, we also held forward foreign currency contracts to hedge a portion of our expected non-U.S. dollar-denominated earnings against our reporting currency, the U.S. dollar. These foreign currency exchange contracts matured during fiscal 2023. We did not elect hedge accounting for these forward foreign currency contracts; however, we may seek to apply hedge accounting in future scenarios. We do not use derivative financial instruments for speculative purposes.

These contracts are not designated as hedging instruments and do not receive hedge accounting treatment; therefore, changes in their fair value are not deferred but are recognized immediately in the Consolidated Statements of Income. At March 31, 2023, we held foreign currency forward contracts to buy 19.5 million British pounds sterling; and to sell 150.0 million Mexican pesos, and 7.0 million Singapore dollars and 6.0 million euros. At March 31, 2023, we held commodity swap contracts to buy 753.0 thousand pounds of nickel.

	Asset Derivatives		Liability Derivatives	
Balance Sheet Location	Fair Value at March 31, 2023	Fair Value at March 31, 2022	Fair Value at March 31, 2023	Fair Value at March 31, 2022
Debtors	**378**	$ 2,780	**$ —**	$ —
Creditors	**—**	—	**2,054**	198

The following table presents the impact of derivative instruments and their location within the Consolidated Profit and Loss Account:

		Amount of (loss) gain recognized in income	
		Years Ended March 31,	
	Location of (loss) gain recognized in income	2023	2022
Foreign currency forward contracts	Selling, general, and administrative	**$ 5,036**	$ 4,379
Commodity swap contracts	Cost of revenues	**(3,630)**	3,921

14. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. We estimate the fair value of financial assets and liabilities using available market information and generally accepted valuation methodologies. The inputs used to measure fair value are classified into three tiers. These tiers include Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring the entity to develop its own assumptions. The following table shows the fair value of our financial assets and liabilities at March 31, 2023 and March 31, 2022:

(amounts in thousands, except per share amounts and as noted)

	Carrying Value		Fair Value Measurements					
			Quoted Prices in Active Markets for Identical Assets		Significant Other Observable Inputs		Significant Unobservable Inputs	
			Level 1		Level 2		Level 3	
At March 31,	2023	2022	2023	2022	2023	2022	2023	2022
Assets:								
Cash and cash equivalents	**$ 208,357**	$ 348,320	**$ 208,357**	$ 348,320	**$ —**	$ —	**$ —**	$ —
Forward and swap contracts [1]	**378**	2,780	**—**	—	**378**	2,780	**—**	—
Equity investments [2]	**7,069**	8,520	**7,069**	8,520	**—**	—	**—**	—
Other investments	**2,066**	2,272	**2,066**	2,272	**—**	—	**—**	—
Liabilities:								
Forward and swap contracts [1]	**$ 2,054**	$ 198	**$ —**	$ —	**$ 2,054**	$ 198	**$ —**	$ —
Deferred compensation plans [2]	**1,022**	1,240	**1,022**	1,240	**—**	—	**—**	—
Total debt [3]	**3,078,655**	3,088,356	**—**	—	**2,754,218**	2,991,680	**—**	—
Contingent consideration obligations [4]	**15,678**	10,550	**—**	—	**—**	—	**15,678**	10,550

[1] The fair values of forward and swap contracts are based on period-end forward rates and reflect the value of the amount that we would pay or receive for the contracts involving the same notional amounts and maturity dates.

[2] We maintain a frozen domestic non-qualified deferred compensation plan covering certain employees, which allowed for the deferral of payment of previously earned compensation for an employee-specified term or until retirement or termination. Amounts deferred can be allocated to various hypothetical investment options (compensation deferrals have been frozen under the plan). We hold investments to satisfy the future obligations of the plan. Employees who made deferrals are entitled to receive distributions of their hypothetical account balances (amounts deferred, together with earnings (losses)). We also hold an investment in the common stock of Servizi Italia, S.p.A, a leading provider of integrated linen washing and outsourced sterile processing services to hospital Customers. Changes in the fair value of these investments are recorded in the Interest income and miscellaneous expense (income) line of the Consolidated Profit and Loss Account. During fiscal 2023 and fiscal 2022, we recorded losses of $(1,176) and $(775), respectively, related to these investments.

[3] We estimate the fair value of our debt using discounted cash flow analyses, based on our current incremental borrowing rates for similar types of borrowing arrangements. The fair values of our Senior Public Notes are estimated using quoted market prices for the publicly registered Senior Notes.

[4] Contingent consideration obligations arise from prior business acquisitions. The fair values are based on discounted cash flow analyses reflecting the possible achievement of specified performance measures or events and captures the contractual nature of the contingencies, commercial risk, and the time value of money. Contingent consideration obligations are classified in the consolidated balance sheets as accrued expense (short-term) and other liabilities (long-term), as appropriate based on the contractual payment dates.

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis are summarized as follows:

	Contingent Consideration
Balance at March 31, 2021	$ 19,642
Liabilities assumed in acquisition of Cantel	25,000
Additions	601
Payments	(32,336)
Reductions and adjustments	(2,350)
Foreign currency translation adjustments	(7)
Balance at March 31, 2022	$ 10,550
Additions	**8,302**
Payments	**(80)**
Adjustments	**(3,100)**
Foreign currency translation adjustments	**6**
Balance at March 31, 2023	**$ 15,678**

(amounts in thousands, except per share amounts and as noted)

Additions and payments of contingent consideration obligations during fiscal year 2023 and 2022 were primarily related to our fiscal year 2023 and 2022 acquisitions. Adjustments are recorded in the Selling, general, and administrative expenses line of the Consolidated Profit and Loss Account. Refer to Note 2 titled, "Business Acquisitions and Divestitures," for more information.

15. SHARE-BASED COMPENSATION

We maintain a long-term incentive plan that makes available shares for grants, at the discretion of the Board of Directors or Compensation and Organizational Development Committee of the Board of Directors, to officers, directors, and key employees in the form of stock options, restricted shares, restricted share units, stock appreciation rights and share grants. We satisfy share award incentives through the issuance of new ordinary shares.

Stock options provide the right to purchase our shares at the market price on the date of grant, or for options granted to employees in fiscal 2019 and thereafter, 110% of the market price on the date of grant, subject to the terms of the plan and agreements. Generally, one-fourth of the stock options granted to employees become exercisable for each full year of employment following the grant date. Stock options granted generally expire 10 years after the grant date, or in some cases earlier if the option holder is no longer employed by us. Restricted shares and restricted share units generally cliff vest after a four year period or vest in tranches of one-fourth of the number granted for each year of employment after the grant date. As of March 31, 2023, 2,794,795 shares remained available for grant under the long-term incentive plan.

The fair value of share-based stock option compensation awards was estimated at their grant date using the Black-Scholes-Merton option pricing model. This model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable, characteristics that are not present in our option grants. If the model permitted consideration of the unique characteristics of employee stock options, the resulting estimate of the fair value of the stock options could be different. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in our Consolidated Profit and Loss Account. The expense is classified as Cost of revenues or Selling, general, and administrative expenses in a manner consistent with the employee's compensation and benefits.

The following weighted-average assumptions were used for options granted during fiscal 2023 and fiscal 2022:

	Fiscal 2023	Fiscal 2022
Risk-free interest rate	**2.44 %**	1.10 %
Expected life of options	**5.9 years**	5.9 years
Expected dividend yield of stock	**0.80 %**	0.95 %
Expected volatility of stock	**24.49 %**	24.27 %

The risk-free interest rate is based upon the U.S. Treasury yield curve. The expected life of options is reflective of historical experience, vesting schedules and contractual terms. The expected dividend yield of stock represents our best estimate of the expected future dividend yield. The expected volatility of stock is derived by referring to our historical stock prices over a time frame similar to that of the expected life of the grant. An estimated forfeiture rate of 2.54% and 2.85% was applied in fiscal 2023 and 2022, respectively. This rate is calculated based upon historical activity and represents an estimate of the granted options not expected to vest. If actual forfeitures differ from this calculated rate, we may be required to make additional adjustments to compensation expense in future periods. The assumptions used above are reviewed at the time of each significant option grant, or at least annually.

A summary of share option activity is as follows:

	Number of Options	Weighted Average Exercise Price	Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at March 31, 2022	1,560,954	$ 138.37		
Granted	**235,435**	**247.45**		
Exercised	**(37,732)**	**50.86**		
Forfeited	**(8,928)**	**205.25**		
Outstanding at March 31, 2023	**1,749,729**	**$ 154.60**	**6.2 years**	**$ 83,950**
Exercisable at March 31, 2023	**1,124,664**	**$ 122.41**	**5.2 years**	**$ 79,561**

We estimate that 614,758 of the non-vested stock options outstanding at March 31, 2023 will ultimately vest.

(amounts in thousands, except per share amounts and as noted)

The aggregate intrinsic value in the table above represents the total pre-tax difference between the $191.28 closing price of our ordinary shares on March 31, 2023 over the exercise prices of the stock options, multiplied by the number of options outstanding or outstanding and exercisable, as applicable. The aggregate intrinsic value is not recorded for financial accounting purposes and the value changes daily based on the daily changes in the fair market value of our ordinary shares.

The total intrinsic value of stock options exercised during the years ended March 31, 2023 and 2022 was $6,502 and $52,952, respectively. Net cash proceeds from the exercise of stock options were $1,828 and $10,071 for the years ended March 31, 2023 and 2022, respectively. The tax benefit from stock option exercises was $4,945 and $18,143 for the years ended March 31, 2023 and 2022, respectively.

The weighted average grant date fair value of stock option grants was $50.72 and $37.52 for the years ended March 31, 2023 and 2022, respectively.

A summary of the non-vested restricted share and restricted share unit activity is presented below:

	Number of Restricted Shares	Number of Restricted Share Units	Weighted-Average Grant Date Fair Value
Non-vested at March 31, 2022	485,510	33,677	$ 157.37
Granted	**131,650**	**13,884**	**223.57**
Vested	**(148,828)**	**(16,335)**	**127.98**
Forfeited	**(17,539)**	**(2,684)**	**182.75**
Non-vested at March 31, 2023	**450,793**	**28,542**	**$ 186.60**

Restricted shares and restricted share unit grants are valued based on the closing stock price at the grant date. The value of restricted shares and units that vested during fiscal 2023 was $21,154.

As of March 31, 2023, there was a total of $64,814 in unrecognized compensation cost related to non-vested share-based compensation granted under our share-based compensation plans. We expect to recognize the cost over a weighted average period of 2.1 years.

Cantel Share-Based Compensation Plan

In connection with the June 2, 2021 acquisition of Cantel, outstanding, non-vested Cantel restricted share units were replaced with STERIS restricted share units.

A total 280,402 STERIS restricted share units replaced Cantel awards based on a ratio of one Cantel restricted share unit to 0.4262 STERIS restricted share units. These Cantel awards consisted of time and performance based awards. Cantel time based restricted share units were replaced with STERIS restricted share units with the same three-year pro-rata vesting terms based on the original award date. Performance based Cantel restricted share units were replaced with time based STERIS restricted share units that vest pro rata over the remaining one, two or three anniversaries from the original Cantel award date. The number of performance restricted share units was replaced based on the original target achievement level. All replacement restricted share units retained dividend accumulation rights.

