

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): January 11, 2022

SOTERA HEALTH COMPANY

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-39729
(Commission File Number)

47-3531161
(IRS Employer Identification No.)

9100 South Hills Blvd, Suite 300
Broadview Heights, Ohio 44147
(Address of Principal Executive Offices) (Zip Code)

(440) 262-1410
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

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

Title of Each Class	Trading Symbol	Name of Exchange on which registered
Common stock, \$0.01 par value per share	SHC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

See Item 7.01—Updated Financial Guidance below, which is incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.**Updated Financial Guidance**

On January 11, 2022, Sotera Health Company (the “Company”) issued a press release announcing updated financial guidance for full-year 2021 revenue (the “Press Release”). A copy of the Press Release is attached hereto as Exhibit 99.1.

This updated financial guidance is based on information available to the Company as of January 11, 2022 and is subject to completion of the Company’s year-end financial closing procedures and audit by the Company’s independent registered public accounting firm.

J.P. Morgan Healthcare Conference Presentation

As previously announced, Michael B. Petras, Jr., Chairman and CEO of the Company, will deliver a business update at the 40th Annual J.P. Morgan Healthcare Conference on January 11, 2022 at 7:30 a.m. Eastern. A copy of the Company’s slide presentation is attached hereto as Exhibit 99.2 (“Conference Presentation”). The Conference Presentation, and a link to the live presentation or a replay of the webcast of the presentation, may also be accessed via the Investor Relations section of the Company’s website.

ESG Investor Engagement

From time to time on or after January 11, 2022, representatives of the Company plan to conduct engagement with investors focused on environmental, social and governance (“ESG”) matters. A copy of the slide presentation representatives will use in this engagement is attached hereto as Exhibit 99.3 (“ESG Presentation”). A copy of the ESG Presentation is also accessible via the Investor Relations section of the Company’s website.

The information in Items 2.02 and 7.01, including Exhibits 99.1, 99.2, and 99.3, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability under that section, and shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, unless expressly incorporated by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

Exhibit Number	Description
99.1	Press Release issued by Sotera Health Company, dated January 11, 2022
99.2	Sotera Health Company Conference Presentation
99.3	Sotera Health Company ESG Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Sotera Health Company
(Registrant)

Date: January 11, 2022

By: /s/ Scott J. Leffler
Scott J. Leffler
Chief Financial Officer and Treasurer

Sotera Health Chairman and CEO Presents at 40th Annual J.P. Morgan Healthcare Virtual Conference

CLEVELAND, OH, Jan. 11, 2022 – Sotera Health Company (“Sotera Health” or the “Company”) (NASDAQ: SHC), a leading global provider of mission-critical end-to-end sterilization solutions, lab testing and advisory services for the healthcare industry, today is providing an update on the Company’s accomplishments and key growth drivers, as well as the current market dynamics related to its businesses. At the 40th Annual J.P. Morgan Healthcare Conference, Chairman and Chief Executive Officer Michael B. Petras, Jr. will highlight Sotera Health’s long-term organic and inorganic growth roadmap, addressable markets, and its environmental, social and governance (“ESG”) program.

“We ended 2021 on a strong note, thanks to the great execution throughout the year by our Sotera Health team,” said Mr. Petras. “As a result, we now expect full-year 2021 revenues to be at the high-end of our previously communicated guidance range of \$920 million to \$930 million. This represents full-year total revenue growth of approximately 14% compared to the prior year. We look forward to reporting our full fourth-quarter and year-end 2021 financial results on March 1, 2022.”

Sotera Health management, including Chief Financial Officer Scott J. Leffler, are participating in one-on-one meetings with investors during the conference. Interested stakeholders are invited to listen to the replay webcast, as well as view and download slides of Mr. Petras’ presentation, by accessing the link on the Sotera Health website under the Investor Relations section: <https://investors.soterahealth.com/events-and-presentations>. The Company’s ESG presentation is available for viewing and download, under the Investor Relations section: <https://investors.soterahealth.com/governance/governance-overview>

Forward-looking Statements

This release contains forward-looking statements that reflect management’s expectations about future events and the Company’s operating plans and performance and speak only as of the date hereof. You can identify these forward-looking statements by the use of forward-looking words such as “will,” “may,” “plan,” “estimate,” “project,” “believe,” “anticipate,” “expect,” “intend,” “should,” “would,” “could,” “target,” “goal,” “continue to,” “positioned to,” “are confident” or the negative version of those words or other comparable words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, are forward-looking statements. Any forward-looking statements contained in this release are based upon our historical performance and on our current plans, estimates and expectations of the Company’s future performance and the future performance of the markets in which the Company operates in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. 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, without limitation, any disruption in the availability or supply of ethylene oxide ("EO") or cobalt-60 ("Co-60"); changes in industry trends, environmental, health and safety regulations or preferences; the impact of current and future legal proceedings and liability claims, including litigation related to purported exposure to emissions of EO from our facilities in Illinois, Georgia and New Mexico and the possibility that other claims will be made in the future relating to these or other facilities; our ability to increase capacity at existing facilities, renew leases for our leased facilities and build new facilities in a timely and cost-effective manner; intense competition for qualified employees in the industries in which we operate; the risks of doing business internationally; and any inability to pursue strategic transactions or find suitable acquisition targets. For additional discussion of these risks and uncertainties, please refer to those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and the Company's other filings with the SEC, including its Quarterly Reports on Form 10-Q, including under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".

The Company's financial statement closing procedures for the three months and year ended December 31, 2021 are not yet complete and, as a result, these preliminary estimates of financial information above reflect the Company's preliminary estimate with respect to such results based on information currently available to management, and may vary from the Company's actual financial results as of and for the three months and year ended December 31, 2021.

