



2025 JP Morgan Healthcare Conference

Safeguarding Global Health®

Michael B. Petras, Jr.
Chairman and Chief Executive Officer
January 14, 2025



Cautionary Note Regarding Forward-Looking Statements and Non-GAAP Financial Measures

Unless expressly indicated or the context requires otherwise, the terms “Sotera Health,” “Company,” “we,” “us,” and “our” in this document refer to Sotera Health Company, a Delaware corporation, and, where appropriate, its subsidiaries on a consolidated basis. This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and reflect management’s expectations about future events and the Company’s operating plans and performance and speak only as of the date hereof. Forward-looking statements present our current forecasts and estimates of future events. These statements do not strictly relate to historical or current results and can be identified by words such as “anticipate,” “appear,” “assume,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “may,” “plan,” “project,” “seek,” “should,” “strategy,” “will” and other terms of similar meaning or import in connection with any discussion of future operating, financial or other performance. These forward-looking statements are subject to risks, uncertainties and other factors and actual results may differ materially from those results projected in the statements. These forward-looking statements are subject to various risks, uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. These risks and uncertainties include, but are not limited to, a disruption in the availability or supply of, or increases in the price of, EO, Cobalt-60 (“Co-60”) or our other direct materials, services and supplies, including as a result of geopolitical instability and/or sanctions against Russia by the United States, Canada, United Kingdom and/or the European Union; fluctuations in foreign currency exchange rates; changes in environmental, health and safety regulations or preferences, and general economic, social and business conditions; health and safety risks associated with the use, storage, transportation and disposal of potentially hazardous materials such as EO and Co-60; the impact and outcome of current and future legal proceedings and liability claims, including litigation related to the use, emissions and releases of EO from our facilities in California, Georgia, Illinois and New Mexico and the possibility that additional claims will be made in the future relating to these or other facilities; allegations of our failure to properly perform services and potential product liability claims, recalls, penalties and reputational harm; compliance with the extensive regulatory requirements to which we are subject, the related costs, and any failures to receive or maintain, or delays in receiving, required clearances or approvals; adverse changes in industry trends; competition we face; market changes, including inflationary trends, that impact our long-term supply contracts with variable price clauses and increase our cost of revenues; business continuity hazards, including supply chain disruptions and other risks associated with our operations; the risks of doing business internationally, including global and regional economic and political instability and compliance with numerous laws and sometimes inconsistent laws and regulations in multiple jurisdictions; our ability to increase capacity at existing facilities, build new facilities in a timely and cost-effective manner and renew leases for our leased facilities; our ability to attract and retain qualified employees; severe health events or environmental events; cybersecurity breaches, unauthorized data disclosures, and our dependence on information technology systems; an inability to pursue strategic transactions, find suitable acquisition targets, or integrate strategic acquisitions into our business successfully; our ability to maintain effective internal control over financial reporting; our reliance on intellectual property to maintain our competitive position and the risk of claims from third parties that we have infringed or misappropriated, or are infringing or misappropriating, their intellectual property rights; our ability to comply with rapidly evolving data privacy and security laws and regulations in various jurisdictions and any ineffective compliance efforts with such laws and regulations; our ability to maintain profitability in the future; impairment charges on our goodwill and other intangible assets with indefinite lives, as well as other long-lived assets and intangible assets with definite lives; the effects of unionization efforts and labor regulations in countries in which we operate; adverse changes to our tax positions in U.S. or non-U.S. jurisdictions or the interpretation and application of recent U.S. tax legislation or other changes in U.S. or non-U.S. taxation of our operations; and our significant leverage and how this significant leverage could adversely affect our ability to raise additional capital, limit our ability to react to challenges confronting our Company or broader changes in our industry or the economy, limit our flexibility in operating our business through restrictions contained in our debt agreements and/or prevent us from meeting our obligations under our existing and future indebtedness. For additional discussion of these risks and uncertainties, please refer to the Company’s filings with the SEC, such as its Annual Report on Form 10-K and quarterly reports. We do not undertake any obligation to publicly update or revise these forward-looking statements, except as otherwise required by law.