The fair value of each STERIS restricted share unit awarded on June 2, 2021 to replace outstanding non-vested Cantel restricted share units was $191.18 based on the closing price of STERIS ordinary shares on June 2, 2021. Approximately $18,173 of the total $53,607 grant date fair value was attributable to pre-acquisition services provided and was recorded as a component of purchase consideration in connection with the acquisition of Cantel.

During fiscal 2022, recognition of unamortized share-based compensation expense totaling $20,200 was accelerated in connection with the termination of certain Cantel employees in fiscal 2022. As a result of the formal notices provided and the terms of the Cantel share-based compensation plans and Cantel Executive Severance and Change of Control Plan, the restricted share units vested requiring acceleration of the remaining related compensation cost.

As of March 31, 2023, there was a total of $1,563 in unrecognized compensation cost related to non-vested STERIS restricted share units awarded to replace Cantel restricted share units. We expect to recognize the cost over a weighted average period of 0.6 years.

A summary of the non-vested restricted share units activity associated with the Cantel share-based compensation plans is presented below:

(amounts in thousands, except per share amounts and as noted)

	Number of Restricted Share Units	Weighted-Average Grant Date Fair Value
Non-vested at March 31, 2022	45,722	$ 191.18
Granted	—	—
Vested	(25,470)	191.18
Forfeited	(4,582)	191.18
Non-vested at March 31, 2023	**15,670**	**$ 191.18**

16. BUSINESS SEGMENT INFORMATION

We operate and report our financial information in four reportable business segments: Healthcare, Applied Sterilization Technologies, Life Sciences and Dental. Non-allocated operating costs that support the entire Company and items not indicative of operating trends are excluded from segment operating income.

Our Healthcare segment provides a comprehensive offering for healthcare providers worldwide, focused on sterile processing departments and procedural centers, such as operating rooms and endoscopy suites. Our products and services range from infection prevention consumables and capital equipment, as well as services to maintain that equipment; to the repair of re-usable procedural instruments; to outsourced instrument reprocessing services. In addition, our procedural solutions also include endoscopy accessories and capital equipment infrastructure used primarily in operating rooms, ambulatory surgery centers, endoscopy suites, and other procedural areas.

Our Applied Sterilization Technologies ("AST") segment is a third-party service provider for contract sterilization, as well as testing services needed to validate sterility services for medical device and pharmaceutical manufacturers. Our technology-neutral offering supports Customers every step of the way, from testing through sterilization.

Our Life Sciences segment provides a comprehensive offering of products and services that support pharmaceutical manufacturing, primarily for vaccine and other biopharma Customers focused on aseptic manufacturing. These solutions include a full suite of consumable products, equipment maintenance and specialty services, and capital equipment.

Our Dental segment provides a comprehensive offering for dental practitioners and dental schools, offering instruments, infection prevention consumables and instrument management systems.

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. 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.

For the year ended March 31, 2023, revenues from a single Customer did not represent ten percent or more of the Healthcare, AST or Life Sciences segment revenues. Three Customers collectively and consistently account for more than 40.0% of our Dental segment revenue. The percentage associated with these three Customers collectively in any one period may vary due to the buying patterns of these three Customers as well as other Dental Customers. These three Customers collectively accounted for approximately 47.4% and 45.1% of our Dental segment revenues for the years ended March 31, 2023 and 2022, respectively.

(amounts in thousands, except per share amounts and as noted)

Information regarding our segments is presented in the following tables.

Years Ended March 31,	2023	2022
Revenues:		
Healthcare	**$ 3,085,131**	$ 2,845,467
Applied Sterilization Technologies	**914,431**	852,972
Life Sciences	**536,704**	524,964
Dental	**421,573**	361,661
Total revenues	**$ 4,957,839**	$ 4,585,064
Operating income (loss):		
Healthcare	**706,020**	649,704
Applied Sterilization Technologies	**429,020**	410,101
Life Sciences	**210,225**	216,188
Dental	**89,527**	84,441
Corporate	**(264,791)**	(283,665)
Total operating income before adjustments	**$ 1,170,001**	$ 1,076,769
Less: Adjustments		
Amortization of acquired intangible assets [(1)]	**376,822**	366,434
Acquisition and integration related charges [(2)]	**24,196**	205,788
Tax restructuring costs [(3)]	**661**	301
Gain on fair value adjustment of acquisition related contingent consideration [(1)]	**(3,100)**	(2,350)
Net gain on divestiture of businesses [(1)]	**(67)**	(874)
Amortization of inventory and property "step up" to fair value [(1)]	**12,254**	81,804
Restructuring charges	**485**	48
Goodwill impairment loss [(4)]	**490,565**	—
Total operating income	**$ 268,185**	$ 425,618

[(1)] For more information regarding our recent acquisitions and divestitures, refer to Note 2 titled, "Business Acquisitions and Divestitures."
[(2)] Acquisition and integration related charges include transaction costs and integration expenses associated with acquisitions.
[(3)] Costs incurred in tax restructuring.
[(4)] For more information regarding our goodwill impairment loss, refer to Note 3 titled, "Goodwill and Intangible Assets."

Assets include the current and long-lived assets directly attributable to the segment based on the management of the location or on utilization. Certain corporate assets were allocated to the reportable segments based on revenues. Assets attributed to sales and distribution locations are only allocated to the Healthcare and Life Sciences segments.

(amounts in thousands, except per share amounts and as noted)

Individual facilities, equipment, and intellectual properties are utilized for production by both the Healthcare and Life Sciences segments at varying levels over time. As a result, an allocation of total assets, capital expenditures, and depreciation and amortization is not meaningful to the individual performance of the Healthcare and Life Sciences segments. Therefore, their respective amounts are reported together.

March 31,	2023	2022
Assets		
Healthcare and Life Sciences	**$ 6,538,270**	$ 6,604,893
Applied Sterilization Technologies	**3,124,341**	3,053,116
Dental	**1,159,228**	1,765,585
Total assets	**$ 10,821,839**	$ 11,423,594

Years Ended March 31,	2023	2022
Capital Expenditures		
Healthcare and Life Sciences	**$ 98,585**	$ 84,487
Applied Sterilization Technologies	**253,914**	198,350
Dental	**9,470**	4,726
Total Capital Expenditures	**$ 361,969**	$ 287,563
Depreciation, Depletion, and Amortization [(1)]		
Healthcare and Life Sciences	**$ 306,377**	$ 316,222
Applied Sterilization Technologies	**116,153**	115,925
Dental	**130,367**	120,957
Total Depreciation, Depletion, and Amortization	**$ 552,897**	$ 553,104

[(1)] Fiscal 2022 totals include approximately $229,052, $35,531 and $113,099 for Healthcare and Life Sciences, Applied Sterilization Technologies, and Dental, respectively, of amortization of acquired intangible assets and amortization of property "step-up" to fair value. For more information regarding our recent acquisitions and divestitures see Note 2 titled, "Business Acquisitions and Divestitures."

Financial information for each of our United States and international geographic areas is presented in the following table. Revenues are based on the location of these operations and their Customers. Property, plant and equipment, net are those assets that are identified within the operations in each geographic area.

March 31,	2023	2022
Property, Plant, and Equipment, Net		
Ireland	**$ 60,570**	$ 60,275
United States	**946,930**	881,057
Other locations	**698,012**	611,244
Property, Plant, and Equipment, Net	**$ 1,705,512**	$ 1,552,576

Years Ended March 31,	2023	2022
Revenues:		
Ireland	**$ 74,463**	$ 82,011
United States	**3,586,486**	3,228,864
Other locations	**1,296,890**	1,274,189
Total Revenues	**$ 4,957,839**	$ 4,585,064

(amounts in thousands, except per share amounts and as noted)

Years Ended March 31,	2023	2022
Healthcare:		
Capital equipment	**$ 896,590**	$ 782,505
Consumables	**1,050,316**	1,004,605
Service	**1,138,225**	1,058,357
Total Healthcare Revenues	**$ 3,085,131**	$ 2,845,467
Applied Sterilization Technologies:		
Capital equipment	**$ 26,460**	$ 24,394
Service	**887,971**	828,578
Total Applied Sterilization Technologies Service Revenues	**$ 914,431**	$ 852,972
Life Sciences:		
Capital equipment	**$ 147,420**	$ 142,281
Consumables	**241,114**	239,365
Service	**148,170**	143,318
Total Life Sciences Revenues	**$ 536,704**	524,964
Dental Revenues	**$ 421,573**	$ 361,661
Total Revenues	**$ 4,957,839**	$ 4,585,064

17. BENEFIT PLANS

In the United States, we sponsor an unfunded post-retirement welfare benefits plan for two groups of United States retirees. Benefits under this plan include retiree life insurance and retiree medical insurance, including prescription drug coverage.

During the second quarter of fiscal 2009, we amended our United States post-retirement welfare benefits plan, reducing the benefits to be provided to retirees under the plan and increasing their share of the costs. The amendments resulted in a decrease of $46,001 in the accumulated post-retirement benefit obligation. The impact of this change was recognized in our Consolidated Balance Sheets in fiscal 2009 and is being amortized as a component of the annual net periodic benefit cost over a period of approximately thirteen years.

We sponsor several defined benefit pension schemes outside the United States: two in the UK, one in the Netherlands, two in Germany, and one in Switzerland. The Synergy Health plc Retirement Benefit Scheme is a defined benefit (final salary) funded pension scheme. In previous years, Synergy sponsored a funded defined benefit arrangement in the Netherlands. This was a separate fund holding the pension scheme assets to meet long-term pension liabilities for past and present employees. Accrual of benefits ceased under the scheme effective January 1, 2013. The Synergy Radeberg and Synergy Allershausen Schemes are unfunded defined pension schemes and are closed to new entrants. The Synergy Daniken Scheme is a defined benefit funded pension scheme. As a result of our fiscal 2018 acquisition of Harwell Dosimeters Ltd, we also sponsor the Harwell Dosimeters Ltd Retirement Benefits Scheme which is a defined benefit funded pension scheme.

We recognize the funded status of our defined benefit pension and post-retirement benefit plans in our Consolidated Balance Sheets, with a corresponding adjustment to accumulated other comprehensive income, net of tax. The funded status is measured as of March 31 each year and is calculated as the difference between the fair value of plan assets and the benefit obligation (which is the projected benefit obligation for pension plans and the accumulated post-retirement benefit obligation for post-retirement benefit plans). Accumulated comprehensive income (loss) represents the net unrecognized actuarial losses and unrecognized prior service cost. These amounts will be recognized in net periodic benefit cost as they are amortized. We will recognize future changes to the funded status of these plans in the year the change occurs, through other comprehensive income.

(amounts in thousands, except per share amounts and as noted)

Obligations and Funded Status. The following table reconciles the funded status of the defined benefit pension plans and the other post-retirement benefits plan to the amounts recorded on our Consolidated Balance Sheets at March 31, 2023 and 2022, respectively. Benefit obligation balances presented in the following table reflect the projected benefit obligations for our defined benefit pension plans and the accumulated other post-retirement benefit obligation for our post-retirement benefits plan. The measurement date of our defined benefit pension plans and other post-retirement benefits plan is March 31, for both periods presented.