These estimates were prepared by the Company's management in connection with the preparation of its financial statements and are based upon a number of assumptions. Additional items that may require adjustments to the preliminary financial results may be identified as a result of the completion of our financial statement closing procedures, final adjustments and other developments arising between now and the time that our financial results, for the three months and year ended December 31, 2021 are released, and could result in material changes to the Company's estimated preliminary financial results. Estimates of financial results are inherently uncertain and we undertake no obligation to update this information.

About Sotera Health:

Sotera Health Company is a leading global provider of mission-critical end-to-end sterilization solutions and lab testing and advisory services for the healthcare industry. Sotera Health goes to market through three businesses – Sterigenics®, Nordion® and Nelson Labs®. Sotera Health is committed to its mission, Safeguarding Global Health®.



INVESTOR RELATIONS CONTACTS:

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MEDIA CONTACT:

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Source: Sotera Health Company

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440-262-1410 | soterahealth.com

JP Morgan Healthcare Conference

MICHAEL B. PETRAS, JR.
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

January 11, 2022



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 that reflect management's expectations about future events and the Company's operating plans and performance and speak only as of the date hereof. You can identify these forward-looking statements by the use of forward-looking words such as "will," "may," "plan," "estimate," "project," "believe," "anticipate," "expect," "intend," "should," "would," "could," "target," "goal," "continue to," "positioned to," "are confident" or the negative version of those words or other comparable words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, are forward-looking statements. Any forward-looking statements contained in this presentation are based upon our historical performance and on our current plans, estimates and expectations of the Company's future performance and the future performance of the markets in which the Company operates in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. 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, without limitation, any disruption in the availability or supply of ethylene oxide ("EO") or cobalt-60 ("Co-60"); changes in industry trends, environmental, health and safety regulations or preferences; the impact of current and future legal proceedings and liability claims, including litigation related to purported exposure to emissions of EO from our facilities in Illinois, Georgia and New Mexico and the possibility that other claims will be made in the future relating to these or other facilities; our ability to increase capacity at existing facilities, renew leases for our leased facilities and build new facilities in a timely and cost-effective manner; intense competition for qualified employees in the industries in which we operate; the risks of doing business internationally; and any inability to pursue strategic transactions or find suitable acquisition targets. For additional discussion of these risks and uncertainties, please refer to those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and the Company's other filings with the SEC, including its Quarterly Reports on Form 10-Q, including under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".

This presentation includes Adjusted EBITDA, Adjusted Net Income, Total Net Debt and Net Leverage Ratio, which are unaudited financial measures not based on any standardized methodology prescribed by GAAP. Adjusted EBITDA, Adjusted Net Income, Total Net Debt and Net Leverage Ratio may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Adjusted EBITDA, Adjusted Net Income, Total Net Debt and Net Leverage Ratio should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. See the Appendix for a reconciliation of net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted Net Income and Adjusted EBITDA, and a reconciliation of total debt, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Total Net Debt and Net Leverage.

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 Form 10-K for the year ended December 31, 2020, 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 September 30, 2021, unless otherwise stated.



OVERVIEW

We are driven by our mission: Safeguarding Global Health®



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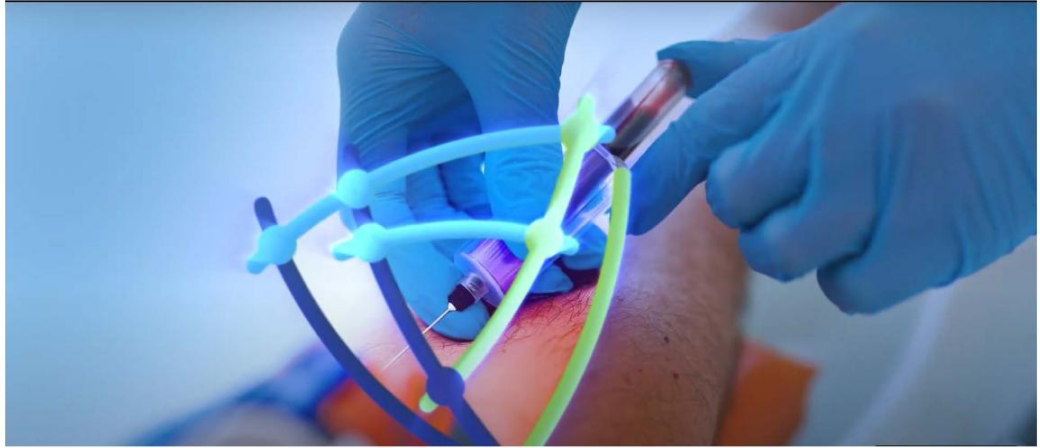


***Our capabilities, scale and knowhow are not easily replicated...
Our customers depend on our mission-critical services in any economic environment***

(1) Full-year 2020 and nine months ended September 30, 2021.

(2) For a reconciliation of GAAP to non-GAAP results, please refer to Non-GAAP Financial Measures provided in the Appendix.

(3) 2019 Management estimated total addressable markets for in-house and outsourced terminal sterilization and outsourced medical device and pharmaceutical lab testing.