This presentation includes Adjusted EBITDA and Free Cash Flow, which are unaudited financial measures that are not based on any standardized methodology prescribed by GAAP. Adjusted EBITDA and Free Cash Flow may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Adjusted EBITDA and Free Cash Flow should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

This presentation refers to, and in other communications with investors the Company may refer to, net sales or revenues or other historical financial information on a “constant currency” basis, which is a non-GAAP financial measure defined in the Appendix to this presentation.

We use these non-GAAP financial measures as the principal measures of our operating performance. Management believes these measures allow management to more effectively evaluate our operating performance and compare the results of our operations from period to period without the impact of certain non-cash items and non-routine items that we do not expect to continue at the same level in the future and other items that are not core to our operations. We believe that these measures are useful to our investors because they provide a more complete understanding of the factors and trends affecting our business than could be obtained without these measures and their disclosure. In addition, we believe these measures will assist investors in making comparisons to our historical operating results and analyzing the underlying performance of our operations for the periods presented. Our management also uses these measurements in their financial analysis and operational decision-making and Adjusted EBITDA serves as the key metric for the attainment of our primary annual incentive program. These measures may be calculated differently from, and therefore may not be comparable to, a similarly titled measure used by other companies.

The Company does not provide a reconciliation for non-GAAP financial measures on a forward-looking basis where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items without unreasonable effort. The Company cannot reconcile its expected Adjusted EBITDA and Free Cash Flow without unreasonable effort because certain items that impact net income, earnings per share and other reconciling metrics are out of the Company’s control and/or cannot be reasonably predicted at this time, including uncertainties caused by changes to the regulatory landscape, restructuring items and certain fair value measurements, all of which are potential adjustments for future earnings.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other data about the Company’s industry and estimated total and serviceable addressable markets. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified this market data. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those described under the headings of “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s Annual Report on Form 10-K, and in the Company’s other SEC filings. In addition, projections, assumptions and estimates of the Company’s future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk.

The Sotera Health name, our logo and other trademarks mentioned in this presentation are the property of their respective owners. All Company data and financial information included in this presentation is as of 12/31/2023 or 9/30/2024, unless otherwise stated.

Safeguarding Global Health®



~5,000 customers in over
50 countries



Over 3,000 employees



Provide end-to-end
solutions for our customers
in highly-regulated markets



Integrated global network of
62 facilities located in
13 countries

Trusted partnerships with blue-chip customers

Customer relationships average 10+ years across top 25 customers

~\$18B Serviceable Addressable Market
(SAM)⁽¹⁾⁽²⁾ and growing

70%+ of revenue tied to multi-year contracts⁽³⁾

Commitment to values and culture

(1) 2024 management estimate from internal market models.

(2) Serviceable Addressable Market (SAM) is comprised of the outsourced service segments in which the Company participates and the inhouse sterilization market.

(3) For the year ended December 31, 2023.

Our Role in the Healthcare Supply Chain



R&D, materials and packaging optimization



Pre-FDA filing tests and clinical trials



Product manufacturing



Sterilization



Quality control tests



Distribution

 Sterigenics. ✓

 Nordion. ✓

 Nelson Labs. ✓

Three Unique and Outstanding Business Segments

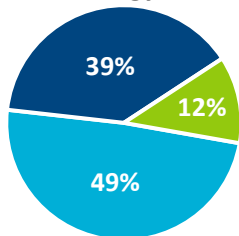


Global leader in comprehensive sterilization solutions

Providing **2,000+** customers⁽¹⁾ with peace of mind through **quality, reliability** and **safety**

48 facilities located across **13** countries and **4** continents

Sterigenics Technology Mix⁽¹⁾



■ Gamma ■ EO ■ E-beam

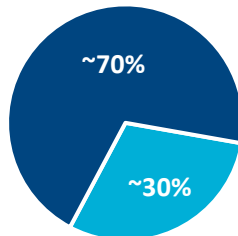


World's Largest Provider of Cobalt-60 sealed sources

Providing customers with **end-to-end solutions** across the Cobalt-60 supply chain

One of a Kind, CNSC licensed, Class 1B nuclear processing **facility**

Global Cobalt-60 Single-Use Medical Device Sterilization Split



■ Cobalt-60 sterilization ■ All other technologies

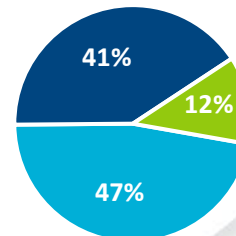


Global leader in microbiological and analytical lab testing

~**3,000** customers⁽¹⁾ trust Nelson Labs' **quality and reliability** to help ensure their lifesaving products are safe