	Defined Benefit Pension Plans		Other Post-Retirement Benefits Plan	
	2023	2022	2023	2022
Change in Benefit Obligations:				
Benefit Obligations at Beginning of Year	**$ 129,772**	$ 149,200	**$ 8,525**	$ 10,016
Service cost	**1,276**	1,616	**—**	—
Interest cost	**3,054**	2,820	**256**	232
Actuarial loss (gain)	**(27,046)**	(12,177)	**(807)**	(640)
Benefits and expenses	**(5,817)**	(5,375)	**(783)**	(1,083)
Employee contributions	**501**	897	**—**	—
Curtailments/settlements	**(421)**	(1,334)	**—**	—
Impact of foreign currency exchange rate changes	**(7,679)**	(5,875)	**—**	—
Benefit Obligations at End of Year	**93,640**	129,772	**7,191**	8,525
Change in Plan Assets:				
Fair Value of Plan Assets at Beginning of Year	**142,172**	145,452	**—**	—
Actual return on plan assets	**(25,828)**	3,421	**—**	—
Employer contributions	**4,936**	5,533	**783**	1,083
Employee contributions	**501**	897	**—**	—
Benefits and expenses paid	**(5,772)**	(5,325)	**(783)**	(1,083)
Curtailments/settlements	**(421)**	(1,334)	**—**	—
Impact of foreign currency exchange rate changes	**(8,499)**	(6,472)	**—**	—
Fair Value of Plan Assets at End of Year	**107,089**	142,172	**—**	—
Funded Status of the Plans	**$ 13,449**	$ 12,400	**$ (7,191)**	$ (8,525)

Amounts recognized in the consolidated balance sheets consist of the following:

	Defined Benefit Pension Plans		Other Post-Retirement Benefits Plan	
	2023	2022	2023	2022
Non-current debtors	**$ 16,325**	$ 14,172	**$ —**	$ —
Current creditors	**—**	—	**(1,121)**	(1,190)
Non-current creditors	**(2,876)**	(1,772)	**(6,070)**	(7,335)
Net assets (liabilities)	**$ 13,449**	$ 12,400	**$ (7,191)**	$ (8,525)

(amounts in thousands, except per share amounts and as noted)

The pre-tax amount of unrecognized actuarial net loss and unamortized prior service cost included in accumulated other comprehensive (loss) at March 31, 2023, was approximately $750 and $(5,602), respectively.

Defined benefit plans with an accumulated benefit obligation and projected benefit obligation exceeding the fair value of plan assets had the following plan assets and obligations at March 31, 2023 and 2022:

	Defined Benefit Pension Plans	
	2023	2022
Aggregate fair value of plan assets	**$ 107,089**	$ 142,172
Aggregate accumulated benefit obligations	**93,640**	129,772
Aggregate projected benefit obligations	**93,640**	129,772

Components of Net Periodic Benefit Cost and Other Amounts Recognized in Other Comprehensive Income. Components of the annual net periodic benefit cost of our defined benefit pension plans and our other post-retirement benefits plan were as follows:

	Defined Benefit Pension Plans		Other Post-Retirement Benefits Plan	
	2023	2022	2023	2022
Service cost	**$ 1,276**	$ 1,616	**$ —**	$ —
Interest cost	**3,054**	2,699	**256**	232
Expected return on plan assets	**(3,817)**	(4,412)	**—**	—
Prior service cost recognition	**48**	61	**—**	(267)
Net amortization and deferral	**19**	18	**329**	444
Curtailments/settlements	**(49)**	(31)	**—**	—
Net periodic benefit (credit) cost	**$ 531**	$ (49)	**$ 585**	$ 409
Recognized in other comprehensive loss (income) before tax:				
Net loss (gain) occurring during year	**$ 1,716**	$ (11,028)	**$ 807**	$ 640
Amortization of prior service credit	**(263)**	(222)	**—**	267
Amortization of net loss	**—**	—	**(329)**	(444)
Total recognized in other comprehensive loss (income)	**1,453**	(11,250)	**478**	463
Total recognized in total benefits cost and other comprehensive loss (income)	**$ 1,984**	$ (11,299)	**$ 1,063**	$ 872

(amounts in thousands, except per share amounts and as noted)

Assumptions Used in Calculating Benefit Obligations and Net Periodic Benefit Cost. The following table presents significant assumptions used to determine the projected benefit obligations at March 31:

	2023	2022
Discount Rate:		
Synergy Health plc Retirement Benefits Scheme	**4.70 %**	2.80 %
Isotron BV Pension Plan	**3.70 %**	1.80 %
Synergy Health Daniken AG	**2.05 %**	0.90 %
Synergy Health Radeberg	**3.80 %**	1.60 %
Synergy Health Allershausen	**3.70 %**	1.50 %
Harwell Dosimeters Ltd Retirement Benefits Scheme	**4.80 %**	2.85 %
Other post-retirement plan	**4.75 %**	3.25 %

The following table presents significant assumptions used to determine the net periodic benefit costs for the years ended March 31:

	2023	2022
Discount Rate:		
Synergy Health plc Retirement Benefits Scheme	**2.80 %**	2.10 %
Isotron BV Pension Plan	**1.80 %**	0.90 %
Synergy Health Daniken AG	**2.05 %**	1.00 %
Synergy Health Radeberg	**2.00 %**	1.50 %
Synergy Health Allershausen	**2.20 %**	2.00 %
Harwell Dosimeters Ltd Retirement Benefits Scheme	**4.80 %**	2.85 %
Other post-retirement plan	**3.25 %**	2.50 %
Expected Return on Plan Assets:		
Synergy Health plc Retirement Benefits Scheme	**3.20 %**	3.60 %
Isotron BV Pension Plan	**1.80 %**	0.90 %
Synergy Health Daniken AG	**1.95 %**	1.00 %

The net periodic benefit cost and the actuarial present value of projected benefit obligations are based upon assumptions that we review on an annual basis. These assumptions may be revised annually based upon an evaluation of long-term trends, as well as market conditions that may have an impact on the cost of providing benefits.

We develop our expected long-term rate of return on plan assets assumptions by evaluating input from third-party professional advisers, taking into consideration the asset allocation of the portfolios and the long-term asset class return expectations.

We develop our discount rate assumptions by evaluating input from third-party professional advisers, taking into consideration the current yield on country specific investment grade long-term bonds which provide for similar cash flow streams as our projected obligations.

We have made assumptions regarding healthcare costs in computing our other post-retirement benefit obligation. The assumed rates of increase generally decline ratably over a five-year period from the assumed current year healthcare cost trend rate to the assumed long-term healthcare cost trend rate noted below.

	2023	2022
Healthcare cost trend rate – medical	**7.50 %**	7.00 %
Healthcare cost trend rate – prescription drug	**7.50 %**	7.00 %
Long-term healthcare cost trend rate	**4.50 %**	4.50 %

To determine the healthcare cost trend rates, we evaluate a combination of information, including ongoing claims cost monitoring, annual statistical analyses of claims data, reconciliation of forecasted claims against actual claims, review of trend assumptions of other plan sponsors and national health trends, and adjustments for plan design changes, workforce changes, and changes in plan participant behavior.

Plan Assets. The investment policies for our plans are generally established by the local pension plan trustees and seek to maintain the plans' ability to meet liabilities and to comply with local minimum funding requirements. Plan assets are invested in diversified portfolios that provide adequate levels of return at an acceptable level of risk. The investment policies are reviewed at least annually and revised, as deemed appropriate to ensure that the objectives are being met. At March 31, 2023, the targeted allocation for the plans were approximately 75% equity investments and 25% fixed income investments.

Financial instruments included in pension plan assets are categorized into three tiers. These tiers include a fair value hierarchy of three levels, based on the degree of subjectivity inherent in the valuation methodology as follows:

Level 1 - Quoted prices for identical assets in active markets.

Level 2 - Quoted prices for similar assets in active markets with inputs that are observable, either directly or indirectly.

Level 3 - Unobservable prices or inputs in which little or no market data exists.

The fair value of our pension benefits plan assets at March 31, 2023 and 2022 by asset category is as follows:

	Fair Value Measurements at March 31, 2023			
(In thousands)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Cash	**$ 338**	**$ 338**	**$ —**	**$ —**
Insured annuities	**10,285**	**—**	**10,285**	**—**
Insurance contracts	**5,387**	**—**	**—**	**5,387**
Common and collective trusts valued at net asset value:				
Equity security trusts	**48,137**	**—**	**—**	**—**
Debt security trusts	**42,942**	**—**	**—**	**—**
Total Plan Assets	**$ 107,089**	**$ 338**	**$ 10,285**	**$ 5,387**

	Fair Value Measurements at March 31, 2022			
(In thousands)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Cash	$ 559	$ 559	$ —	$ —
Insured annuities	14,231	—	14,231	—
Insurance contracts	5,383	—	—	5,383
Common and collective trusts valued at net asset value:				
Equity security trusts	66,416	—	—	—
Debt security trusts	55,583	—	—	—
Total Plan Assets	$ 142,172	$ 559	$ 14,231	$ 5,383

Collective investment trusts are measured at fair value using the net asset value per share practical expedient. These trusts have not been categorized in the fair value hierarchy and are being presented in the tables above to permit a reconciliation of the fair value hierarchy to the total plan assets.

(amounts in thousands, except per share amounts and as noted)

The fair value measurement of plan assets using significant unobservable inputs (Level 3) changed during fiscal year 2023 due to the following:

	Insurance contracts
Balance at March 31, 2021	$ 5,555
Gains (losses) related to assets still held at year-end	(115)
Transfers out of Level 3	(210)
Foreign currency	153
Balance at March 31, 2022	$ 5,383
Gains (losses) related to assets still held at year-end	**(157)**
Transfers out of Level 3	**320**
Foreign currency	**(159)**
Balance at March 31, 2023	**$ 5,387**

Cash Flows. We contribute amounts to our defined benefit pension plans at least equal to the minimum amounts required by applicable employee benefit laws and local tax laws. We expect to make contributions of approximately $3,955 during fiscal 2024.

Based upon the actuarial assumptions utilized to develop our benefit obligations at March 31, 2023, the following benefit payments are expected to be made to plan participants:

	Other Defined Benefit Pension Plans	Other Post-Retirement Benefits Plan
2024	$ 6,279	$ 1,121
2025	6,265	1,019
2026	6,458	913
2027	6,663	823
2028	6,845	731
2029 and thereafter	37,315	2,620

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") provides a prescription drug benefit for Medicare beneficiaries, a benefit we provide to Medicare eligible retirees covered by our post-retirement benefits plan. We have concluded that the prescription drug benefit provided in our post-retirement benefit plan is considered to be actuarially equivalent to the benefit provided under the Act and thus qualifies for the subsidy under the Act. Benefits are subject to a per capita per month cost cap and any costs above the cap become the responsibility of the retiree. Under the plan, the subsidy is applied to reduce the retiree responsibility. As a result, the expected future subsidy no longer reduces our accumulated post-retirement benefit obligation and net periodic benefit cost. We collected subsidies totaling approximately $477 and $660, during fiscal 2023 and fiscal 2022, respectively, which reduced the retiree responsibility for costs in excess of the caps established in the post-retirement benefit plan.

Defined Contribution Plans. We maintain 401(k) defined contribution plans for eligible U.S. employees, a 401(k) defined contribution plan for eligible Puerto Rico employees and similar savings plans for certain employees in Canada, United Kingdom, Ireland, and Finland. We provide a match on a specified portion of an employee's contribution. The U.S. plan assets are held in trust and invested as directed by the plan participants. The Canadian plan assets are held by insurance companies. The aggregate fair value of the U.S. plan assets was $1,170,835 at March 31, 2023. At March 31, 2023, the U.S. plan held 483,931 STERIS ordinary shares with a fair value of $92,566. We paid dividends of $886 and $852, to the plan and participants on STERIS shares held by the plan for the years ended March 31, 2023 and 2022, respectively. We contributed approximately $36,564 and $38,600, to the defined contribution plans for the years ended March 31, 2023 and 2022, respectively.