<https://investors.soterahealth.com/events-and-presentations>



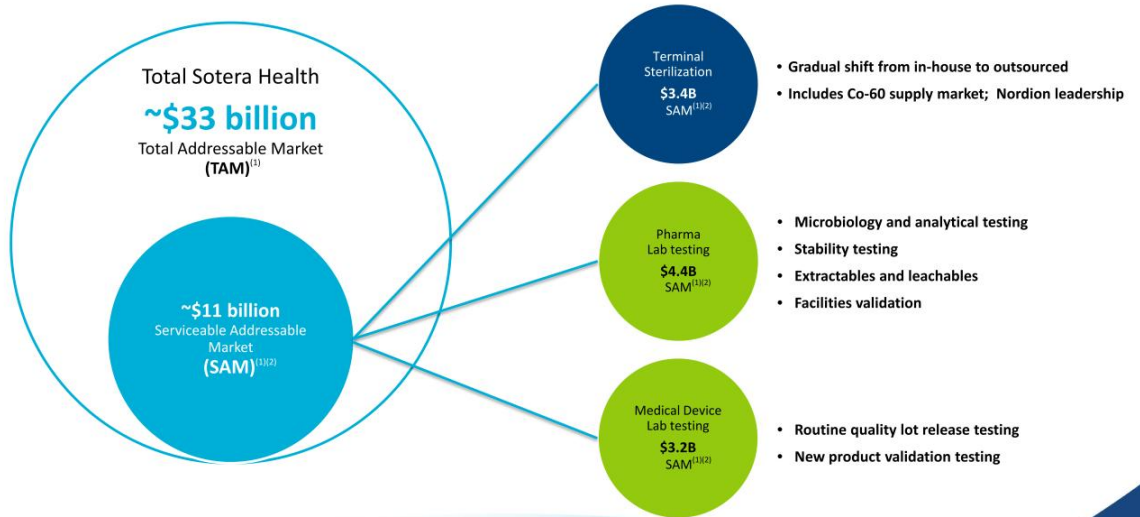
Our breadth of services touches all key medical device and pharmaceutical categories

Medical device			Pharmaceutical		
 In-vitro diagnostics and analytical tools	 Cardiovascular implantables	 Orthopedic and ophthalmic implants	 Inhalation	 Injectables	 Biologics
 Endoscopy	 Collection Swabs	 Personal protective equipment	 Ophthalmic	 Oral	 Topical
 Drug delivery	 Vascular catheters	 Surgical kits	 Suppository	 Pharma packaging	 Non-injectable sterile fluids

Our services are often government mandated and represent a small fraction of the total end product costs



Total and Serviceable Addressable Markets (TAM & SAM)



(1) 2019 Management estimated total and serviceable addressable markets for in-house and outsourced terminal sterilization and outsourced medical device and pharmaceutical lab testing.

(2) We define SAM as markets in which we have core or adjacent service capabilities.



Long-Term Organic Growth Roadmap

Long-Term Revenue Growth Algorithm results in High-Single Digit Organic Growth⁽¹⁾



Margin Expansion Algorithm



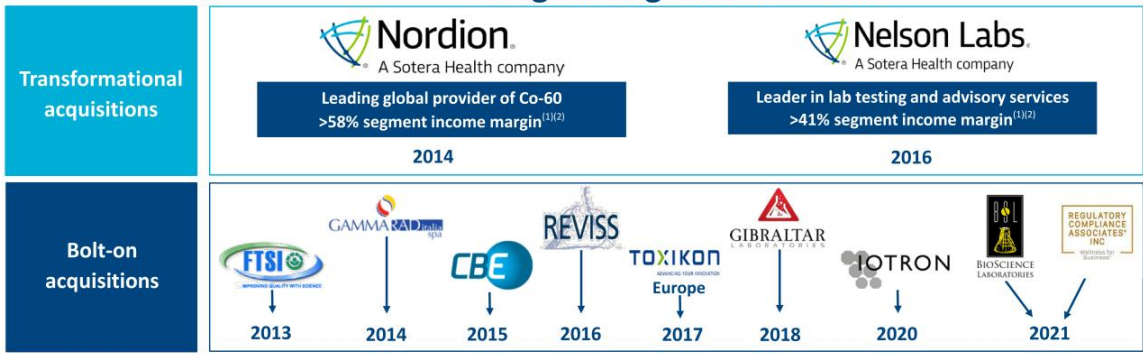
(1) Long-term revenue growth and margin expansion are forward-looking and reflects expectations as of January 11, 2022. Sotera Health assumes no obligation to update these statements. Results may be materially different and are affected by many factors detailed in Sotera Health's SEC filings, including Sotera Health's 2020 Form 10-K.

(2) Acquisitions are typically margin dilutive during the integration phase.



We have a strong track record of driving inorganic growth through M&A

Sotera Health
Safeguarding Global Health®



We expect to continue to pursue value-creating strategic acquisitions to expand addressable market and enhance global capabilities and footprint

(1) Full-year 2020 and nine months ended September 30, 2021.
 (2) Segment income is defined to exclude, among other things, depreciation and amortization. Please refer to our consolidated financial statements for more information.



Our values drive our business and guide our ESG strategy



Safety

We are uncompromising in our commitment to health and well-being



Customer focus

We are driven to fulfill our customers' needs with the highest quality and care



People

We value our people who are part of a global team that is diverse, respectful, passionate and collaborative



Integrity

We are honest, reliable and accountable in everything we do



Excellence

We exceed the expectations of our stakeholders and continue to improve and innovate in everything we do

Our ESG strategy follows naturally from our values and our mission

- Launched ESG journey in 2021 with Board and Nominating & Corporate Governance committee oversight
 - NCG Committee Chair has deep expertise in ESG
 - ESG is a standing Board agenda item
 - Created internal ESG Committee with Executive Management leadership and CEO sponsorship
- Multi-year strategy to coordinate, drive and disclose ESG activities and new initiatives
- Recent accomplishments include:
 - Developed Ethylene Oxide microsite for investors to provide transparency and education
 - CEO signed PwC CEO Pledge
 - Launched DE&I council, chaired by CEO, and rolled out DE&I program, including Unconscious Bias training for all employees
 - Board includes multiple diverse directors, meets Nasdaq diversity standards, and plans to include diversity matrix in 2022 proxy
 - Strong compliance oversight: Global Code of Conduct, Supplier Code of Business Ethics and Conduct



FINANCIAL OVERVIEW

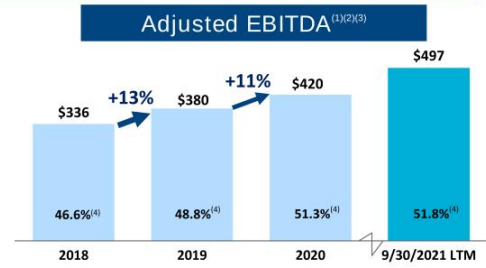
Growth drivers translate to long-term value creation



