



Michael J. Tokich, SVP and CFO
March 2, 2020

Forward Looking Statements



This presentation may contain statements concerning certain trends, expectations, forecasts, estimates, or other forward-looking information affecting or relating to STERIS or its industry, products or activities that are intended to qualify for the protections afforded “forward-looking statements” under the Private Securities Litigation Reform Act of 1995 and other laws and regulations. Forward-looking statements speak only as to the date the statement is made and may be identified by the use of forward-looking terms such as “may,” “will,” “expects,” “believes,” “anticipates,” “plans,” “estimates,” “projects,” “targets,” “forecasts,” “outlook,” “impact,” “potential,” “confidence,” “improve,” “optimistic,” “deliver,” “orders,” “backlog,” “comfortable,” “trend”, and “seeks,” or the negative of such terms or other variations on such terms or comparable terminology. Many important factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, disruption of production or supplies, changes in market conditions, political events, pending or future claims or litigation, competitive factors, technology advances, actions of regulatory agencies, and changes in laws, government regulations, labeling or product approvals or the application or interpretation thereof. Other risk factors are described in STERIS’s other securities filings, including Item 1A of our Annual Report on Form 10-K for the year ended March 31, 2019. Many of these important factors are outside of STERIS’s control. No assurances can be provided as to any result or the timing of any outcome regarding matters described in STERIS’s securities filings or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, cost reductions, business strategies, earnings or revenue trends or future financial results. References to products are summaries only and should not be considered the specific terms of the product clearance or literature. Unless legally required, STERIS does not undertake to update or revise any forward-looking statements even if events make clear that any projected results, express or implied, will not be realized. Other potential risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements include, without limitation, (a) STERIS’s ability to achieve the expected benefits regarding the accounting and tax treatments of the Redomiciliation transaction, (b) operating costs, Customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, Customers, clients or suppliers) being greater than expected following the Redomiciliation, (c) STERIS’s ability to meet expectations regarding the accounting and tax treatment of the Tax Cuts and Jobs Act (“TCJA”) or the possibility that anticipated benefits resulting from the TCJA will be less than estimated, (d) changes in tax laws or interpretations that could increase our consolidated tax liabilities, including changes in tax laws that would result in STERIS being treated as a domestic corporation for United States federal tax purposes, (e) the potential for increased pressure on pricing or costs that leads to erosion of profit margins, (f) the possibility that market demand will not develop for new technologies, products or applications or services, or business initiatives will take longer, cost more or produce lower benefits than anticipated, (g) the possibility that application of or compliance with laws, court rulings, certifications, regulations, regulatory actions, including without limitation any of the same relating to FDA, EPA or other regulatory authorities, government investigations, the outcome of any pending or threatened FDA, EPA or other regulatory warning notices, actions, requests, inspections or submissions, or other requirements or standards may delay, limit or prevent new product or service introductions, affect the production, supply and/or marketing of existing products or services or otherwise affect STERIS’s performance, results, prospects or value, (h) the potential of international unrest, economic downturn or effects of currencies, tax assessments, tariffs and/or other trade barriers, adjustments or anticipated rates, raw material costs or availability, benefit or retirement plan costs, or other regulatory compliance costs, (i) the possibility of reduced demand, or reductions in the rate of growth in demand, for STERIS’s products and services, (j) the possibility of delays in receipt of orders, order cancellations, or delays in the manufacture or shipment of ordered products or in the provision of services, (k) the possibility that anticipated growth, cost savings, new product acceptance, performance or approvals, or other results may not be achieved, or that transition, labor, competition, timing, execution, regulatory, governmental, or other issues or risks associated with STERIS’s businesses, industry or initiatives including, without limitation, those matters described in our Annual Report on Form 10-K for the year ended March 31, 2019, and other securities filings, may adversely impact STERIS’s performance, results, prospects or value, (l) the impact on STERIS and its operations, or tax liabilities, of Brexit or the exit of other member countries from the EU, and the Company’s ability to respond to such impacts, (m) the impact on STERIS and its operations of any legislation, regulations or orders, including but not limited to any new trade or tax legislation, regulations or orders, that may be implemented by the U.S. administration or Congress, or of any responses thereto, (n) the possibility that anticipated financial results or benefits of recent acquisitions, or of STERIS’s restructuring efforts, or of recent divestitures, or of the targeted restructuring plan will not be realized or will be other than anticipated, and (o) the effects of contractions in credit availability, as well as the ability of STERIS’s Customers and suppliers to adequately access the credit markets when needed.