(amounts in thousands, except per share amounts and as noted)

We also maintain a domestic non-qualified deferred compensation plan covering certain employees, which formerly allowed for the deferral of compensation for an employee-specified term or until retirement or termination. There have been no employee contributions made to this plan since fiscal 2012. The Plan was amended in fiscal 2012 to disallow deferrals of salary payable in 2012 and subsequent calendar years and of commissions and other incentive compensation payable in respect of the 2013 and subsequent fiscal years. We hold investments in mutual funds to satisfy future obligations of the plan. We account for these assets as available-for-sale securities and they are included in "Investments" on our accompanying Consolidated Balance Sheets, with a corresponding liability for the plan's obligation recorded in "Creditors." The aggregate value of the assets was $938 and $1,061 at March 31, 2023 and March 31, 2022, respectively. Realized gains and losses on these investments are recorded in Interest income and miscellaneous expense (income) within Non-operating expenses on our accompanying Consolidated Profit and Loss Account. Changes in the fair value of the assets are recorded in other comprehensive income on our accompanying Balance Sheets.

Amounts shown in our Consolidated Balance Sheet include:

March 31,	2023	2022
Pension and similar assets:		
Defined benefit plan assets	**$ 16,325**	$ 14,172
Pensions and similar obligations:		
Other post-retirement benefit obligations	**$ 7,191**	$ 8,525
Other employee benefit plan obligations	**3,167**	3,471
Defined benefit plan obligations	**2,876**	1,772
Total pensions and similar obligations	**$ 13,234**	$ 13,768

18. FINANCIAL AND OTHER GUARANTEES

We generally offer a limited parts and labor warranty on capital equipment. The specific terms and conditions of those warranties vary depending on the product sold and the countries where we conduct business. We record a liability for the estimated cost of product warranties at the time product revenues are recognized. The amounts we expect to incur on behalf of our Customers for the future estimated cost of these warranties are recorded as a current liability on the accompanying Consolidated Balance Sheets. Factors that affect the amount of our warranty liability include the number and type of installed units, historical and anticipated rates of product failures, and material and service costs per claim. We periodically assess the adequacy of our recorded warranty liabilities and adjust the amounts as necessary.

Changes in our warranty liability during the periods presented are as follows:

Years Ended March 31,	2023	2022
Balance, Beginning of Year	**$ 14,108**	$ 9,406
Liabilities assumed in acquisition of Cantel	**—**	4,769
Warranties issued during the period	**13,268**	12,571
Settlements made during the period	**(13,693)**	(12,638)
Balance, End of Year	**$ 13,683**	$ 14,108

19. EMPLOYEES

The average number of persons employed by STERIS plc and its subsidiaries during each fiscal year was as follows:

	Fiscal 2023	Fiscal 2022
Healthcare	**10,629**	10,546
Applied Sterilization Technologies	**3,163**	2,961
Life Sciences	**965**	1,111
Dental	**1,451**	1,020
Corporate	**892**	784
Total employees	**17,100**	16,422

Employee costs were as follows (in thousands):

	Fiscal 2023	Fiscal 2022
Wages and salaries	**$ 1,172,234**	$ 1,100,357
Commission and incentive plans	**154,840**	225,863
Social security costs	**91,653**	65,525
Share-based compensation expense	**38,951**	57,660
Pension and post-retirement benefits expense	**37,936**	32,423
Other, primarily employee benefits	**139,133**	130,217
Total employee costs	**$ 1,634,747**	$ 1,612,045

We capitalized wages and salaries of $48 and $134, for fiscal 2023 and 2022, respectively.

20. DIRECTORS' REMUNERATION

Directors' remuneration for fiscal 2023 and 2022 is set forth in the table below. Amounts shown are for persons who were Directors during fiscal 2023 and 2022, respectively. Effective July 31, 2021, Mr. Carestio, in addition to serving as Director of the Company, became President and CEO of the Company and its subsidiary, STERIS Corporation. During fiscal 2022, Mr. Rosebrough, former President and CEO of the Company and its subsidiary, STERIS Corporation, ceased to hold those positions. The fiscal 2022 amounts included below for Mr. Carestio include compensation for his services as President and CEO and for his previous position during a portion of fiscal 2022 as COO. Amounts included below for all non-executive Directors are compensation for service in such capacities.

	Fiscal 2023	Fiscal 2022
Aggregate emoluments in respect of qualifying services	**$ 2,181**	$ 3,433
Aggregate amount of the money or value of other assets (other than stock options) granted under long-term incentive plans in respect of qualifying services	**3,551**	2,801
Aggregate gains on the exercise of stock options	**1,346**	10,489
Total	**$ 7,078**	$ 16,723

21. AUDITORS' REMUNERATION

The consolidated group obtained the following services from the auditor, Ernst & Young and its associates, at costs as detailed in the tables below (in thousands):

	Fiscal 2023	Fiscal 2022
Audit fees	**$ 5,865**	$ 6,694
Audit related fees	**480**	628
Taxation fees:		
Taxation compliance services	**62**	12
Taxation advisory services	**230**	984
	$ 6,637	$ 8,318

The fees paid to Ernst & Young Chartered Accountants ("EY Ireland") related to the audit of the group accounts were $0.2 million and $0.2 million for fiscal 2023 and 2022, respectively. In addition, EY Ireland received $0.2 million and $0.2 million for fiscal 2023 and 2022, respectively, for other audit related services. EY Ireland received fees of nil and nil for other non-audit services for fiscal 2023 and fiscal 2022, respectively.

(amounts in thousands, except per share amounts and as noted)

22. RELATED PARTY TRANSACTIONS

Transactions between the Company and its wholly owned subsidiaries, which are related parties, are not disclosed in this note. Several subsidiaries have minority shareholders, and where the Company has transactions in the year, or outstanding balances receivable or payable with these parties, these are classified as related party transactions and shown in the table below.

	2023		2022	
As of or for the year ended March 31,	Revenue (costs) in the period	Receivable/ (Payable)	Revenue (costs) in the period	Receivable/ (Payable)
Minority shareholder, STERIS - Austar Pharmaceutical Systems Hong Kong Limited and subsidiaries	**$ 2,534**	**$ 733**	$ 2,379	$ 1,882
Minority shareholder, Synergy Health True North LLC	**30,479**	**(37)**	28,722	1,394
Minority shareholder, Sterile Supplies Salisbury NHS Trust	**2,893**	**(3,010)**	4,223	(3,035)
STERIS TOMOE (Thailand) Ltd.	**4,681**	**901**	3,091	772

(amounts in thousands, except per share amounts and as noted)

23. SUBSEQUENT EVENTS

On May 3, 2023, the Board of Directors approved a quarterly interim dividend of $0.47 per share. The dividend is payable June 28, 2023 to shareholders of record at the close of business on June 14, 2023.

24. GROUP UNDERTAKINGS

As of March 31, 2023, STERIS Ireland's direct and indirect subsidiaries were as follows:

Name	Jurisdiction of Incorporation	Registered Address	% Ownership
1666 E Touhy LLC	Illinois	C T Corporation System, 208 SO Lasalle Street, Suite 814 Chicago, Illinois 60604, United States	100%
Accelera Technologies LLC	Minnesota	C T Corporation System Inc. 1010 Dale Street North, Saint Paul, Minnesota 55117, United States	100%
Accutron, Inc.	Arizona	1733 W. Parkside Lane, Phoenix, Arizona, 85027 United States	100%
Albert Browne Limited	England and Wales	Chancery House Ryans Way, Watermead Business Park, Syston, Leicester, LE7 1PF, United Kingdom	100%
American Sterilizer Company	Pennsylvania	CT Corporation System, 600 North 2nd Street, Suite 401, Harrisburg, Pennsylvania 17101, United States	100%
Bioster Mottahedoon Egypt SAE	Egypt	Industrial Zone A3, lot no. 23, El Sharkeya, Egypt	65%
Birkova Products, LLC	Indiana	C T Corporation Systems Inc., 334 North Senate Avenue, Indianapolis, Indiana, 46204, United States	100%
Bizworth Gammarad Sdn Bhd	Malaysia	Suite 18.01, 18th Floor, MWE Plaza 8, Lebuh Farquhar, 10200, Penang, Malaysia	100%+
Black Diamond Video, Inc.	California	CT Corporation System Inc., 330 N Brand Blvd., Suite 700, Glendale, California 91203, United States	100%
Camark (Greece) S.A.	Greece	Axioupolis Industrial Park, 61400 Paionia, Kilkis, Greece	100%
Cantel (Belgium) BV	Belguim	Kabbeekvest 67, Tienen, Belgium, 3300 Belgium	100%
Cantel (UK) Limited***	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ, England	100%
Cantel Canada Inc.	Canada	6-88B East Beaver Creek Road., Richmond Hill, Ontario L4B 4W2 Canada	100%
Cantel Medical (Hong Kong) Ltd.	Hong Kong	18/F Edinburg Tower, The Landmark., Central Hong Kong, Hong Kong	100%
Cantel Medical (Italy) S.r.l.	Italy	Via Laurentina 169. Pomezia, Italy (RM) CAP 00 Italy	100%
Cantel Medical (Malaysia) SND. BHD.	Malaysia	Upper Penthouse, Wisma Rkt, No.2 Jalan Raja Abdulah, Off Jalan Sultan Ismail Kuala Lumpur, Wilayah Persekutuan, Malaysia 50300	100%
Cantel Medical (UK) Limited***	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ, England	100%
Cantel Medical Devices (China) Ltd.	China	Unit 804-805, Innov Tower Block A, 1801, Hongmei Road. Shanghai, China 200233	100%
Cantel Medical International B.V.	The Netherlands	Sourethweg 11 Heerlen, The Netherlands, 6422PC	100%
Cantel Medical, LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Cantel Medical Asia/Pacific Pte. Ltd.	Singapore	1A International Business Park #5 Singapore	100%
Cantel Middle East FZ-LLC	Dubai, UAE	Exec Office 11 3rd Floor., DSP Laboratory Complex, Dubai, United Arab Emirates	100%
CHIPS Manufacturing LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
CLBV Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4 EQ	100%
Controlled Environment Certification Services, Inc.	Ohio	CT Corporation System, 4400 Easton Commons Way, Suite 125, Columbus, Ohio 43219, United States	100%
Crosstex International, Inc.	New York	C T Corporation System, 28 Liberty Street, New York, New York 10005, United States	100%
Diagmed Healthcare Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4 EQ	100%
Dover UK I Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4 EQ	100%
Dover UK II Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4 EQ	100%

(amounts in thousands, except per share amounts and as noted)