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Consolidated 2018 – YTD 2021 Fiscal Year Financial Results

\$ In millions



- Customers include 40 of top 50 global medical device companies and 8 of top 10 global pharma companies⁽⁵⁾⁽⁶⁾
- Maintain long-term customer relationships averaging over a decade across our top 25 customers⁽⁶⁾
- Over 90% of sterilization services sales under multi-year contracts, representing over \$500M of revenue⁽⁶⁾
- Many contracts include annual price escalators, often with inflation protection
- Differentiated service capabilities in highly regulated industries lead to industry leading margin profile
- Margins benefiting from operating leverage, operating excellence initiatives and favorable price
- Track record of consistent margin expansion

(1) 2018 Net Revenues, Adjusted EBITDA, and Adjusted EBITDA margin exclude the Medical Isotopes business which was divested in July 2018 (denoted as "Other" in the notes to the Company's financials). Medical Isotopes represented Net Revenues and Adjusted EBITDA of \$25.4M and \$4.9M, respectively in 2018.

(2) For a reconciliation of GAAP to non-GAAP results, please refer to Non-GAAP Financial Measures provided in the Appendix.

(3) We define Adjusted EBITDA 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.

(4) Adjusted EBITDA margin is equal to Adjusted EBITDA divided by net revenues.

(5) Based on revenue.

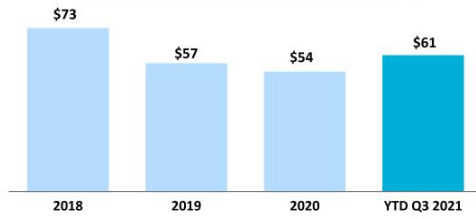
(6) Based on 2019 data.



Capital Investments and Leverage

\$ In millions

Capital Expenditures



- 2020 investments depressed by pandemic
- Continued investment in Sterigenics and Nelson Labs facility expansions, EO enhancements and Nordion Cobalt-60 supply development projects

Net Leverage Reduction



- Net leverage reduction in every quarter since IPO
- Committed to deleveraging, with long-term target net leverage range of 2.0x - 4.0x⁽¹⁾
- Current annual run rate interest expense of ~\$70M after giving effect to Q3 2021 debt payoff⁽²⁾

(1) Long-term target is forward-looking and reflects expectations as of January 11, 2022. Sotera Health assumes no obligation to update this statement. Results may be materially different and are affected by many factors detailed in Sotera Health's SEC filings, including Sotera Health's 2020 Form 10-K.

(2) Based on interest rates as of January 11, 2022.



Global leader with runway for future growth

	Strong financial profile	Revenue growth since 2005 >50% Adjusted EBITDA margin ⁽¹⁾⁽²⁾ Excellent visibility
	Barriers to entry drive attractive returns	Track record Expertise Scale
	Large and growing total addressable market	~\$33bn TAM ⁽³⁾
	Strong industry dynamics	Essential and regulated markets
	Trusted global partner at scale	50 sterilization facilities 15 lab and Expert Advisory Services facilities
	Operational excellence	Contributes to industry leading margins
	Platform geared for continued M&A	2 transformational and 9 bolt-on acquisitions ⁽⁴⁾
	Established and experienced management team	M&A execution Capital deployment

(1) Full-year 2020 and nine months ended September 30, 2021; (2) Please refer to Non-GAAP Financial Measures provided in the Appendix; (3) 2019 Management estimated total addressable markets for in-house and outsourced terminal sterilization and outsourced medical device and pharmaceutical lab testing; (4) Since 2013.



Appendix



Non-GAAP Financial Measures

(unaudited) (\$'s in thousands)	Year Ended December 31,			Twelve Months Ended March 31,	Twelve Months Ended June 30,	Twelve Months Ended September 30,
	2018 ^(a)	2019	2020	2021	2021	2021
Net (loss) income	\$ (5,876)	\$ (20,425)	\$ (37,491)	\$ (24,440)	\$ 10,922	\$ 37,738
Amortization of intangible assets	79,906	80,048	80,255	82,624	84,691	85,730
Impairment of long-lived assets and intangible assets ^(b)	85,067	5,792	—	—	—	—
Gain on sale of Medical Isotopes business ^(b)	(95,910)	—	—	—	—	—
Share-based compensation ^(c)	6,943	16,882	10,987	12,711	14,811	17,457
Capital restructuring bonuses ^(d)	—	2,040	2,702	2,702	2,702	2,702
(Gain) loss on foreign currency and embedded derivatives ^(e)	14,095	2,662	(8,454)	(13,057)	(10,632)	(2,778)
Acquisition and divestiture related charges, net ^(f)	1,168	(318)	3,932	2,753	2,240	(1,041)
Business optimization project expenses ^(g)	8,805	4,195	2,524	1,736	1,265	820
Plant closure expenses ^(h)	—	1,712	2,649	2,420	2,724	1,825
Loss on extinguishment of debt ⁽ⁱ⁾	—	30,168	44,262	58,574	58,575	64,939
Professional services relating to EO sterilization facilities ^(j)	4,739	11,216	36,671	45,924	47,076	44,793
Accretion of asset retirement obligations ^(k)	1,366	2,051	1,946	2,007	2,117	2,221
COVID-19 expenses ^(l)	—	—	2,677	2,900	815	910
Income tax benefit associated with pre-tax adjustments ^(m)	(24,988)	(35,637)	(43,536)	(49,962)	(50,172)	(51,454)
Adjusted Net Income	75,315	100,386	99,124	126,892	167,134	203,862
Interest expense, net	143,326	157,729	215,259	179,979	143,892	106,702
Depreciation ⁽ⁿ⁾	66,910	66,671	63,309	62,578	62,938	63,432
Income tax provision applicable to Adjusted Net Income ^(o)	55,086	55,146	42,167	63,845	79,467	95,620
Adjusted EBITDA ^(a)	\$ 340,637	\$ 379,932	\$ 419,859	\$ 433,294	\$ 453,431	\$ 469,616
Net Revenues	\$ 746,149	\$ 778,327	\$ 818,158	\$ 842,106	\$ 880,938	\$ 907,074
Adjusted EBITDA Margin	45.7 %	48.8 %	51.3 %	51.5 %	51.5 %	51.8 %