Microbiology and analytical chemistry services include **900+ tests**

Nelson Labs Service Mix⁽¹⁾



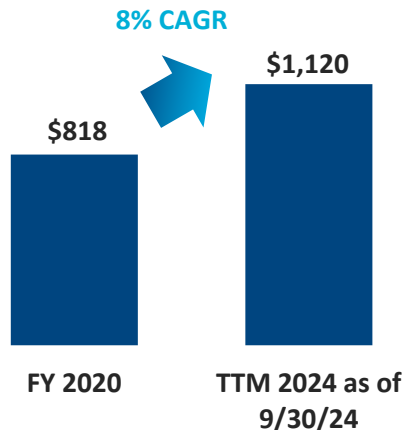
■ Routine ■ Validation ■ Expert Advisory Services

(1) For the year ended December 31, 2023.

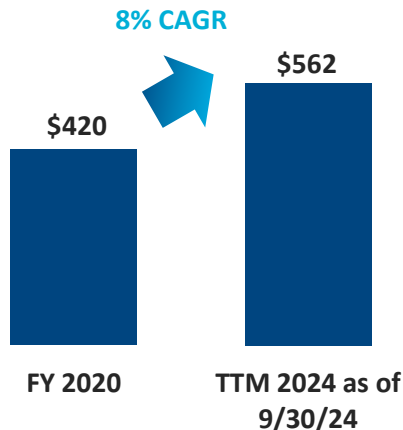
Demonstrated Track Record of Performance

\$ in millions

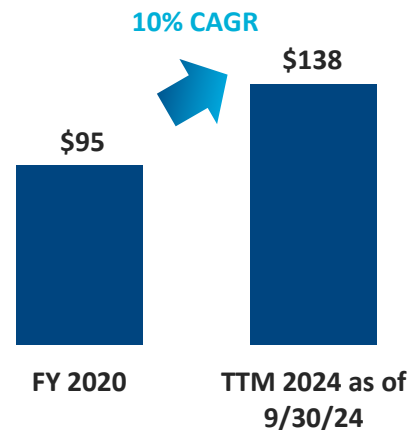
REVENUE GROWTH



ADJUSTED EBITDA⁽¹⁾ GROWTH



FREE CASH FLOW⁽¹⁾ GROWTH



\$140M+ of Adjusted EBITDA growth since IPO

(1) This is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix.

Our Company Key Priorities

1

Excellence in serving our customers with end-to-end solutions

2

Win in growth markets

3

Driving operational excellence to enhance free cash flow

4

Disciplined capital deployment

Strong Execution to Generate Value for Our Stakeholders

Well-Positioned for Above-Market Growth

Organic Growth

Strong foundation in our Service Addressable Market (SAM)

- + Favorable markets and healthcare trends
- + Strategic segments enable higher value, growth – better mix
- + Leverage distinctiveness to deepen cross-business unit (XBU) service opportunity

Inorganic Growth

Strong potential for additional growth through acquisitions & strategic collaborations

- + Bolt-on acquisitions for our current businesses and in our SAM
- + Opportunities in adjacent markets, enabled by our strong capabilities and market position