Non-GAAP Financial Measures



Adjusted net income, free cash flow and constant currency organic revenue are non-GAAP measures that may be used from time to time and should not be considered replacements for GAAP results. Non-GAAP financial measures are presented in this release with the intent of providing greater transparency to supplemental financial information used by management and the Board of Directors in their financial analysis and operational decision making. These amounts are disclosed so that the reader has the same financial data that management uses with the belief that it will assist investors and other readers in making comparisons to our historical operating results and analyzing the underlying performance of our operations for the periods presented. The Company believes that the presentation of these non-GAAP financial measures, when considered along with our GAAP financial measures, provides a more complete understanding of the factors and trends affecting our business than could be obtained absent this disclosure.

Adjusted net income excludes the amortization of intangible assets acquired in business combinations, acquisition-related transaction costs, integration costs related to acquisitions, the re-measurement of deferred taxes and taxation of prior unremitted earnings impacts of the TCJA, and certain other unusual or non-recurring items. STERIS believes this measure is useful because it excludes items that may not be indicative of or are unrelated to our core operating results and provides a baseline for analyzing trends in our underlying businesses. The Company defines free cash flow as cash flows from operating activities less purchases of property, plant, equipment and intangibles, plus proceeds from the sale of property, plant, equipment, and intangibles. STERIS believes that free cash flow is a useful measure of the Company's ability to fund future principal debt repayments and growth outside of core operations, pay cash dividends, and repurchase ordinary shares.

To measure the percentage organic revenue growth, the Company removes the impact of significant acquisitions and divestitures that affect the comparability and trends in revenue. To measure the percentage constant currency organic revenue growth, the impact of changes in currency exchange rates and acquisitions and divestitures that affect the comparability and trends in revenue are removed. The impact of changes in currency exchange rates is calculated by translating current year results at prior year average currency exchange rates.

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

Who We Are



At STERIS, WE HELP OUR CUSTOMERS CREATE A HEALTHIER AND SAFER WORLD by providing innovative healthcare and life science product and service solutions around the globe.



Serving Growth Areas Within Healthcare



CUSTOMERS



Hospitals, Surgery & GI Centers



Medical Device Manufacturers



Pharmaceutical Production

REPORTING SEGMENTS

Healthcare Products

Infection prevention and procedural solutions for healthcare providers worldwide, including consumables, equipment maintenance and installation services, and capital equipment.

Healthcare Specialty Services (HSS)

A range of specialty services for healthcare providers including hospital sterilization services and instrument and scope repair.

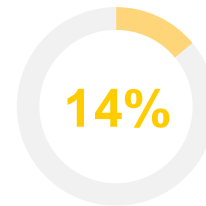
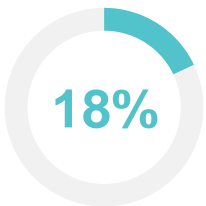
Applied Sterilization Technologies (AST)

Technology-neutral contract sterilization and testing services for medical device and pharmaceutical manufacturers.