*See accompanying footnotes on the following slide



Non-GAAP Financial Measures (continued)

- (a) Represents impairment charges related to the decision to not reopen the Willowbrook, Illinois facility in September 2019. For 2018, represents impairment charges associated with the withdrawal of the GA-MURR project.
- (b) Represents the gain on the divestiture of the Medical Isotopes business in July 2018.
- (c) Includes non-cash share-based compensation expense. 2019 also includes \$10.0 million of one-time cash share-based compensation expense related to the pre-IPO Class C Units, which vested in the third quarter of 2019.
- (d) Represents cash bonuses for members of management primarily relating to the November 2020 IPO and the December 2019 refinancing.
- (e) Represents the effects of (i) fluctuations in foreign currency exchange rates, primarily related to remeasurement of intercompany loans denominated in currencies other than subsidiaries' functional currencies, and (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion.
- (f) Represents (i) certain direct and incremental costs related to the acquisitions of the noncontrolling interests in our China subsidiaries, BioScience Labs in 2021, Iotron Industries in July 2020, Gibraltar Laboratories, Inc. ("Nelson Labs Fairfield") in 2018 (including the first quarter 2021 gain on the mandatorily redeemable noncontrolling interest), Toxikon Europe, NV ("Nelson Europe") in 2017, and certain related integration efforts as a result of those 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, and (iv) 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.
- (g) Represents professional fees, contract termination and exit costs, severance and other payroll costs, and other costs associated with business optimization and cost savings projects relating to the integrations of Nordion and Nelson Labs, including the divestiture of Medical Isotopes, the withdrawal from the GA-MURR project, the Sotera Health rebranding, operating structure realignment and other process enhancement projects.
- (h) Represents professional fees, severance and other payroll costs, and other costs including ongoing lease and utility expenses associated with the closure of the Willowbrook, Illinois facility.
- (i) Represents expenses incurred in connection with the refinancing of our debt capital structure in December 2019, payoff of debt following the November 2020 IPO, the January 2021 Term Loan repricing, and full redemption of the First Lien Notes in August 2021 including accelerated amortization of prior debt issuance and discount costs, and premiums paid in connection with early extinguishment.
- (j) Represents professional fees related to litigation associated with our EO sterilization facilities and other related professional fees.
- (k) Represents non-cash accretion of asset retirement obligations related to Co-60 and gamma processing facilities, which are based on estimated site remediation costs for any future decommissioning of these facilities (without regard for whether the decommissioning services would be performed by employees of Nordion, instead of by a third party) 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 and the twelve months ended March 31, 2021, costs also included donations to related charitable causes, and special bonuses for front-line personnel working on-site during lockdown periods.
- (m) Represents the tax benefit or provision associated with the reconciling items between net (loss) income and Adjusted Net Income. To determine the aggregate tax effect of the reconciling items, we utilized statutory income tax rates ranging from 0% to 35%, depending upon the applicable jurisdictions of each adjustment.
- (n) Includes depreciation of Co-60 held at gamma irradiation sites.
- (o) Represents the difference between income tax expense or benefit as determined under U.S. GAAP and the income tax benefit associated with pre-tax adjustments described in footnote (m).
- (p) \$83.8 million, \$86.7 million, \$82.6 million, \$82.3 million, \$84.5 million, \$83.9 million of the adjustments for the twelve months ended December 31, 2018, December 31, 2019, December 31, 2020, March 31, 2021, June 30, 2021, and September 30, 2021, respectively, are included in cost of revenues, primarily consisting of amortization of intangibles, depreciation, and accretion of asset retirement obligations.
- (q) 2018 Net Revenues, Adjusted EBITDA, and Adjusted EBITDA margin include the Medical Isotopes business which was divested in July 2018 (denoted as "Other" in the notes to the Company's financials). Medical Isotopes represented Net Revenues and Adjusted EBITDA of \$25.4M and \$4.9M, respectively in 2018.



Non-GAAP Financial Measures (continued)

(unaudited) (\$'s in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income	\$ 27,444	\$ 629	\$ 81,124	\$ 5,895
Amortization of intangibles	21,239	20,200	65,299	59,824
Share-based compensation ^(a)	3,547	901	10,489	4,019
(Gain) loss on foreign currency and embedded derivatives ^(b)	1,881	(6,035)	885	(4,791)
Acquisition and divestiture related charges, net ^(c)	(2,662)	681	(2,003)	2,970
Business optimization project expenses ^(d)	244	685	780	2,484
Plant closure expenses ^(e)	266	1,166	1,564	2,388
Loss on extinguishment of debt ^(f)	6,365	—	20,677	—
Professional services relating to EO sterilization facilities ^(g)	9,449	11,730	33,492	25,370
Accretion of asset retirement obligations ^(h)	598	494	1,751	1,476
COVID-19 expenses ⁽ⁱ⁾	109	16	596	2,363
Income tax benefit associated with pre-tax adjustments ^(j)	(9,776)	(8,494)	(32,772)	(24,854)
Adjusted Net Income	58,704	21,973	181,882	77,144
Interest expense, net	18,140	55,330	58,585	167,142
Depreciation ^(k)	16,395	15,901	47,457	47,334
Income tax provision applicable to Adjusted Net Income ^(l)	23,435	7,281	68,630	15,177
Adjusted EBITDA^(m)	\$ 116,674	\$ 100,485	\$ 356,554	\$ 306,797
Net Revenues	\$ 226,164	\$ 200,028	\$ 690,229	\$ 601,313
Adjusted EBITDA Margin	51.6 %	50.2 %	51.7 %	51.0 %