Driving Organic Revenue Growth Targets



MSD-HSD

~High-end of price range or above
~65% of revenue⁽¹⁾



MSD

~Low-end of price range
~20% of revenue⁽¹⁾



LSD-MSD

~Low-end of price range
~15% of revenue⁽¹⁾

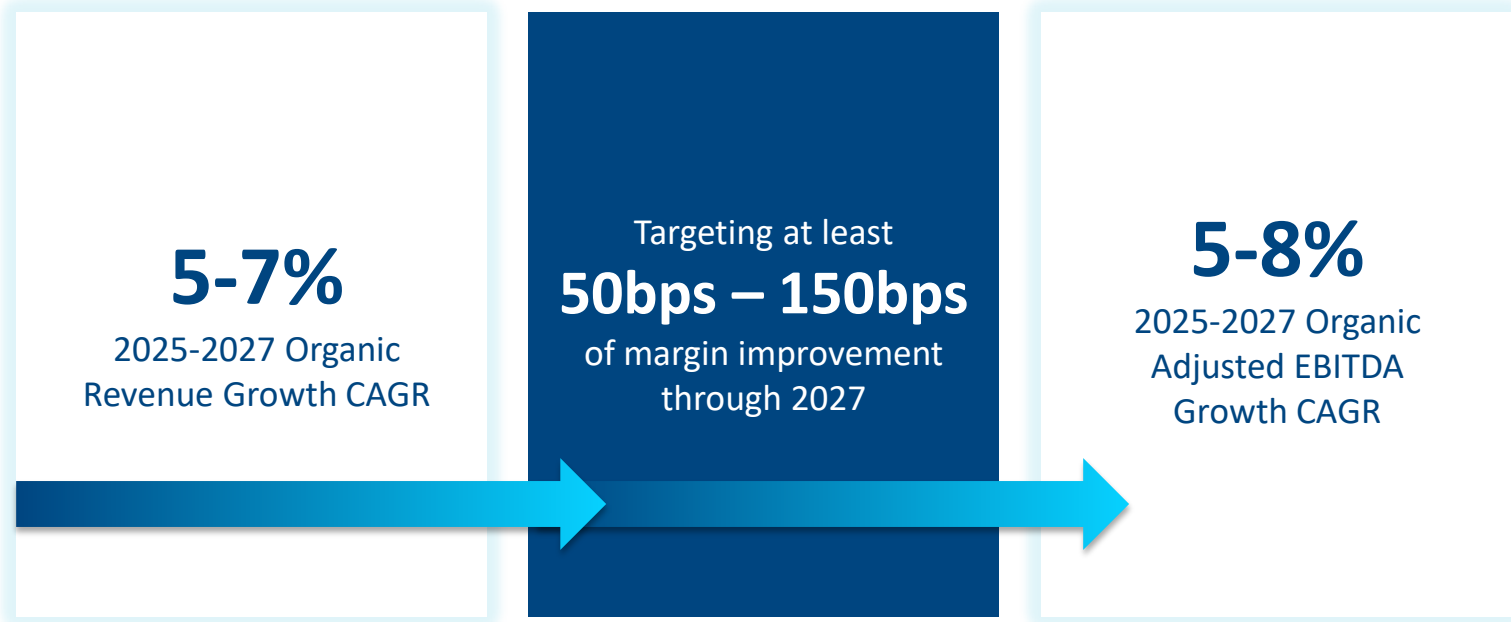


5% - 7%

2025-2027 Organic Revenue Growth CAGR
Inclusive of total company price range of 3%-4%

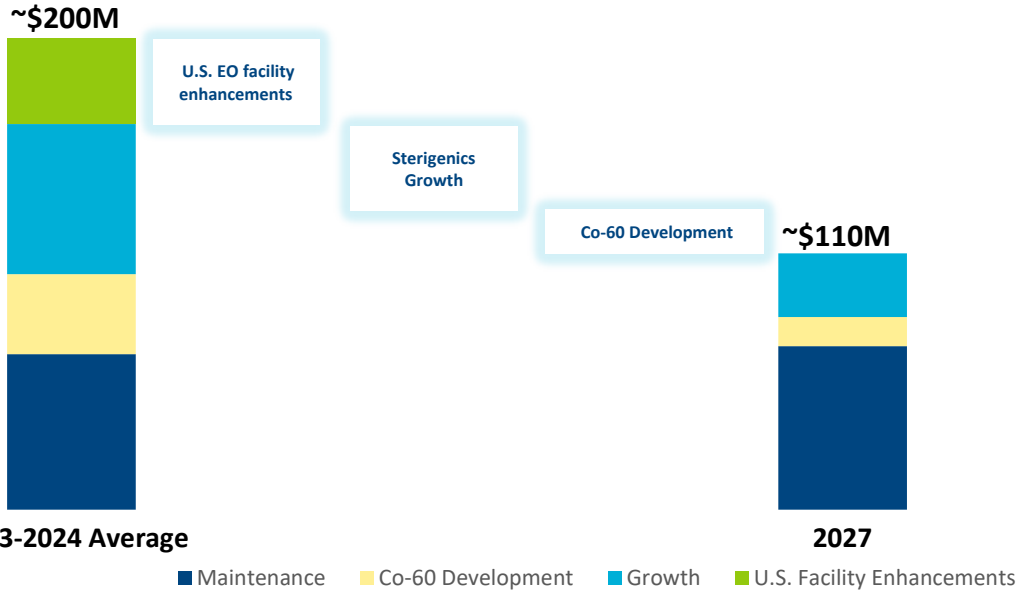
(1) Based on 2023 Net Revenues.