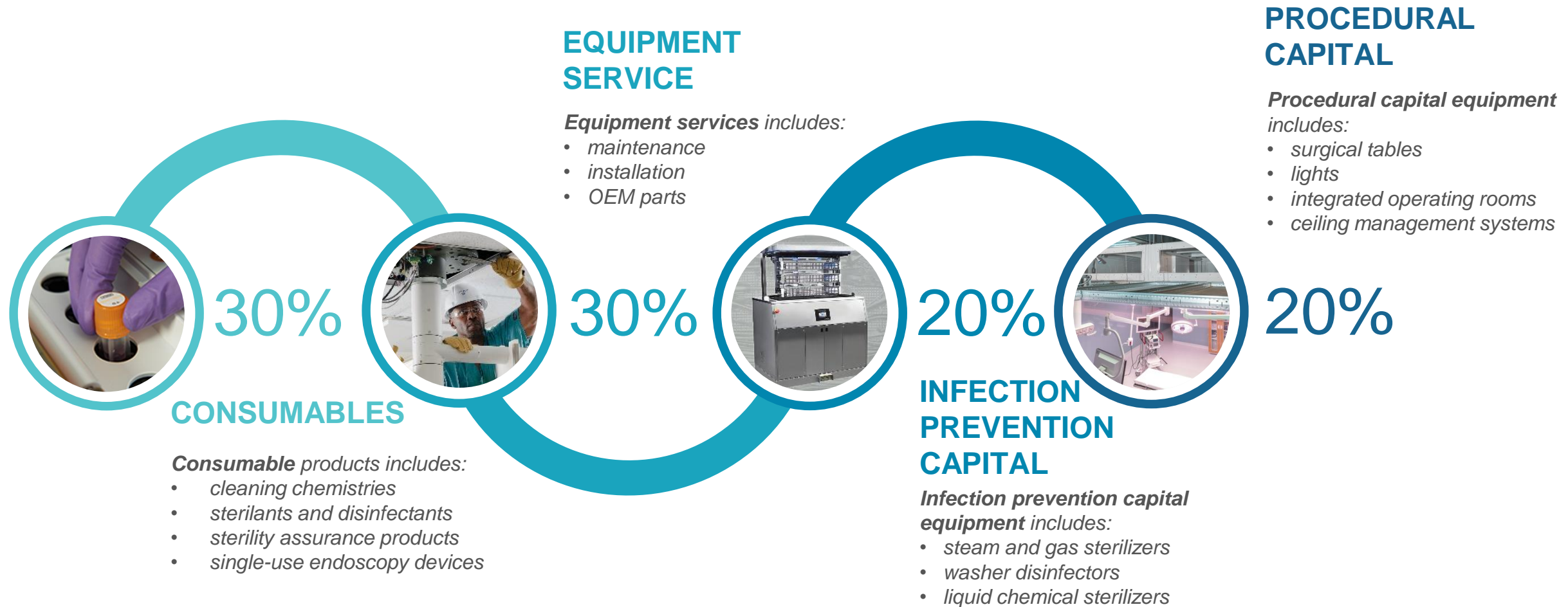
Life Sciences

Consumable products, equipment maintenance and specialty services, and capital equipment primarily for pharmaceutical manufacturers.