*See accompanying footnotes on the following slide



Non-GAAP Financial Measures (continued)

- (a) Represents non-cash share-based compensation expense.
- (b) Represents the effects of (i) fluctuations in foreign currency exchange rates, primarily related to remeasurement of intercompany loans denominated in currencies other than subsidiaries' functional currencies, and (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion.
- (c) Represents (i) certain direct and incremental costs related to the acquisitions of the noncontrolling interests in our China subsidiaries and BioScience Labs in 2021, Iotron Industries in July 2020 and Nelson Labs Fairfield in 2018 (including the first quarter 2021 gain on the mandatorily redeemable noncontrolling interest), and certain related integration efforts as a result of those 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, and (iv) 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.
- (d) Represents professional fees, contract termination and exit costs, severance and other payroll costs, and other costs associated with business optimization and cost savings projects relating to the integration of recent acquisitions, the Sotera Health rebranding, operating structure realignment and other process enhancement projects.
- (e) Represents professional fees, severance and other payroll costs, and other costs including ongoing lease and utility expenses associated with the closure of the Willowbrook, Illinois facility.
- (f) Represents expenses incurred in connection with the repricing of our Term Loan in January 2021 and full redemption of the First Lien Notes in August 2021 including accelerated amortization of prior debt issuance and discount costs.
- (g) Represents professional fees related to litigation associated with our EO sterilization facilities and other related professional fees.
- (h) Represents non-cash accretion of asset retirement obligations related to Co-60 and gamma processing facilities, which are based on estimated site remediation costs for any future decommissioning of these facilities (without regard for whether the decommissioning services would be performed by employees of Nordion, instead of by a third party) and are accreted over the life of the asset.
- (i) Represents non-recurring costs associated with the COVID-19 pandemic, including incremental costs to implement workplace health and safety measures. For the nine months ended September 30, 2020, costs also included donations to related charitable causes, and special bonuses for front-line personnel working on-site during lockdown periods.
- (j) Represents the tax benefit or provision associated with the reconciling items between net income and Adjusted Net Income. To determine the aggregate tax effect of the reconciling items, we utilized statutory income tax rates ranging from 0% to 35%, depending upon the applicable jurisdictions of each adjustment.
- (k) Includes depreciation of Co-60 held at gamma irradiation sites.
- (l) Represents the difference between income tax expense or benefit as determined under U.S. GAAP and the income tax benefit associated with pre-tax adjustments described in footnote (j).
- (m) \$20.8 million and \$21.3 million of the adjustments for the three months ended September 30, 2021 and 2020, respectively, and \$63.3 million and \$62.0 million of the adjustments for the nine months ended September 30, 2021 and 2020, respectively, are included in cost of revenues, primarily consisting of amortization of intangibles, depreciation, and accretion of asset retirement obligations.



Non-GAAP Financial Measures (continued)

(unaudited) (\$'s in thousands)	Year Ended December 31,		As of March 31,	As of June 30,	As of September 30,
	2019	2020	2021	2021	2021
Current portion of long-term debt	\$ 16,331	\$ -	\$ -	\$ -	\$ -
Long-term debt less current portion	2,800,873	1,824,789	1,837,580	1,838,133	1,742,578
Current portion of finance leases	1,288	1,173	1,108	1,103	1,339
Finance leases less current portion	29,883	34,939	33,432	33,446	38,014
Total Debt	2,848,375	1,860,901	1,872,120	1,872,682	1,781,931
Add: unamortized debt issuance costs and debt discounts	73,677	38,761	26,579	25,417	20,972
Less: cash and cash equivalents	(63,025)	(102,454)	(108,016)	(156,224)	(114,919)
Total Net Debt	\$ 2,859,027	\$ 1,797,208	\$ 1,790,683	\$ 1,741,875	\$ 1,687,984
Adjusted EBITDA ⁽¹⁾	\$ 379,932	\$ 419,859	\$ 433,294	\$ 453,431	\$ 469,616
Net Leverage Ratio	7.5x	4.3x	4.1x	3.8x	3.6x

(1) March 31, 2021, June 30, 2021 and September 30, 2021 reflect trailing twelve months of Adjusted EBITDA. For a reconciliation of GAAP to non-GAAP Financial Measures provided in this Appendix.



Governance Engagement Presentation

January 2022



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 that reflect management's expectations about future events and the Company's operating plans and performance and speak only as of the date hereof. You can identify these forward-looking statements by the use of forward-looking words such as "will," "may," "plan," "estimate," "project," "believe," "anticipate," "expect," "intend," "should," "would," "could," "target," "goal," "continue to," "positioned to," "are confident" or the negative version of those words or other comparable words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Any forward-looking statements contained in this presentation are based upon our historical performance and on our current plans, estimates and expectations of the Company's future performance and the future performance of the markets in which the Company operates in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. 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, without limitation, any disruption in the availability or supply of ethylene oxide ("EO") or cobalt-60 ("Co-60"); changes in industry trends, environmental, health and safety regulations or preferences; the impact of current and future legal proceedings and liability claims, including litigation related to purported exposure to emissions of EO from our facilities in Illinois, Georgia and New Mexico and the possibility that other claims will be made in the future relating to these or other facilities; our ability to increase capacity at existing facilities, renew leases for our leased facilities and build new facilities in a timely and cost-effective manner; intense competition for qualified employees in the industries in which we operate; the risks of doing business internationally; and any inability to pursue strategic transactions or find suitable acquisition targets. For additional discussion of these risks and uncertainties, please refer to those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, and the Company's other filings with the SEC, including its Quarterly Reports on Form 10-Q, including under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements".