Accelerating Adjusted EBITDA Growth Target



Driving Capital Efficiency and Free Cash Flow

CAPITAL EXPENDITURES



Operating a Disciplined Process:

- All capex more than \$500k requires CFO & CEO approval
- Target IRR of 20%
- Payback period a key consideration
- Say/Do analysis

2025-2027 cumulative Free Cash Flow target of \$500M - \$600M⁽¹⁾

(1) Free Cash Flow is defined as cash provided by operating activities minus capital expenditures and excludes the tax effected impact of EO litigation settlements and EO litigation defense costs.

EO Litigation and Tentative Timeline (as of 1/14/25)

Cobb County, GA

- ~300 personal injury cases; Nov '24 ruling on general causation in 8 “pool cases”
 - Excluded two of plaintiffs’ medical causation experts; declined to exclude third expert
 - Dismissed case alleging birth defects; declined to dismiss other cases involving cancers
 - Georgia Court of Appeals reviewing ruling via appeals by plaintiffs and Sterigenics
- Completing expert discovery in ~345 property devaluation cases

Los Angeles, CA

- Four cases presenting 29 claims relating to Vernon facility; in early stages of discovery

Santa Teresa, NM

- Discovery continues in NM Attorney General’s case; trial scheduled for 2026

Cook County, IL

- Approximately 100 cases, mostly for illnesses diagnosed since the February 2023 settlement
- Anticipating three trials of 12 claims in 2025 in April, June and late 2025
- Secured a \$110 million judgment for defense costs; awaiting ruling on insurer’s appeal

Risk of additional lawsuits in these and other jurisdictions (an industry-wide challenge)

Sterigenics operates safely and in compliance with regulatory requirements and will continue to vigorously defend itself against EO claims

Positioned for a Successful Future

OUR FOUNDATION

- ✓ Values & culture
- ✓ Trusted customer relationships
- ✓ Large & expanding markets
- ✓ Deep domain expertise
- ✓ Significant competitive advantages

2025-2027 Organic Revenue
CAGR of:

5% - 7%

2025-2027 Cumulative Free Cash
Flow of:

\$500M - \$600M⁽¹⁾

(1) Free Cash Flow is defined as cash provided by operating activities minus capital expenditures and excludes the tax effected impact of EO litigation settlements and EO litigation defense costs.

Appendix

Non-GAAP Financial Measures

Unaudited

	Year Ended December 31,				Twelve Months Ended
	2020	2021	2022	2023	September 30, 2024
<i>(in thousands of U.S. dollars)</i>					
Net income (loss)	\$ (37,491)	\$ 117,121	\$ (233,570)	\$ 51,376	\$ 70,756
Amortization of intangible assets	80,255	86,742	81,554	81,348	79,795
Share-based compensation ^(a)	10,987	13,870	21,211	32,364	36,952
Capital restructuring bonuses ^(b)	2,702	—	—	—	—
(Gain) loss on foreign currency and derivatives not designated as hedging instruments, net ^(c)	(8,454)	(58)	3,150	(1,552)	(4,710)
Business optimization expenses ^(d)	9,105	(2,743)	8,354	7,662	3,426
Impairment of investment in unconsolidated affiliate ^(e)	—	—	9,613	—	—
Loss on extinguishment of debt ^(f)	44,262	20,681	—	—	24,160
Secondary offering costs ^(g)	—	—	—	—	1,699
Professional services relating to EO sterilization facilities ^(h)	36,671	45,656	72,639	45,312	33,719
Illinois EO litigation settlement ⁽ⁱ⁾	—	—	408,000	—	—
Georgia EO litigation settlement ^(j)	—	—	—	35,000	—
Accretion of asset retirement obligations ^(k)	1,946	2,252	2,194	2,413	2,645
COVID-19 expenses ^(l)	2,677	761	155	—	—
Income tax benefit associated with pre-tax adjustments ^(m)	(43,536)	(38,500)	(103,081)	(49,597)	(42,298)
Adjusted Net Income	99,124	245,782	270,219	204,326	206,144
Interest expense, net ⁽ⁿ⁾	215,259	74,192	78,490	142,878	166,384
Depreciation ^(o)	63,309	64,160	64,000	76,577	83,738
Income tax provision applicable to Adjusted Net Income ^(p)	42,167	97,095	93,540	104,248	106,122
Adjusted EBITDA^(a)	\$ 419,859	\$ 481,229	\$ 506,249	\$ 528,029	\$ 562,388
Net Revenues	\$ 818,158	\$ 931,478	\$ 1,003,687	\$ 1,049,288	\$ 1,120,477
Adjusted EBITDA Margin	51.3 %	51.7 %	50.4 %	50.3 %	50.2 %