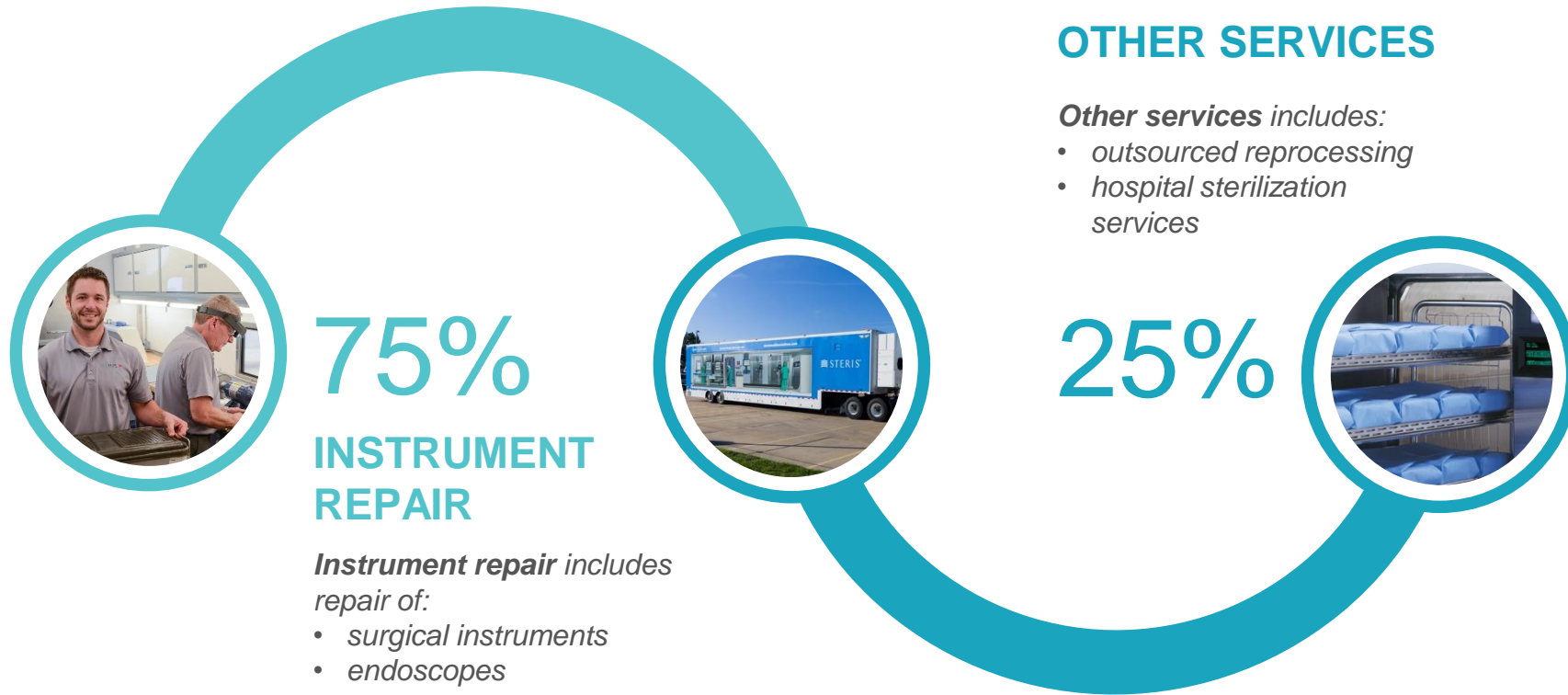
% of REVENUE



Healthcare Products Segment



Healthcare Specialty Services (HSS) Segment

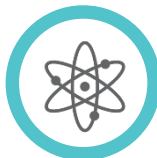


Applied Sterilization Technologies (AST) Segment



TECHNOLOGY NEUTRAL CONTRACT STERILIZATION AND TESTING SERVICES

RADIATION MODALITIES



GAMMA

Exposes product to Cobalt 60 radiation



ELECTRON BEAM

Exposes product to high-energy electrons



X-RAY

Uses ionizing energy from electron beams

GAS MODALITIES



ETHYLENE OXIDE (EO)

Exposes product to gaseous sterilant



VAPORIZED HYDROGEN PEROXIDE (VHP)