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 Form 10-K for the year ended December 31, 2020, 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.

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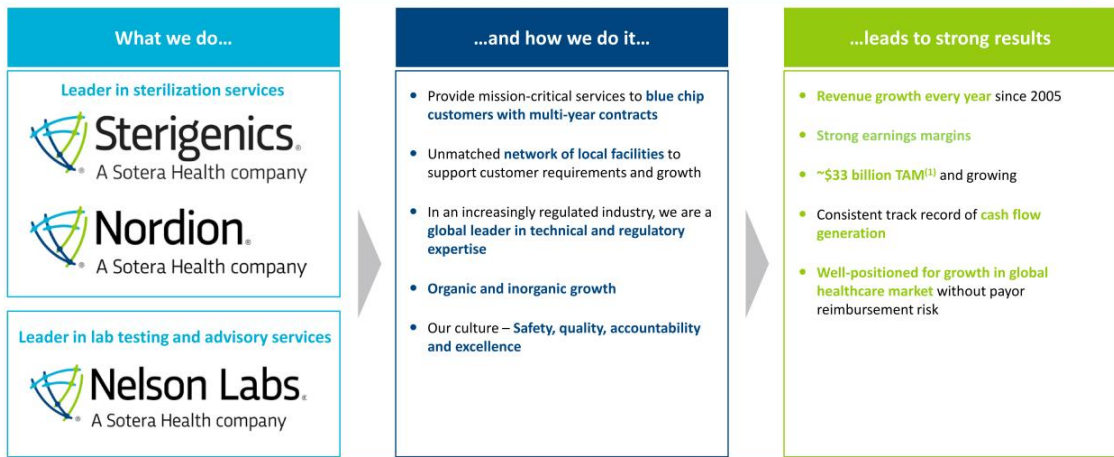


COMPANY OVERVIEW

We are driven by our mission: Safeguarding Global Health®



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*Our capabilities, scale and knowhow are not easily replicated...
Our mission-critical services serve broad human health and well-being needs*

⁽¹⁾ 2019 Management estimated total addressable markets for in-house and outsourced terminal sterilization and outsourced medical device and pharmaceutical lab testing.

Our Mission: Safeguarding Global Health®

Our purpose is greater than our products and services - the *integrity, safety and excellence* of our work are at the heart of countless healthcare experiences and touch the lives of millions across the globe.



Recently one of our **Sterigenics** facilities rapidly sterilized an artificial heart for a patient in Spain



Sterigenics sterilizes vials, stoppers and swabs for the COVID-19 vaccine



Nelson Labs has tested the effectiveness of masks used for safety during the pandemic



Nelson Labs tests the effectiveness of most hand sanitizers and disinfectants used in homes and hospitals



Nordion supplies the Cobalt-60 used in Gamma Knife® surgery to treat brain tumors




Our breadth of services touches all key medical device and pharmaceutical categories

Medical device			Pharmaceutical		
 <p>In-vitro diagnostics and analytical tools</p>	 <p>Cardiovascular implantables</p>	 <p>Orthopedic and ophthalmic implants</p>	 <p>Inhalation</p>	 <p>Injectables</p>	 <p>Biologics</p>
 <p>Endoscopy</p>	 <p>Collection Swabs</p>	 <p>Personal protective equipment (PPE)</p>	 <p>Ophthalmic</p>	 <p>Oral</p>	 <p>Topical</p>
 <p>Drug delivery</p>	 <p>Vascular catheters</p>	 <p>Surgical kits</p>	 <p>Suppository</p>	 <p>Pharma packaging</p>	 <p>Non-injectable sterile fluids</p>

*Our business aligns naturally with UN Sustainable Development Goal #3,
"Ensure healthy lives and promote well-being for all at all ages"*



We primarily serve the essential and growing medical device, pharma and food safety markets

Medical Devices	Pharmaceutical	Food
<p><i>Global population expected to increase by 2B people in next 30 years⁽¹⁾</i> <i>US health expenditures expected to rise from ~18% of GDP in 2018 to ~20% in 2028⁽²⁾</i> <i>Aging population with increased prevalence of chronic disease</i></p>		<p><i>Increased focus globally on food quality and safety</i></p>
		
<p>We serve 40 of the top 50 medical device companies globally⁽³⁾</p> <ul style="list-style-type: none"> Global medical device R&D spend for top 20 companies is expected to grow at a 4% CAGR and reach ~\$24B by 2024⁽⁴⁾ More than 20B devices sold in the United States every year are sterilized with EO, accounting for ~50% of devices that require sterilization⁽⁵⁾ 	<p>We serve 8 of the top 10 global pharma companies⁽³⁾</p> <ul style="list-style-type: none"> Worldwide pharmaceutical R&D spend forecasted to grow steadily at ~3% CAGR⁽⁶⁾, reaching \$233B by 2026⁽⁶⁾ Increasing regulatory and risk management demands in the pharmaceutical space 	<p>We serve several large customers in the food processing industry</p> <ul style="list-style-type: none"> 1 in 6 Americans get sick from contaminated foods or beverages every year⁽⁶⁾ 3,000 Americans die annually from foodborne illnesses⁽⁷⁾ Foodborne illnesses cost ~\$16B each year⁽⁸⁾

Our growing end markets represent the expanding need for what we do

(1) Data published by the United Nations in 2019; (2) Estimates by the Centers for Medicare & Medicaid Services in 2020; (3) Based on revenue as of July 31, 2020; (4) EvaluatePharma® July 2020, Evaluate Ltd.; (5) 2019-2026 CAGR; (6) Food and Drug Administration, 2019; (7) Center for Disease Control and Prevention; (8) US Department of Agriculture.