Non-GAAP Financial Measures

- (a) Represents share-based compensation expense to employees and Non-Employee Directors.
- (b) Represents cash bonuses for members of management relating to the November 2020 IPO.
- (c) Represents the effects of (i) fluctuations in foreign currency exchange rates, (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion, and (iii) unrealized gains and losses on interest rate derivatives not designated as hedging instruments.
- (d) Represents (i) certain costs related to acquisitions and the integration of recent acquisitions, (ii) the earnings impact of fair value adjustments (excluding those recognized within amortization expense) resulting from the businesses acquired, (iii) transition services income and non-cash deferred lease income associated with the terms of the divestiture of the Medical Isotopes business in 2018, (iv) professional fees and other costs associated with business optimization, cost saving and other process enhancement projects, (v) professional fees, payroll costs, and other costs, including ongoing lease and utility expenses associated with the closure of the Willowbrook, Illinois facility, (vi) a \$3.4 million gain recognized in the third quarter of 2021 related to the settlement of an insurance claim for Nordion that existed at the time of our acquisition of the business in 2014, and (vii) a \$5.1 million non-cash gain recognized in the fourth quarter of 2021 arising from the derecognition of an ARO liability no longer attributable to Nordion pursuant to the terms of the sale of the Medical Isotopes business in 2018. The year ended December 31, 2023 also includes a \$1.0 million cancellation fee received from a tenant in connection with the termination of an office space lease at the Nordion facility.
- (e) Represents an impairment charge on an equity method investment in a joint venture.
- (f) Represents expenses incurred in connection with the repricing of a prepayable senior secured first lien term loan in January 2021, full redemption of the \$100 million aggregate principal amount of senior secured first lien notes due 2026 in August 2021, and Amendment numbers 3 and 4 to the Senior Secured Credit Facilities and the newly issued \$750.0 million Secured Notes in May 2024 as described in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.
- (g) Represents expenses incurred in connection with the secondary offering of our common stock that closed on March 4, 2024 and September 6, 2024, respectively.
- (h) Represents litigation and other professional fees associated with our EO sterilization facilities. Amounts presented for the year ended December 31, 2023 and twelve months ended September 30, 2024 have been adjusted to exclude interest expense, net associated with Term Loan B attributable to the loan proceeds that were used to fund the \$408.0 million Illinois EO litigation settlement.
- (i) Represents the cost to settle 880 pending and threatened EO claims in Illinois pursuant to Settlement Agreements entered into on January 9, 2023 and finalized on March 28, 2023.
- (j) Represents the cost to settle 79 pending EO claims in Georgia under a Settlement Term Sheet entered into on December 21, 2023.
- (k) Represents non-cash accretion of asset retirement obligations related to Co-60 gamma and EO processing facilities, which are based on estimated site remediation costs for any future decommissioning of these facilities and are accreted over the life of the asset.
- (l) Represents non-recurring costs associated with the COVID-19 pandemic, including incremental costs to implement workplace health and safety measures. For the year ended December 31, 2020, costs also included donations to related charitable causes and special bonuses for front-line personnel working on-site during lockdown periods.
- (m) Represents the income tax impact of adjustments calculated based on the tax rate applicable to each item. We eliminate the effect of tax rate changes as applied to tax assets and liabilities, and unusual items from our presentation of adjusted net income.
- (n) Interest expense, net for the year ended December 31, 2023 and the twelve months ended September 30, 2024 has been adjusted to conform to the 2024 presentation (as initially presented in the non-GAAP reconciliations for the three and nine months ended September 30, 2024) to include interest expense, net on Term Loan B attributable to the loan proceeds that were used to fund the \$408.0 million Illinois EO litigation settlement.
- (o) Includes depreciation of Co-60 held at gamma irradiation sites. The twelve months ended September 30, 2024 excludes accelerated depreciation associated with business optimization activities.
- (p) Represents the difference between the income tax provision/benefit as determined under U.S. GAAP and the income tax benefit associated with pre-tax adjustments described in footnote (m).
- (q) \$82.6 million, \$85.3 million, \$83.6 million and \$94.1 million and \$97.4 million of the adjustments for the years ended December 31, 2020, 2021, 2022, 2023 and twelve months ended September 30, 2024, respectively, are included in cost of revenues, primarily consisting of amortization of intangible assets, depreciation, and accretion of asset retirement obligations.