Low temp gas process under deep vacuum

TESTING SERVICES



LABORATORY TESTING

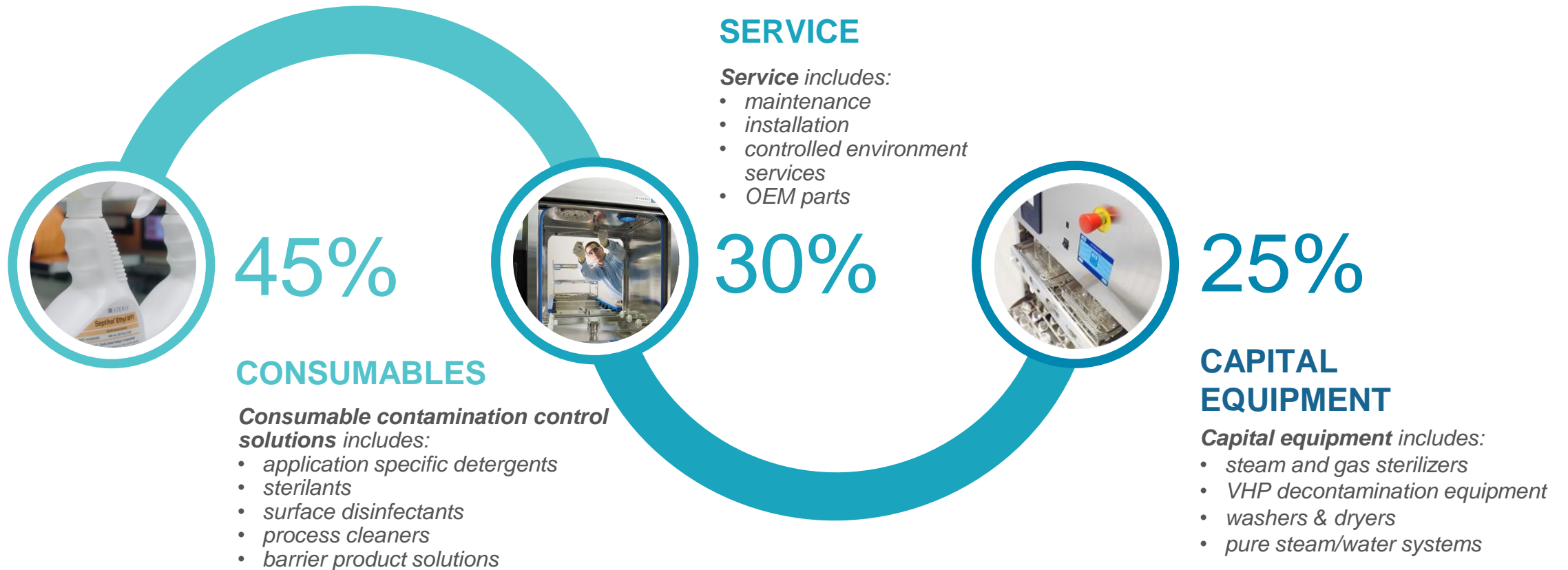
Provides microbiological and analytical testing