Healthy lives and well-being during COVID-19 – selected Sotera Health examples

Sterigenics	<ul style="list-style-type: none">• Sterilizes PPE used by COVID-19 responders and processes swabs used in COVID-19 testing• Sterilizes various medical equipment needed to treat COVID-19 patients• Sterilizes equipment and supplies needed for vaccine production/bioprocessing
Nordion	<ul style="list-style-type: none">• Produces Co-60 used to sterilize vaccine production and other bioprocessing equipment• Produces Co-60 used to sterilize medical equipment, including surgical masks, gloves, and testing swabs
Nelson Labs	<ul style="list-style-type: none">• Tests PPE (respirators, masks, gowns, etc.) and swabs• Tests viral efficacy of disinfectants, hand sanitizers and related products• Ensures safety of delivery materials and packaging for vaccines (vials, stoppers)

HOW WE DO BUSINESS

Our mission and values in action



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Our values drive our business and guide our ESG strategy



Values represent common practices across our businesses

- The development of our values is a result of organic, global employee discussions
 - Cross-functional team of employees from multiple businesses involved
 - Employees identified common ideals and practices across Sotera Health
 - Employee-driven values embraced by larger organization
- Values serve as the guiding principles for our Global Code of Conduct
 - All employees train annually on our Global Code of Conduct
 - Supplier Code of Conduct outlines our expectations for those with whom we engage
- Annual executive and employee assessments based on values, not just financial results
 - “How” is as important as “what”
 - Tools and training provided to develop the “How,” including collaboration and leadership skills

ESG HIGHLIGHTS

Important practices and initiatives



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ESG is fundamental to Sotera Health

- ESG focus follows naturally from our mission and values
 - Committed to **Safeguarding Global Health**[®]
 - We help to ensure the safety of millions of patients and health care workers globally
- Board-level oversight
 - ESG oversight by Nominating & Corporate Governance (“NCG”) Committee and full Board
 - NCG Committee Chair has deep expertise in ESG
 - ESG is a standing Board agenda item
- Internal ESG Committee created with Executive Management Leadership
 - Regular discussions with CEO
 - Multi-year strategy to coordinate, drive and disclose ESG activities and new ESG initiatives that are most meaningful to stakeholders



Environmental highlights & roadmap



We are committed to environmental stewardship and sustainability

- Experienced team with environmental expertise, empowered to ensure best practices
- Executive leader of EH&S reports to CEO
- Business leaders accountable for environmental goals



Track record of continuous improvement and environmental innovation

- KPIs for environmental performance set annually and monitored for each business
- Regular training to drive compliance and best practices
- Industry leadership on EO environmental emissions controls
- Launched EO microsite to provide transparency and education
- 3R's program (Reduce, Reuse, Reclaim), to work with customers for optimized EO usage
- Climate-friendly⁽¹⁾ Co-60 gamma sterilization leadership at Nordion/Sterigenics
- Nordion Co-60 recycling innovation, which reduces waste and returns climate-friendly energy source
- Other initiatives across businesses to reduce waste and environmental footprint



Stewardship to secure the future of healthcare needs

- Nordion investing to foster climate-friendly Co-60 supply for future healthcare needs
- Sterigenics investing in enhanced EO emissions controls, well beyond regulatory requirements
- Nelson Labs validating established disinfection test methods against new COVID variants



(1) Gamma energy from Co-60 sources, which are produced in nuclear reactors, does not result in direct carbon emissions.

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Social highlights & roadmap



We are mission-driven to serve social needs

- Our mission, **Safeguarding Global Health®**, drives our values and our actions
- Our values are rooted in serving patients/consumers, communities, employees and investors
- Serving stakeholders through the pandemic is a recent example of delivering on social needs



Leadership commitment to driving social impact efforts

- CEO signed PwC CEO Pledge for Diversity and Inclusion
- Launched DE&I council, chaired by CEO, and rolled out DE&I program, including Unconscious Bias training
- Broad employee engagement to assess and promote employee well-being
- Significant investment in global employee training, modules ranging from safety to leadership skills
- Supply chain oversight, including Supplier Code of Conduct
- On-going community engagement, including at Nordion Co-60 processing facility
- Community Response Fund donated over \$750,000 in 2020 to local charities where we operate



Stewardship to further progress social impact initiatives

- Conducting wage-gap gender/ethnicity (pay equity) analysis, and further driving DE&I initiatives
- Enhancing communication with stakeholders to dispel misunderstanding around EO risks
- Continuing to work with governments, communities and industry partners to combat COVID





We are committed to strong governance practices

- Investor ownership and participation as directors on the Board
- Over 60% owned by two investment firms, each with commitment to stockholder value
- Global Code of Conduct applies to employees, officers and directors
- Supplier Code of Conduct in place for supplier oversight



Implementation of best practices for Board governance

- Majority vote for election of directors in uncontested elections
- Non-employee directors regularly hold sessions without management
- Annual Board and Committee self-evaluations
- Annual review of Board independence
- All Board members (except CEO) & Committee members meet Nasdaq independence standards
- Board includes diverse directors and meets Nasdaq diversity standards



Clearly defined compensation practices

- Prohibition on hedging and pledging company stock applicable to executives and directors
- Stock ownership guidelines applicable to executives and directors
- No tax gross-ups for executives or directors
- 2022 proxy will include enhanced Large Accelerated Filer compensation disclosures ⁽¹⁾



ESG performance and initiatives align with global leadership in our markets

	Strong financial profile	Revenue growth since 2005 Strong margins Excellent visibility
	Difficulty of what we do drives attractive returns	Track record Expertise Scale
	Large and growing total addressable market	~\$33bn TAM ⁽¹⁾
	Strong industry dynamics	Essential and regulated markets
	Trusted global partner at scale	50 sterilization facilities 15 lab and Expert Advisory Services facilities
	Operational excellence	Industry Leading Margins
	Platform geared for continued M&A	2 transformational and 9 bolt-on acquisitions ⁽²⁾
	Established and experienced management team	M&A execution Capital deployment ESG execution

(1) Management estimates for 2019; (2) Since 2013.