Non-GAAP Financial Measures

Unaudited

(in thousands of U.S. dollars)	Year Ended December 31,				Twelve Months Ended
	2020	2021	2022	2023	September 30, 2024
GAAP Cash Flow Categories					
Net cash provided by (used in) operating activities	\$ 120,585	\$ 281,545	\$ 277,961	\$ (147,732)	\$ 281,570
Net cash used in investing activities	(158,694)	(159,833)	(181,896)	(214,906)	(177,952)
Net cash provided by (used in) financing activities	73,432	(117,286)	197,761	265,959	(47,809)
Effect of exchange rate changes on cash and cash equivalents	4,106	44	(4,456)	2,039	139
Net increase (decrease) in cash and cash equivalents, including restricted cash	\$ 39,429	\$ 4,470	\$ 289,370	\$ (94,640)	\$ 55,948
Free Cash Flow (Non-GAAP)					
Net cash provided by (used in) operating activities	120,585	281,545	277,961	(147,732)	281,570
Purchases of property, plant and equipment, net	(53,507)	(102,162)	(182,378)	(214,975)	(178,026)
Professional services relating to EO sterilization facilities ^(a)	36,671	45,656	72,639	45,312	33,719
EO litigation settlements ^(b)	—	—	—	407,712	35,000
Tax effect of EO litigation settlements and litigation costs ^(c)	(9,168)	(11,414)	(18,160)	(46,189)	(34,737)
Free Cash Flow	94,581	213,625	150,062	44,128	137,526

- (a) Represents litigation and other professional fees associated with our EO sterilization facilities. Amounts presented for the year ended December 31, 2023 and twelve months ended September 30, 2024 have been adjusted to exclude interest expense, net associated with Term Loan B attributable to the loan proceeds that were used to fund the \$408.0 million Illinois EO litigation settlement.
- (b) Represents the cost to settle 880 pending and threatened EO claims in Illinois pursuant to Settlement Agreements entered into on January 9, 2023 and finalized on March 28, 2023 and the cost to settle 79 pending EO claims in Georgia under a Settlement Term Sheet entered into on December 21, 2023.
- (c) Represents the tax effects of the litigation and other professional fees associated with our EO sterilization facilities and the costs to settle the EO claims in Illinois and Georgia as noted in (a) and (b) above.

Non-GAAP Financial Measure Definitions

- **Adjusted Net Income** is defined as net income (loss) before amortization and certain other adjustments that we do not consider in our evaluation of our ongoing operating performance from period to period.
- **Adjusted EBITDA** is defined as Adjusted Net Income before interest expense, depreciation (including depreciation of Co-60 used in our operations) and income tax provision applicable to Adjusted Net Income.
- **Adjusted EBITDA margin** is equal to Adjusted EBITDA divided by net revenues.
- **Free Cash Flow** is defined as cash provided by operating activities minus capital expenditures and excludes the tax effected impact of EO litigation settlements and EO litigation defense costs.
- We calculate **constant currency** net revenues by translating prior year net revenues in local currency at the average exchange rates applicable for the current period. The translated results are then used to determine year-over-year percentage increases or decreases. We generally refer to such amounts calculated on a constant currency basis as excluding the impact of foreign currency exchange rates.