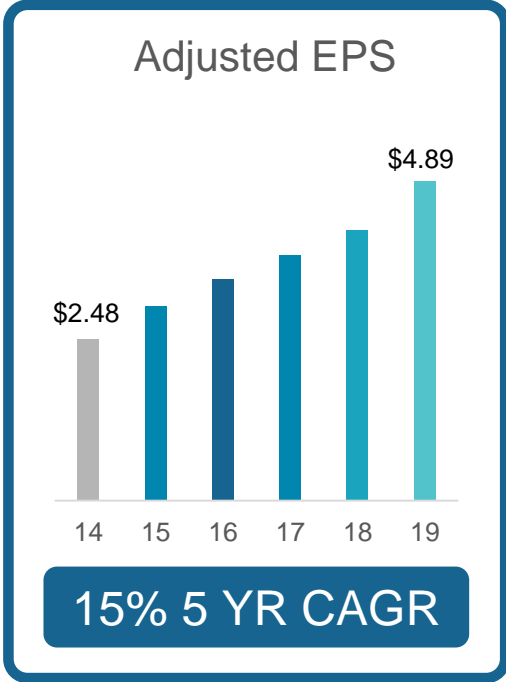
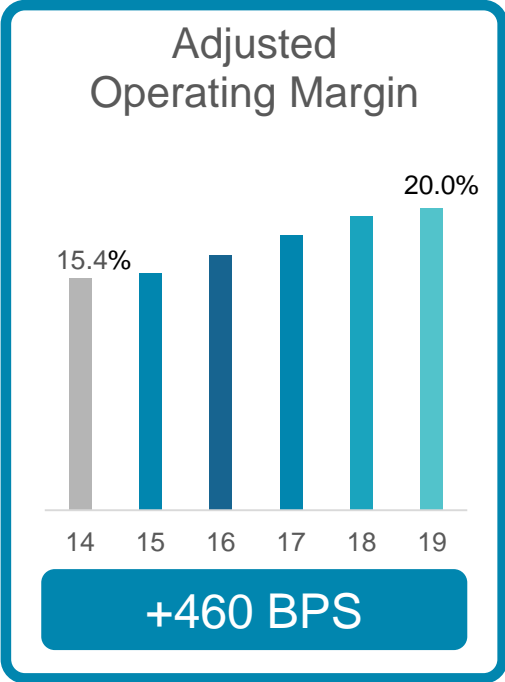
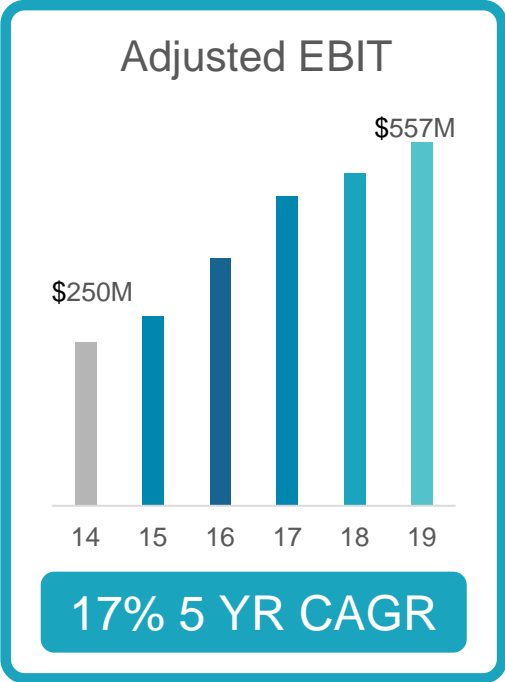
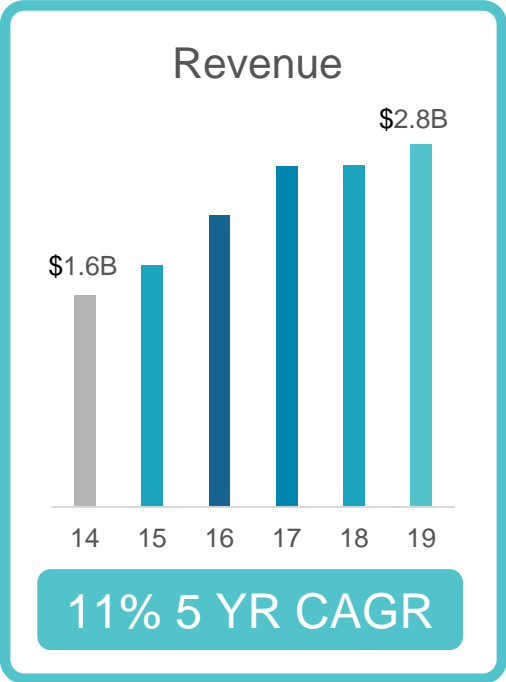
PRODUCT & PACKAGE TESTING

Provides testing options for the validation of medical devices

Life Sciences Segment

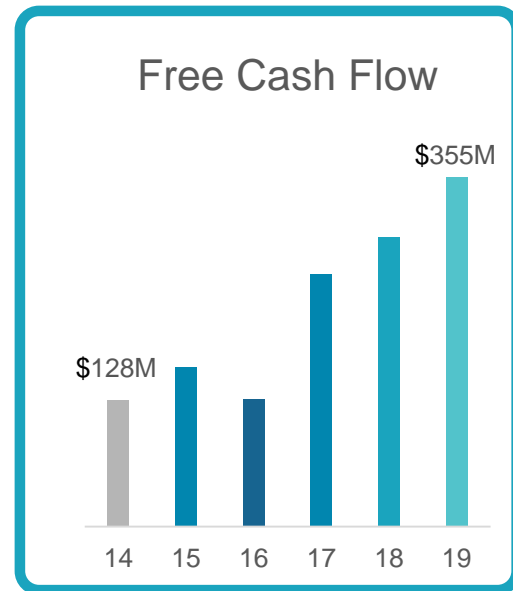
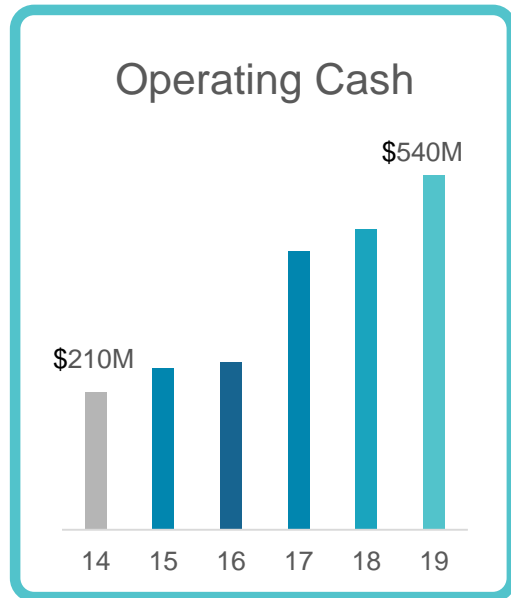