Dover UK III Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4 EQ	100%
Electron Beam Sdn. Bhd.	Malaysia	Lot 7 Jalan Sungai Pinang 4/3 Taman Perindustrial Pulau Indah (FASA 2) Port Klang, MY37,42920, Malaysia	100%
Eschmann Holdings Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4 EQ	100%
Genii, Inc.	Minnesota	1010 Dale Street North, St. Paul, MN 55117, United States	100%
Harwell Dosimeters Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4 EQ	100%
Herotron E-Beam Service GmbH	Germany	Guardianstrasse 6-10, D-06766 Bitterfeld-Wolfen, OT Thalheim, Germany	100%
HF German Land Holding LLC	Illinois	C T Corporation System, 208 SO Lasalle Street, Suite 814 Chicago, Illinois 60604, United States	100%
HMM HoldCo Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4 EQ	100%
Hu-Friedy Europe LLC & Co. KG	Germany	Kleines Oschle 8,Tuttlingen, Germany D-78532, Germany	100%
Hu-Friedy Italy SRL	Italy	Via Mauro Macchi, 27 Milano MI, Italy	100%
Hu-Friedy Japan GK	Japan	ProsTech Akihabara 6F, 6-13-10, Sotokanda, Tokyo, 101-0021 Japan	100%
Hu-Friedy Manufacturing Co LLC	Illinois	C T Corporation System, 208 SO Lasalle Street, Suite 814 Chicago, Illinois 60604, United States	100%
Hu-Friedy Medical Instrument (Shanghai) Co., Ltd.	China	Building #29, Lane 1365, Kangqiao Road East, Shanghai, 201319 P.R. China	100%
Hu-Friedy Mfg. Co., LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Hu-Friedy Mfg. Co., LLC (German Branch)	Germany	Zweigniederlassung Deutschland, Kleines Öschle 8, Tuttlingen, Germany 78532	100%
Hungaroptics kft	Hungary	6000 Kecskemet, Matkoi, ut 34, Hungary	100%
Isomedix Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Isomedix Operations Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
J & J Instruments, LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Jet Prep Ltd.	Israel	71 Ha'Nadiv St, Herzliya, Israel, 46485	100%
Julius Wirth LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Julius Wirth LLC (German Branch)	Germany	Zweigniederlassung Deutschland, Elsa-Brandström-Weg 27, Tuttlingen, Germany 78532	100%
Karl Schumacher Dental, LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Key Surgical Europe S.a.r.l.	Switzerland	ZA La Piece 4 B4, 1180 Rolle, Vaud, Switzerland	100%
Key Surgical GmbH	Germany	Zum Windpark 1, Deutschland, Germany 23738	100%
Key Surgical Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4 EQ	100%
Key Surgical LLC	Delaware	CT Corporation, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Konnexis Inc.	Canada	200D Terence Matthews Crescent, Kanata, Ontario K2M 2C6, Canada	100%
KS Apollo Holdings Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
KS Apollo LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
KVI LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Mar Cor Purification, Inc.	Pennsylvania	C T Corporation System 600 N 2nd St #401, Harrisburg, PA 17101, United States	100%

(amounts in thousands, except per share amounts and as noted)

Massaro Limited Partnership (Victory Road) **	Pennsylvania	120 Delta Drive, Pittsburgh, Pennsylvania 15238, United States	65%
Medical Innovations Group Holdings Limited***	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ, England	100%
Medical Innovations Group Limited***	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ, England	100%
Medi-Cart International Ltd.***	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ, England	100%
Medisafe America, L.L.C.	Florida	C T Corporation System 1200 South Pine Island Road, Plantation, Florida 33324, United States	100%
Medisafe Holdings Ltd	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Medisafe UK Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Medivators Inc.	Minnesota	C T Corporation System Inc. 1010 Dale Street North, St. Paul, MN 55117, United States	100%
Mevex Corporation	Canada	108 Willowlea Road, Ottawa, Ontario K0A 1L0	100%
Omnia S.r.l.	Italy	Via Francesco Delnevo., 190 Fidenza, Parma, Italy 43036	100%
Omnia LLC	Pennsylvania	301 Pleasant Street, Abbottstown, Pennsylvania 17301 United States	100%
Palmero Healthcare LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
PeriOptimum, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
SATYAtek SA	Switzerland	Rue des Bosquets 18, 1800 Vevey, Vaud, Switzerland	100%
Shamrock Innovations Limited	Ireland	70 Sir John Rogerson's Quay, Dublin, Ireland 2	100%
Shiloh Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Solar New US Holding Corporation	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Solar New US Parent Co, LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Solar US Acquisition Co, LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
SPS Medical Supply Corp.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
STE UK HoldCo Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
STE UK Sub HoldCo Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
STE No. Two Corporation	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Sterile Supplies Limited	England and Wales	Finance Department, Salisbury District Hospital, Odstock Road, Salisbury, Wiltshire, England, SP2 8BJ	50%
STERIS AB	Sweden	c/o John Goldie Advokatbyra AB, Box 5265, Stockholm, Sweden 102 46, Sweden	100%
STERIS Applied Sterilization Technologies ULC	Canada	Pacific Centere, 400-725 Granville Street, P.O. Box 10325, Vancouver, BC V7Y 1G5, Canada	100%
STERIS Asia Pacific, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
STERIS AST CZ s.r.o.	Czech Republic	Kosikov 80, 595 01 Velka Bites, Czech Republic	100%
STERIS AST d.o.o.	Slovenia	Mala ulica 6, 1000 Ljubljana, Slovenia	100%
STERIS AST SK s.r.o.	Slovakia	Priemyselný park 6020/5, Michalovce 071 01, Slovakia	100%
STERIS Australia Pty Ltd	Australia	9 Arco Lane, Healtherton, Victoria, Australia, 3202	100%
STERIS Barrier Products Solutions, Inc.	Pennsylvania	CT Corporation System, 600 North 2nd Street, Suite 401, Harrisburg, Pennsylvania 17101, United States	100%
STERIS Brazil Holdings, LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%

(amounts in thousands, except per share amounts and as noted)

STERIS (BVI) I Limited	British Virgin Islands	Trident Chambers, PO Box 146, Road Town, Tortola, British Virgin Islands	100%
STERIS Canada ULC	Canada	Pacific Centre, 400-725 Granville Street, P.O. Box 10325, Vancouver, BC V7Y 1G5, Canada	100%
STERIS Canada Sales ULC.	Canada	Pacific Centre, 400-725 Granville Street, P.O. Box 10325, Vancouver, BC V7Y 1G5, Canada	100%
STERIS CH Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
STERIS China Holdings Limited	Hong Kong	Tricor Services Limited, 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong	100%
STERIS Colombia S.A.S	Colombia	Cr 11 No. 79 35 P 9, Bogota D.C., Colombia	100%
STERIS Corporation	Ohio	CT Corporation System, 4400 Easton Commons Way, Suite 125, Columbus, Ohio 43219, United States	100%
STERIS Corporation de Costa Rica, S.A.	San Jose	Escazú, Edificio Terraforte,San José Costa Rica	100%
STERIS Deutschland GmbH	Germany	Eupener Str. 70, Koln, Germany 50933, Germany	100%
STERIS Dover AST Holdings Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
STERIS Dover Canada Holdings Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
STERIS Dover Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
STERIS Emerald IE Limited*	Ireland	70 Sir John Rogerson's Quay, Dublin, Ireland 2, Ireland	100%
STERIS Enterprises LLC	Russia	4, 4th Lesnoy pereulok,Moscow, Russia 125047, Russian Federation	100%
STERIS Europe, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
STERIS FinCo S.à r.l.	Luxembourg	34, rue Notre Dame, Luxembourg L-2244, Luxembourg	100%
STERIS FinCo II S.à r.l.	Luxembourg	34, rue Notre Dame, Luxembourg L-2244, Luxembourg	100%
STERIS GmbH	Switzerland	Längfeldweg 116A,2504 Biel/Bienne, Switzerland 2504, Switzerland	100%
STERIS Holdings B.V.	The Netherlands	Naritaweg 165, Telestone 8, Amsterdam, The Netherlands 1043 BW	100%
STERIS Iberia, S.A.	Spain	Jones Day, Paseo de Recolectos 37-41, Planta 5, 28004 Madrid, Spain	100%
STERIS IMS Canada Inc.	Canada	40 King Street West, Suite 5800, Toronto, Ontario M5H 3S1, Canada	100%
STERIS IMS Limited	England and Wales	Ground Floor Stella, Windmill House Business Park, Whitehill Way, Swindon, Wiltshire, England, SN5 6NX	100%
STERIS Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
STERIS (India) Private Limited	India	Hamilton A-302 and 304, Hiranandani Estate Ghodbunder Road,Thane (W), Maharashtra 400607, India	100%
STERIS Instrument Management Services, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
STERIS Ireland Limited	Ireland	70 Sir John Rogerson’s Quay, Dublin, Ireland 2	100%
STERIS Irish FinCo Unlimited Company	Ireland	70 Sir John Rogerson's Quay,Dublin, Ireland 2	100%
STERIS Irish FinCo II Unlimited Company	Ireland	70 Sir John Rogerson's Quay,Dublin, Ireland 2	100%
STERIS Isomedix Puerto Rico LLC	Puerto Rico	CT Corporation Systems, 361 San Francisco St.,Old San Juan, Puerto Rico 00901, United States	100%
STERIS Israel Solutions Ltd	Israel	Herzog Fox & Neeman, Herzog Tower, 6, Yitzhak Sadeh St., Tel Aviv, Israel 6777506, Israel	100%
STERIS Japan Inc.	Japan	NK Shinwa Building, 5-1 Kojimachi, Chiyoda-ku, Tokyo, Japan	100%
STERIS LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
STERIS Laboratories, Inc.	Minnesota	C T Corporation System Inc. 1010 Dale Street North, St. Paul, MN 55117, United States	100%
STERIS Latin America, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
STERIS Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%

(amounts in thousands, except per share amounts and as noted)