History of Performance



See Appendix for Reconciliation; Years are Fiscal Years

Cash Flow Generation Provides Capacity for Growth



PRIORITIES FOR CAPITAL

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

See Appendix for Reconciliation; Years are Fiscal Years

Long-term Objectives



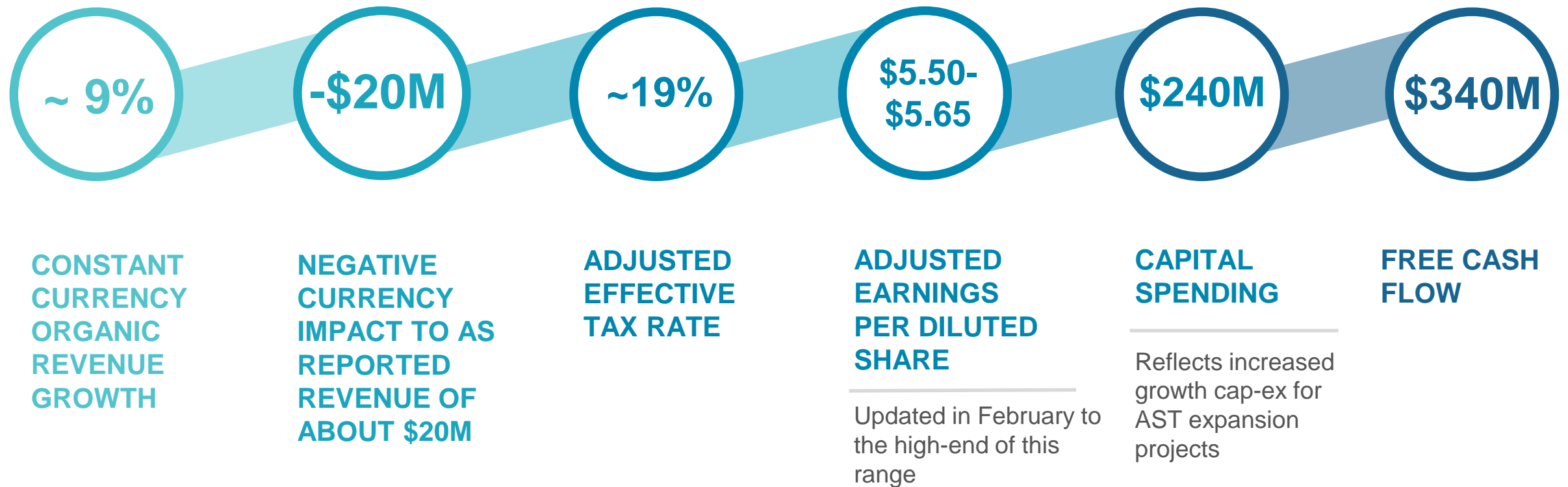
Total revenue growth opportunity of mid-to-high single digits

Organic growth of mid-single digits supported by global demand for procedure volumes

+ *Plus M&A opportunities gets to long-term goal of high single digits*

Double-digit adjusted diluted EPS growth over long periods of time

Full Year Fiscal 2020 Outlook



As of February 11, 2020

Positioned for Continued Growth



We are a leading global provider of products and services that meet the needs of growth areas within Healthcare: procedures, devices, vaccines and biologics.

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

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

It is the Company's long term objective to continue this trend

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

We have a strong balance sheet and generate free cash flow that provides capacity for growth.



Appendix | Non-GAAP Reconciliation



FY 2020 Outlook

	Twelve Months Ended March 31, 2020 (Outlook*)
Net income per diluted share	\$4.68- \$4.83
Amortization of acquired intangible assets	0.66
Acquisition and integration related charges	0.06
Redomiciliation and tax restructuring costs	0.03
Net loss on divestiture of businesses	0.02
Amortization of property "step up" to fair value	0.02
Restructuring charges	0.03
Adjusted net income per diluted share	\$5.50- \$5.65

* All amounts are estimates.

Appendix | Non-GAAP Reconciliation



	Nine Months Ended December 31,	
	2019	2018
	(Unaudited)	(Unaudited)
Calculation of Free Cash Flow:		
Cash flows from operating activities	\$ 391,326	\$ 360,579
Purchases of property, plant, equipment, and intangibles, net	(153,649)	(113,236)
Proceeds from the sale of property, plant, equipment, and intangibles	387	5,563
Free Cash Flow	\$ 238,064	\$ 252,906

	Twelve Months Ended	
	March 31, 2020	
	(Outlook*)	
Calculation of Free Cash Flow for Outlook		
Cash flows from operating activities	\$	580,000
Purchases of property, plant, equipment, and intangibles, net		(240,000)
Free Cash Flow	\$	340,000

* All amounts are estimates.

Appendix | Non-GAAP Reconciliation



	Twelve months ended March 31, (unaudited)							
	As reported, GAAP		Impact of Acquisitions	Impact of Divestitures	Impact of Currency Movements	GAAP growth	Organic growth	Constant currency organic growth
	2019	2018	2019	2018	2019	2019	2019	2019
Segment Revenues:								
Healthcare Products	\$ 1,338,428	\$ 1,276,054	\$ -	\$ (25,907)	\$ (4,690)	4.9%	7.1%	7.4%
Healthcare Specialty Services	510,057	469,065	-	-	(1,286)	8.7%	8.7%	9.0%
Life Sciences	378,558	361,590	-	-	(1,415)	4.7%	4.7%	5.1%
Applied Sterilization Technologies	555,127	513,287	-	-	(2,328)	8.2%	8.2%	8.6%
Total	\$ 2,782,170	\$ 2,619,996	\$ -	\$ (25,907)	\$ (9,719)	6.2%	7.3%	7.6%

Appendix | Non-GAAP Reconciliation



	Twelve months ended March 31, (unaudited)							
	Gross Profit		Income from Operations		Net income attributable to shareholders		Diluted EPS	
	2019	2018	2019	2018	2019	2018	2019	2018
GAAP	\$ 1,175,427	\$ 1,092,746	\$ 411,465	\$ 399,883	\$ 304,051	\$ 290,915	\$ 3.56	\$ 3.39
Adjustments:								
Amortization of property "step up" to fair value	2,604	2,619	2,440	1,599				
Amortization of acquired intangible assets	721	207	86,878	67,793				
Acquisition and integration related charges	2,145	4,202	8,901	16,211				
(Gain) on fair value adjustment of acquisition related contingent consideration	-	-	(842)	(593)				
Net (gain) loss on divestiture of businesses	-	-	(1,370)	14,547				
Restructuring charges	9,721	-	40,708	103				
Redomiciliation costs	-	-	8,783	-				
Impact from U.S. Tax Cuts and Jobs Act**	-	5,542		10,264	-	(13,597)		
Net impact of adjustments after tax*					113,497	78,309		
Net EPS impact							1.33	0.76
Adjusted	\$ 1,190,618	\$ 1,105,316	\$ 556,963	\$ 509,807	\$ 417,548	\$ 355,627	\$ 4.89	\$ 4.15



STERIS plc

Investor Relations Contact: Julie Winter
julie_winter@steris.com