STERIS Luxembourg Finance S.à r.l.	Luxembourg	34, rue Notre Dame, Luxembourg L-2240, Luxembourg	100%
STERIS Luxembourg Holding S.à r.l.	Luxembourg	34, rue Notre Dame, Luxembourg L-2240, Luxembourg	100%
STERIS Mauritius Limited	Mauritius	5th Floor, Nexsky Building,Ebène, Cybercity 72201, Mauritius	100%
STERIS Mexico, S. de R.L. de C.V.	Mexico	Av. Avante #790 Parque Industrial Guadalupe,Cd. Guadalupe, N.L. 67190, Mexico	100%
STERIS Netherlands B.V.	The Netherlands	Amerikalaan 110, 6199 AE Maastricht-Airport, The Netherlands	100%
STERIS New Zealand Limited	New Zealand	Gilligan Sheppard, 4th Floor, Smith & Caughey Building, 253 Queen Street, Auckland, New Zealand 1010	100%
STERIS Personnel Services Mexico, S. de R.L. de C.V.	Mexico	Av. Avante #790 Parque Industrial Guadalupe,Cd. Guadalupe, N.L. 67190, Mexico	100%
STERIS Personnel Services, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
STERIS Portugal, Unipessoal, Lda.	Portugal	Rua do Alecrim, 26E,Lisbon, Portugal 1200-018, Portugal	100%
STERIS SA	Belgium	Chaussée de la Hulpe 177, Bte 11, 8th Floor, Brussels, Belgium 1170	100%
STERIS SAS	France	116 avenue Magudas, 33185 Le Haillan,Bordeaux, France	100%
STERIS SEA SDN. BHD.	Malaysia	142, 1st Floor, Jalan Kelab Cinta Sayang, Taman Ria Jaya, Sungai Petani, Kedah, Malaysia 08000	100%
STERIS Solutions do Brasil Importacao e Comercializacao de Produtos da Saude Ltda.	Brazil	Rua Edgar Marchiori, N. 255, Potao 2, Sector STERIS, Bairro Distrito Industrial, Vinhedo, State of Sao Paulo 13288-006, Brazil	100%
STERIS Solutions Korea Limited	Korea	134 Teheran-ro, Gangnam- gu, Seoul, Republic of Korea	100%
STERIS (Shanghai) Trading Co., Ltd.	China	Suite 1504 Hong Kong New World Tower, Huai Hai Zhong Lu #300, Shanghai PRC, China	100%
STERIS (Shanghai) Trading Co., Ltd. Bejing Branch	China	Suite 1504 Hong Kong New World Tower, Huai Hai Xhong Lu #300, Shanhai PRC, China	100%
STERIS Solutions Limited	England and Wales	Chancery House Rayns Way, Watermead Business Park, Syston, Leicester, LE7 1PF, United Kingdom	100%
STERIS Solutions Pte Limited	Singapore	1 Marina Boulevard #28-00, One Marina Boulevard,Singapore 018989, Singapore	100%
STERIS Solutions S. de R.L. de C.V.	Mexico	Av. Avante #790, Parque Industrial,Guadalupe Nuevo Leon, 67190, Mexico 67190	100%
STERIS S.p.A.	Italy	Via E. Alessandrini n. 16, Trezzo Sull'Adda, Italy	100%
STERIS S.r.l.	Italy	Strada Cassanese, 224, Centro Direzionale Milano Oltre, Palazzo Caravaggio, Segrate, Italy 20090	100%
STERIS Sterilization Technologies (Suzhou) Ltd.	China	No. 26 Xingchang Road, SIP Suzhou Jiangsu Province, China, 215125	100%
STERIS TOMOE (Thailand) Ltd.	Thailand	700/644 Moo 3, Tambon Bankao, Amphur Panthong, Chonburi, 20160, Thailand	70%
STERIS UK Holding Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
STERIS-Austar Pharmaceutical Systems Hong Kong Limited	Hong Kong	Unit 6.1/F Block B, New Trade Plaza, 6 on Ping Street, Shatin, Hong Kong	51%
STERIS-AUSTAR Pharmaceutical Systems (Shanghai) Limited	China	No. 366 Yonghang Road, Songjiang District, Shanghai, China	51%
STERIS-SHINVA Healthcare Systems Co., Ltd.	China	SHINVA Medical Scientific Zone, Zibo New & Hi-tech Zone,Zibo City, Shandong Province, China	51%
Strategic Technology Enterprises, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
SVS Holding GmbH	Germany	Zum Windpark 1, Deutschland, Germany 23738	100%
Synergy Health Allershausen GmbH	Germany	Kesselbodenstrasse 7, Allershausen 85391, Germany	100%
Synergy Health Amsterdam B.V.	The Netherlands	Morsestraat 3, 6716AH Ede, The Netherlands	100%
Synergy Health AST, LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Synergy Health AST S.r.l.	Costa Rica	Zona Franca Coyol B16, Alajuela, Costa Rica	100%
Synergy Health Däniken AG	Switzerland	Hogenweidstrasse 6, 4658 Däniken, SOLOTHURN, Switzerland	100%
Synergy Health Ede BV	The Netherlands	Morsestraat 3, 6716AH Ede, The Netherlands	100%
Synergy Health Holding B.V.	The Netherlands	Morsestraat 3, 6716AH Ede, The Netherlands	100%

(amounts in thousands, except per share amounts and as noted)

Synergy Health Holdings Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Synergy Health Investments Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Synergy Health Ireland Limited	Ireland	1 Stokes Place, St. Stephen's Green, Dublin 2, Ireland	100%
Synergy Health Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Synergy Health Logistics B.V.	The Netherlands	Morsestraat 3, 6716AH Ede, The Netherlands	100%
Synergy Health Marseille SAS	France	Rue Jean Queillau, Min des Arnavaux, 13014 Marseille, France	100%
Synergy Health Nederland B.V.	The Netherlands	Morsestraat 3, 6716AH Ede, The Netherlands	100%
Synergy Health Radeberg GmbH	Germany	Juri-Gagarin-Strasse 15, 01454 Radeberg, Germany	100%
Synergy Health Sterilisation UK Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Synergy Health Systems Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Synergy Health (Thailand) Limited	Thailand	700/465 Amata Nakorn Industrial, Moo 7, Tambon Donhuaroh, Amphur Muang Chonburi, CHONBURI 20000, Thailand	100%
Synergy Health True North, LLC	New York	2000 Marcus Avenue, New Hyde Park, New York, 11042, United States	51%
Synergy Health (UK) Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Synergy Health US Holdings, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
Synergy Health Westport Limited	Ireland	Lodge Road, Westport, County Mayo, Ireland	100%
Synergy Sterilisation KL (M) Sdn Bhd	Malaysia	Suite 18.01, 18th Floor, MWE Plaza 8, Lebuh Farquhar, 10200, Penang, Malaysia	100%
Synergy Sterilisation Kulim (M) Sdn Bhd	Malaysia	Suite 18.01, 18th Floor, MWE Plaza 8, Lebuh Farquhar, 10200, Penang, Malaysia	100%
Synergy Sterilisation (M) Sdn Bhd	Malaysia	Suite 18.01, 18th Floor, MWE Plaza 8, Lebuh Farquhar, 10200, Penang, Malaysia	100%
Synergy Sterilisation Rawang (M) Sdn Bhd	Malaysia	Suite 18.01, 18th Floor, MWE Plaza 8, Lebuh Farquhar, 10200, Penang, Malaysia	100%
Synergy Sterilisation South Africa (Propietary) Limited	South Africa	5 Watepas Street, Isando Ext 3, Kempton Park, 1620, South Africa	100%
TekGo, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States	100%
United States Endoscopy Group, Inc.	Ohio	CT Corporation System, 4400 Easton Commons Way, Suite 125, Columbus, Ohio 43219	100%
Vernon and Co. Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%
Vernon-Carus Limited	England and Wales	2200 Renaissance, Basing View, Basingstoke, Hampshire, England RG21 4EQ	100%

* Direct subsidiary of STERIS plc

** Not consolidated

*** These registered addresses were updated subsequent to March 31, 2023.

+ As of April 11, 2023, Bizworth Gammarand Sdn. Bhd is a wholly owned indirect subsidiary.

STERIS plc

Parent Company Financial Statements

For the Year Ended March 31, 2023

COMPANY STATEMENT OF FINANCIAL POSITION
(in thousands)

March 31,	Note	2023	2022
Fixed assets			
Financial assets- Investments in group undertakings	4	**$ 14,610,432**	$ 14,572,114
Current assets			
Cash at bank		**2,785**	3,356
Debtors (amounts falling due within one year)	5	**90,329**	83,678
Debtors (amounts falling due after one year)	5	**790**	615
Total current assets		**93,904**	87,649
Total assets		**$ 14,704,336**	$ 14,659,763
Capital and reserves			
Called-up share capital	8	**$ 103**	$ 102
Share premium account	9	**2,763,003**	2,760,710
Merger reserve	9	**4,253,581**	4,253,581
Share option reserves	9	**269,114**	228,586
Profit and loss account	9	**7,336,577**	7,352,423
Total capital and reserves		**$ 14,622,378**	$ 14,595,402
Creditors			
Creditors (amounts falling due within one year)	6	**81,958**	60,911
Creditors (amounts falling due after one year)	6	**—**	3,450
Total liabilities		**81,958**	64,361
Total capital and reserves and liabilities		**$ 14,704,336**	$ 14,659,763

The Company has not presented a profit and loss account as permitted by section 304 of the Companies Act 2014.

The Company's profit for fiscal years 2023 and 2022 was $476.2 million and $213.8 million, respectively.

The financial statements of STERIS plc were approved by the Audit Committee of the Board of Directors and the Board of Directors on June 2, 2023.

Signed on behalf of the Board

Mohsen M. Sohi
Chairman of the Board

Daniel A. Carestio
Director

The accompanying notes are an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
(in thousands, except per share amounts)

	Share capital	Share premium account	Merger reserve	Share option reserve	Profit and loss account	Total
Balance, March 31, 2021	$ 87	$ 61,513	$ 4,253,581	$ 154,394	$7,357,548	11,827,123
Profit for year	—	—	—	—	213,821	213,821
Share-based payment expense for the period	—	—	—	56,019	—	56,019
Issue of shares under equity compensation programs (770 shares)	1	9,894	—	—	—	9,895
Repurchase and cancellation of ordinary shares (129 shares)	—	—	—	—	(25,002)	(25,002)
Issuance of shares for acquisition of Cantel Medical LLC ("Cantel") (14,297 shares)	14	2,689,303	—	—	—	2,689,317
Consideration related to Cantel equity compensation programs	—	—	—	18,173	—	18,173
Withholding tax on equity compensation programs (224 shares)	—	—	—	—	(30,775)	(30,775)
Ordinary cash interim dividends - $1.69 per share	—	—	—	—	(163,169)	(163,169)
Balance, March 31, 2022	$ 102	$ 2,760,710	$ 4,253,581	$ 228,586	$7,352,423	$ 14,595,402
Profit for year	**—**	**—**	**—**	**—**	**476,217**	**476,217**
Share-based payment expense for the period	**—**	**—**	**—**	**40,528**	**—**	**40,528**
Issue of shares under equity compensation programs (204 shares)	**1**	**2,293**	**—**	**—**	**—**	**2,294**
Repurchase and cancellation of ordinary shares (1,580 shares)	**—**	**—**	**—**	**—**	**(295,031)**	**(295,031)**
Withholding tax on equity compensation programs (62 shares)	**—**	**—**	**—**	**—**	**(13,534)**	**(13,534)**
Ordinary cash interim dividends - $1.84 per share	**—**	**—**	**—**	**—**	**(183,498)**	**(183,498)**
Balance, March 31, 2023	**$ 103**	**$ 2,763,003**	**$ 4,253,581**	**$ 269,114**	**$7,336,577**	**$ 14,622,378**

The accompanying notes are an integral part of the financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

(amounts in thousands, except per share amounts and as noted)

1. BASIS OF PRESENTATION

STERIS plc is a public limited company incorporated and domiciled in the Republic of Ireland. The registered office of the Company is 70 Sir John Rogerson's Quay, Dublin 2, Ireland. The Company's CRO number is 595593. The financial statements were prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland). The Company has taken advantage of the following disclosure exemptions under FRS 102, as equivalent disclosure is included in the STERIS plc consolidated financial statements:

a. The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
b. The requirements of Section 11 Basic Financial Instruments, paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c), and Section 12 Other Financial Instruments Issues, paragraphs 12.26, 12.27, 12.29(a), 12.29(b), 12.29A and 12.30;
c. The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
d. The requirement of Section 33 Related Party Disclosures paragraph 33.7.

The financial statements have been prepared under historical cost convention in accordance with the Companies Act 2014, and are presented in U.S. dollars. Unless otherwise noted, amounts are presented in U.S. dollars in thousands.

The going concern assessment has been performed for a period of at least 12 months from the approval of the financial statements, examining the period up to 30 June 2024. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Under section 304 of the Companies Act 2014, the Company is exempt from the requirements to present its own profit and loss account. The Company's profit for the financial year is presented underneath the Company Statement of Financial Position.

The financial statements of STERIS plc were approved and authorized for issuance by the Board of Directors on June 2, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

Investments

Investments in subsidiaries are stated at cost less accumulated impairment losses. The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been substantively enacted by the balance sheet date.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, or to receive more, tax. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax returns in periods different from those in which they are recognized in the financial statements. Deferred tax assets are recognized when it is more likely than not that they will be recovered. Deferred tax is not discounted.

Dividends

Dividend income is recorded when the Company's right to receive payment is established.

Financial instruments

The Company is applying sections 11 and 12 of FRS 102 in accounting for financial instruments.

Financial assets and liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Loans to subsidiaries are initially recorded at fair value. Subsequently, loans to subsidiaries are measured at amortized cost. Finance charges are accounted for on an accrual basis to the profit and loss account using the effective interest method.

Debt is initially recorded in the balance sheet at the net proceeds, defined as the consideration received after deduction of issue costs. Subsequently, debt is measured at amortized cost. The difference between the amount recognized and the total payments required to be made under the debt represents the total finance cost, which is amortized into the profit and loss account using the effective interest rate method over the term of the loan.

Financial guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company accounts for financial guarantee contracts under Section 21 of FRS 102. Therefore, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Share-based compensation

The Company issues equity settled share-based compensation to certain employees. Equity settled awards are measured at fair value at the date of grant. The fair value of shares and stock options granted is recognized as an employee expense with a corresponding increase in equity. These costs are recognized in the profit and loss account over the period during which an employee is required to provide service in exchange for the award.

Where the Company grants its shares or stock options over its own shares to the employees of its subsidiaries, it recognizes, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the share-based awards recognized in its consolidated financial statements, with the corresponding credit being recognized directly in equity.

The share-based compensation expense is recognized as compensation by the entity which receives services in exchange for the share-based compensation. In these Company only accounts, the profit and loss account is charged with the expense related to the services received by the Company. The remaining portion of the share-based payments expense represent a contribution to group entities and is added to the carrying amount of those investments.

Related party transactions

Transactions between the Company and its wholly-owned subsidiaries are not disclosed in line with FRS 102.33.1A. There were no other related party transactions during either period. Details of Directors' remuneration have been disclosed in Note 20 to the consolidated financial statements.

Judgment and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments and estimates have had the most significant effect on amounts recognized in the financial statements.

Financial guarantees

The Company has treated outstanding financial guarantee contracts as contingent liabilities as it is not probable that the Company will be required to make a payment under the guarantees.

Share-based compensation

The cost of share-based compensation awards is measured at fair value at the date of grant. Specifically, the determination of the fair value of a share-based stock option involves the use of a pricing model and assumptions. Due to the complexity of

(amounts in thousands, except per share amounts and as noted)

the pricing model, assumptions required, and the long-term nature of the plan awards, such estimates are subject to significant uncertainty. Refer to Note 15 titled, "Share-Based Compensation" for further details.

Deferred tax assets and liabilities

We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. We regularly review our deferred tax assets for recoverability and establish a valuation allowance based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences, and the implementation of tax planning strategies; these are considered important judgments in the deferred tax assessment. A deferred tax asset is recognized only to the extent that it is probable it will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. HISTORY AND DESCRIPTION OF THE COMPANY

The Company was originally formed as a private company (initially named Joahville Limited, and then renamed STERIS Limited) and was later converted to a public company under Section 1291 of the Companies Act 2014 for the purposes of facilitating the acquisition of all the shares of STERIS plc, a UK company (the "Acquisition") whose shares were listed on the New York Stock Exchange ("NYSE"). The acquisition was completed on March 29, 2019 and the shares of STERIS Limited (now renamed STERIS plc) are listed on the NYSE.

The principal activity of STERIS plc is an investment holding company. The Company's registered address is located at 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

4. FINANCIAL ASSETS - INVESTMENTS IN GROUP UNDERTAKINGS

Cost:	2023
Balance at March 31, 2021	$ 11,810,754
Additions due to share-based compensation plan	53,870
Acquisition of Cantel Medical LLC	2,689,317
Consideration related to Cantel equity compensation programs replaced	18,173
Balance at March 31, 2022	$ 14,572,114
Additions due to share-based compensation plan	**38,318**
Balance at March 31, 2023	**$ 14,610,432**

On June 2, 2021, the Company acquired all outstanding equity interests in Cantel Medical LLC ("Cantel"). To facilitate the acquisition of Cantel by its indirect subsidiary, STERIS Corporation, the Company invested an additional $2,689,317 when it issued shares utilized as consideration to Cantel shareholders. The Company also issued replacement awards for a consideration of $18,173 as part of the Cantel acquisition. For more information on the acquisition of Cantel, refer to Note 2 of the consolidated financial statements included in this Annual Report.

Additions due to share-based compensation relate to the cost of share-based payments issued to employees of subsidiaries. For more information about the share-based compensation plan, see Note 15 to the consolidated financial statements included in this Annual Report.

The Company holds directly the issued share capital of the following subsidiary:

Name	Ownership Percentage	Country of Incorporation	Principal Activity
STERIS Emerald IE Limited	100%	Ireland	Holding Company

A complete listing of direct and indirect subsidiaries is included in Note 24 to the consolidated financial statements included in the Directors' Report and consolidated financial statements for the year ended March 31, 2023.

(amounts in thousands, except per share amounts and as noted)

5. DEBTORS

Amounts due from debtors are presented in the following table:

	2023	2022
Amounts due within one year		
Amounts due from group undertakings	**$ 87,769**	$ 77,000
Prepaid assets	**2,556**	3,087
Accrued tax foreign income	**—**	3,364
VAT vendor reclaimable	**4**	227
Total amounts due within one year	**90,329**	83,678
Amounts due after one year		
Deferred tax foreign asset	**$ 763**	$ 576
Prepaid credit facility fees	**27**	39
Total amounts due after one year	**790**	615
Total debtors	**$ 91,119**	$ 84,293

6. CREDITORS AND BORROWINGS

Amounts due to creditors are presented in the following table:

	2023	2022
Amounts due within one year		
Accounts payable	**$ 72**	$ 62
Amounts due to group undertakings	**81,084**	60,154
VAT payable	**195**	281
Other creditors	**607**	414
Total amounts due within one year	**81,958**	60,911
Amounts due after one year		
Bank debt	**$ —**	$ 3,450
Total amounts due after one year	**—**	3,450
Total creditors	**$ 81,958**	$ 64,361

Amounts due to Other creditors included professional fees and loan and interest costs on external borrowings.

On March 19, 2021, STERIS plc ("the Company"), STERIS Corporation, STERIS Limited (“Limited”), and STERIS Irish FinCo Unlimited Company ("FinCo", "STERIS Irish FinCo"), each as a borrower and guarantor, entered into a credit agreement with various financial institutions as lenders, and JPMorgan Chase Bank, N.A., as administrative agent (the “Revolving Credit Agreement”) providing for a $1,250,000 revolving credit facility (the “Revolver”), which replaced a prior revolving credit agreement.

The Revolver provides for revolving credit borrowings, swing line borrowings and letters of credit, with sublimits for swing line borrowings and letters of credit. The Revolver may be increased in specified circumstances by up to $625,000 in the discretion of the lenders. The Revolver matures on the date that is five years after March 19, 2021, and all unpaid borrowings, together with accrued and unpaid interest thereon, are repayable on that date. The Revolver bears interest from time to time, at either the Base Rate, the applicable Relevant Rate, or the applicable Adjusted Daily Simple RFR, as defined in and calculated under and as in effect from time to time under the Revolving Credit Agreement, plus the Applicable Margin, as defined in the Revolving Credit Agreement. The Applicable Margin is determined based on the Debt Rating of STERIS, as defined in the Credit Agreement. Interest on Base Rate Advances is payable quarterly in arrears, interest on Term Benchmark Advances is payable at the end of the relevant interest period therefor, but in no event less frequently than every three months, and interest

on RFR Advances is payable monthly after the date of borrowing. Swingline borrowings bear interest at a rate to be agreed upon by the applicable swingline lender and the applicable borrower, subject to a cap in the case of swingline borrowings denominated in U.S. Dollars equal to the Base Rate plus the Applicable Margin for Base Rate Advances plus the Facility Fee. Advances may be extended in U.S. Dollars or in specified alternative currencies. In connection with the cessation of British Pound Sterling LIBOR and Swiss Franc LIBOR as of December 31, 2021, JPMorgan Chase Bank, N.A. as administrative agent, pursuant to authority contained in the Revolver, amended the Revolver on January 1, 2022 to make Benchmark Replacement Conforming Changes (as defined in the Revolver). The amendment concerns technical, administrative or operational changes related to borrowings in British Pounds Sterling and Swiss Francs.

On March 19, 2021, the Company, STERIS Corporation, Limited, and FinCo, each as a borrower and guarantor, entered into a term loan agreement with various financial institutions as lenders, and JPMorgan Chase Bank, N.A., as administrative agent (the "Term Loan Agreement") providing for a $550,000 term loan facility (the "Term Loan"), which replaced an existing term loan agreement, dated as of November 18, 2020 (the "Existing Term Loan Agreement"). The proceeds of the Term Loan were used to refinance the Existing Term Loan Agreement.

The Term Loan matures on the date that is five years after March 19, 2021 (the "Term Loan Closing Date"). No principal payments are due on the Term Loan for the period beginning from the first full fiscal quarter ended after the Term Loan Closing Date to and including the fourth full fiscal quarter ended after the Term Loan Closing Date. For the period beginning from the fifth full fiscal quarter ended after the Term Loan Closing Date to and including the twelfth full fiscal quarter ended after the Term Loan Closing Date, quarterly principal payments, each in the amount of 1.25% of the original principal amount of the Term Loan, are due on the last business day of each fiscal quarter. For the period beginning from the thirteenth full fiscal quarter ended after the Term Loan Closing Date through the maturity of the loan, quarterly principal payments, each in the amount of 1.875% of the original principal amount of the Term Loan, are due on the last business day of each fiscal quarter. The remaining unpaid principal is due and payable on the maturity date.

The Term Loan bears interest from time to time, at either the Base Rate or the Adjusted Term SOFR Rate, as defined in and calculated under and as in effect from time to time under the Term Loan Agreement, plus the Applicable Margin, as defined in the Term Loan Agreement. The Applicable Margin is determined based on the Debt Rating of STERIS, as defined in the Term Loan Agreement. Interest on Base Rate Advances is payable quarterly in arrears and interest on Term Benchmark Advances is payable in arrears at the end of the relevant interest period therefor, but in no event less frequently than every three months.

Also on March 19, 2021, the Company, STERIS Corporation, Limited, and FinCo, each as a borrower and guarantor, entered into a delayed draw term loan agreement with various financial institutions as lenders, and JPMorgan Chase Bank, N.A., as administrative agent (the "Delayed Draw Term Loan Agreement") providing for a delayed draw term loan facility of up to $750,000 (the "Delayed Draw Term Loan") in connection with STERIS's acquisition of Cantel. During the first quarter of fiscal 2022, we borrowed $650,000 under our Delayed Draw Term Loan Agreement. The Delayed Draw Term Loan was funded by the lenders upon consummation of the Cantel acquisition (the "Acquisition Closing Date"). The proceeds of the Delayed Draw Term Loan were used, together with the proceeds from other new indebtedness, to fund the cash consideration for the acquisition, as well as for various other items.

The Delayed Draw Term Loan matures on the date that is five years after the Acquisition Closing Date. No principal payments are due on the Delayed Draw Term Loan for the period beginning from the first full fiscal quarter ended after the Acquisition Closing Date to and including the fourth full fiscal quarter ended after the Acquisition Closing Date. For the period beginning from the fifth full fiscal quarter ended after the Acquisition Closing Date to and including the twelfth full fiscal quarter ended after the Acquisition Closing Date, quarterly principal payments, each in the amount of 1.25% of the original principal amount of the Delayed Draw Term Loan, are due on the last business day of each fiscal quarter. For the period beginning from the thirteenth full fiscal quarter ended after the Acquisition Closing Date through the maturity of the loan, quarterly principal payments, each in the amount of 1.875% of the original principal amount of the Delayed Draw Term Loan, are due on the last business day of each fiscal quarter. The remaining unpaid principal is due and payable on the maturity date.

The Delayed Draw Term Loan bears interest from time to time, at either the Base Rate or the Adjusted Term SOFR Rate, as defined in and calculated under and as in effect from time to time under the Delayed Draw Term Loan Agreement, plus the Applicable Margin, as defined in the Delayed Draw Term Loan Agreement. The Applicable Margin is determined based on the Debt Rating of STERIS, as defined in the Delayed Draw Term Loan Agreement. Interest on Base Rate Advances is payable quarterly in arrears and interest on Term Benchmark Advances is payable in arrears at the end of the relevant interest period therefor, but in no event less frequently than every three months.

On May 3, 2023, in connection with the upcoming replacement of U.S. dollar LIBOR with SOFR, the Borrower, Guarantors, Lenders, and JPMorgan Chase Bank, N.A., each as defined in each of the agreements, amended the Revolving Credit Agreement, the Term Loan Agreement, and the Delayed Draw Term Loan Agreement. The amendments concern pricing,

technical, administrative, and operational changes related to borrowings in U.S. dollars. The above descriptions reflect those amendments.

As of March 31, 2022, a total of $3,450 was outstanding under the Revolving Credit Agreement, based on currency exchange rates as of March 31, 2022. As of March 31, 2023, nil and nil were outstanding under the Term Loan and Delayed Draw Term loan, respectively.

7. CONTINGENT LIABILITIES

The Company guarantees the following subsidiary debt (which debt also is guaranteed by various other subsidiaries of the Company);

- $350,000 of senior notes issued May 15, 2015 by STERIS Corporation, of which $125,000 have a maturity of 10 years from the issue date at an annual interest rate of 3.45%, $125,000 have a maturity of 12 years from the issue date at an annual interest rate of 3.55% and $100,000 have a maturity of 15 years from the issue date at an annual interest rate of 3.70%.
- $98,000 of senior notes issued in February 2013 by STERIS Corporation, of which $40,000 have a maturity of 11 years and 10 months from issuance and have a current annual interest rate of 3.35%, and the remaining $12,500 have a maturity of 14 years and 10 months from issuance and have a current annual interest rate of 3.55%.
- $98,000 of senior notes issued by STERIS Corporation in December 2012, of which $40,000 have a maturity of 12 years from issuance and have a current annual interest rate of 3.35%, and the remaining $12,500 have a maturity of 15 years from issuance and have a current annual interest rate of 3.55%.
- $95,000, €99,000, and £75,000 of senior notes issued February 27, 2017 by STERIS UK, which have maturities of between 10 years and 15 years from the issue date and annual interest rates that range from 1.86% to 4.03%.

The Company is also a Borrower, and guarantees the obligations of certain of our subsidiaries, under the Credit Agreement (as previously defined).

The Company guarantees the obligations of STERIS Irish FinCo Unlimited Company under the Term Loan Agreement and Delayed Draw Term Loan Agreement, as previously defined.

In addition to the Credit Agreement, the Company guarantees letters of credit obligations of its subsidiaries under other agreements with banks up to a maximum amount of $45,786 as of March 31, 2023.

On April 1, 2021, STERIS Irish FinCo Unlimited Company ("FinCo," "STERIS Irish FinCo," the "Issuer") completed an offering of $1,350,000 in aggregate principal amount, of its senior notes in two separate tranches: (i) $675,000 aggregate principal amount of the Issuer's 2.70% Senior Notes due 2031 (the "2031 Notes") and (ii) $675,000 aggregate principal amount of the Issuer's 3.750% Senior Notes due 2051 (the "2051 Notes" and, together with the 2031 Notes, the "Senior Public Notes"). The Senior Public Notes were issued pursuant to an Indenture, dated as of April 1, 2021 (the "Base Indenture"), among FinCo, and STERIS plc, STERIS Corporation and STERIS Limited (the "Guarantors") and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of April 1, 2021, among FinCo, the Guarantors and the Trustee (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"). Each of the Guarantors guaranteed the Senior Public Notes jointly and severally on a senior unsecured basis (the "Guarantees"). The 2031 Notes will mature on March 15, 2031 and the 2051 Notes will mature on March 15, 2051. The Senior Public Notes will bear interest at the rates set forth above. Interest on the Senior Public Notes is payable on March 15 and September 15 of each year, beginning on September 15, 2021, until their respective maturities.

We have assessed the likelihood that these guarantees will be called as remote.

8. SHARE CAPITAL

Authorized share capital consisted of the following:

(Shares in thousands)	March 31, 2023	2022
Ordinary shares, par value $.001, 500,000,000	**$ 500,000**	$ 500,000
Preferred shares, par value $.001, 50,000,000	**50**	50
Deferred ordinary shares, €1.00, par value, 25,000	**28**	28
	$ 500,078	$ 500,078

Allotted, called-up and fully paid is comprised of the following:

(Shares in thousands)	March 31, 2023	March 31, 2022
Ordinary shares, par value $.001, 98,628,555 and 100,066,859 issued and outstanding, for 2023 and 2022, respectively	**$ 103**	$ 102
	$ 103	$ 102

On February 28, 2019, the shareholders of STERIS UK approved a special resolution authorizing a capital reduction of, and the creation of distributable profits for, STERIS Ireland through a reduction in the nominal value of its ordinary shares. To implement the approved proposal, STERIS Ireland authorized, subject to the confirmation of the High Court of Ireland, the creation of approximately $6,338,536 of distributable profits within STERIS Ireland by reducing the nominal value from $75.00 to $0.001 per share and cancelling the associated company capital paid-up on each of the ordinary shares of STERIS Ireland issued (1) pursuant to the Scheme, and (2) following the effective time of the Scheme and up to 11:59 a.m. on the day immediately prior to the High Court confirmation hearing (the "Par Value Reduction").

On May 2, 2019, the High Court of Ireland confirmed the creation of distributable profits of STERIS Ireland via the Par Value Reduction, such that the reserve resulting from the cancellation of paid-up company capital will be treated as distributable profits of STERIS Ireland, and made a related order (the "Order"). The Par Value Reduction took effect on May 3, 2019, upon the registration with the Irish Registrar of Companies of the Order and of an associated minute approved by the High Court with respect to the company capital of STERIS Ireland. In connection with the Par Value Reduction, the authorized share capital of STERIS Ireland was also amended to (a) 500,000,000 ordinary shares, $0.001 par value per share, (b) 50,000,000 preferred shares, $0.001 par value per share and (c) 25,000 deferred ordinary shares, €1.00 par value per share. The rights and obligations of the ordinary shares of STERIS Ireland otherwise remain unchanged.

During fiscal 2023, the Company issued 204,304 ordinary shares having a nominal value of $.001 each in capital of the Company for a total consideration of $2,293 related to employee share-based compensation plans. Refer to Note 15 to the consolidated financial statements included in this Annual Report for further discussion of share based compensation.

During fiscal 2023, the Company repurchased 1,563,983 ordinary shares for the aggregate amount of $295,000 (net of fees and commissions). During fiscal 2023, the Company obtained 17,539 ordinary shares due to forfeitures under share-based compensation award programs. During fiscal 2023, the Company obtained 61,630 ordinary shares in the aggregate amount of $13,534 for tax withholding on exercised options under share-based compensation award programs. The Company had no treasury shares at March 31, 2023, as all shares repurchased or obtained in the period were subsequently cancelled.

On May 3, 2023, our Board of Directors terminated the existing share repurchase program and authorized a new share repurchase program for the purchase of up to $500,000 (net of taxes, fees and commissions).

Refer to Note 11 to the consolidated financial statements included in this Annual Report for further discussion of share repurchases.

During fiscal 2022, the Company issued 14,297,271 ordinary shares for the acquisition of Cantel.

During fiscal 2022, the Company issued 769,690 ordinary shares having a nominal value of $.001 each in capital of the Company for a total consideration of $9,894 related to employee share-based compensation plans. Refer to Note 15 to the consolidated financial statements included in this Annual Report for further discussion of share based compensation.

During fiscal 2022, the Company repurchased 108,368 ordinary shares for the aggregate amount of $25,000 (net of fees and commissions). During fiscal 2022, the Company obtained 20,500 ordinary shares due to forfeitures under share-based compensation award programs. During fiscal 2022, the Company obtained 223,895 ordinary shares in the aggregate amount of $30,775 for tax withholding on exercised options under share-based compensation award programs. The Company had no treasury shares at March 31, 2022. Refer to Note 11 to the consolidated financial statements included in this Annual Report for further discussion of share repurchases.

9. RESERVES

Share premium account. This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Merger reserve. This reserve records the amount above the nominal value of the shares issued on the Redomiciliation and the fair value of the Group on that date.

Share option reserve. This reserve includes the amount recognized as a result of the assumption of the share-based compensation plan at March 29, 2019, and the amounts recognized as expense during the subsequent periods related to share-based compensation programs.

Profit and loss account. The profit and loss account is comprised of the accumulated profits and is reduced by the distribution of dividends and the purchases of the Company's own shares out of the Company's profits.

Distributable reserves may be created through the earnings of the Company and through a reduction in share capital which may be achieved under certain methods.

During fiscal 2023, the Directors paid dividends totaling $183,498, or $1.84 per share. During fiscal 2022, the Directors paid dividends totaling $163,169, or $1.69 per share.

Future dividends on STERIS plc ordinary shares, if any, and the timing of declaration of any such dividends, will be at the discretion of the Board of Directors of STERIS plc and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the Board of Directors of STERIS plc may deem relevant, as well as our ability to pay dividends in compliance with the Act.

10. AUDITORS' REMUNERATION

The fees paid to Ernst & Young Ireland in respect of the audit of the Company individual accounts were $0.1 million and $0.1 million for the years ended March 31, 2023 and 2022, respectively. In addition, Ernst & Young Ireland received fees of $0.3 million (2022: $0.3 million) for other assurance services and nil (2022: nil) for tax advisory services for the years ended March 31, 2023 and 2022, respectively. These fees were borne by another Group company. Note 21 to the consolidated financial statements provides additional information regarding Auditors’ remuneration.

11. EMPLOYEES' REMUNERATION

The company had no employees during the year ended March 31, 2023 or the prior year. Certain costs for the employees of the Company's subsidiaries are allocated to the Company in an amount commensurate with their services to the Company. These costs were $6,906 and $6,134 in fiscal 2023 and 2022, respectively.

12. SUBSEQUENT EVENTS

Dividends

On May 3, 2023, the Board of Directors approved a quarterly interim dividend of $0.47 per share. The dividend is payable June 28, 2023 to shareholders of record at the close of business on June 14, 2023.