



Safeguarding Global Health®

Fourth-Quarter & Full-Year 2024 Earnings Results

February 27, 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 release 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, ethylene oxide (“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; evolving changes in environmental, health and safety regulations; 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 current and the possibility that other 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 conditions and 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 various applicable laws and potentially 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 incidents, 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 generate profitability in future periods; 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 agreements governing our 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, Adjusted EBITDA Margin, Tax Rate Applicable to Adjusted Net Income, Adjusted Net Income, Segment Income Margin, Adjusted EPS, Net Debt and Net Leverage Ratio, which are unaudited financial measures that are not based on any standardized methodology prescribed by GAAP. Adjusted EBITDA, Adjusted EBITDA Margin, Tax Rate Applicable to Adjusted Net Income, Adjusted Net Income, Segment Income Margin, Adjusted EPS, 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 EBITDA Margin, Tax Rate Applicable to Adjusted Net Income, Adjusted Net Income, Segment Income Margin, Adjusted EPS, 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.

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, Tax Rate Applicable to Adjusted Net Income, Adjusted Net Income and Adjusted EPS 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 December 31, 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, 2024.

Speakers



Michael B. Petras, Jr.
Chairman and Chief Executive Officer



Jonathan M. Lyons
Senior Vice President and Chief Financial Officer

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

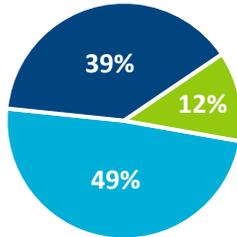


Global leader in comprehensive sterilization solutions

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

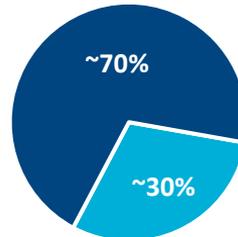


World's Largest Provider of Cobalt-60 sealed sources

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

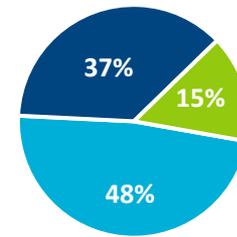


Global leader in microbiological and analytical lab testing

~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, 2024.

Q4 2024 Highlights

Business & Market Update

- Sterigenics continues to see year-over-year volume improvement
- Nordion revenue decline due to reactor harvest schedule timing, as expected
- Nelson Labs continues to see growth in Embedded Labs segment; decline in Expert Advisory Services revenue, as expected

Financial Performance

- Total company top- and bottom-line decline vs the prior year-quarter driven by expected reactor harvest schedule timing for Nordion
- Sterigenics and Nelson Labs year-over-year and sequential-quarter margin expansion
- Strong total company Adjusted EBITDA margin⁽¹⁾ performance of nearly 53%

Capital Deployment and Liquidity

- Capital deployment priorities continue to be organic growth, leverage reduction and M&A
- Strong liquidity of \$687M; no outstanding borrowings on the revolving line of credit
- 2024 Net Leverage Ratio⁽¹⁾ of 3.7x; improvement vs 2023

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

2024 Full Year Highlights

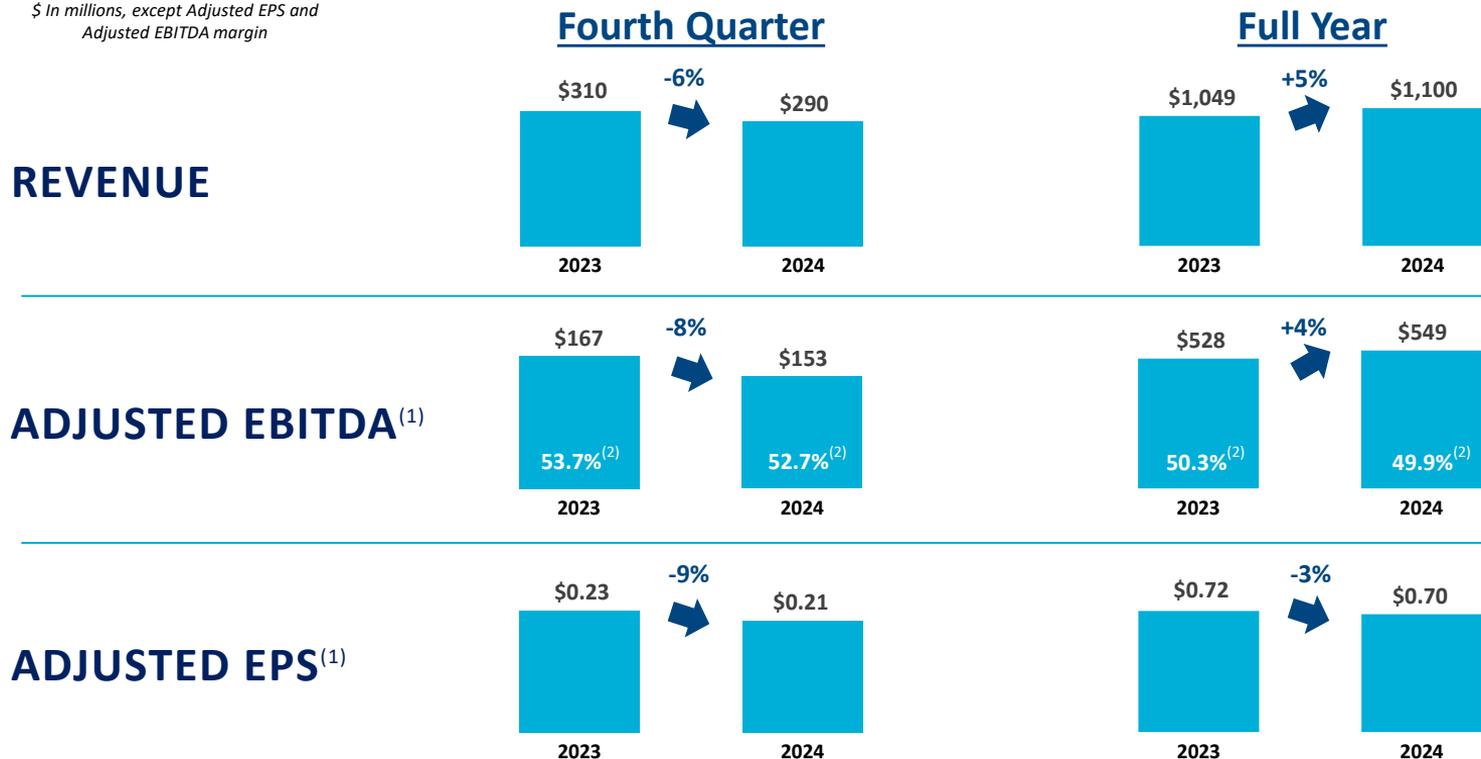
- ✓ Continued strong results from annual customer satisfaction survey
- ✓ Another year of top- and bottom-line growth; margins of approximately 50%
- ✓ 19th consecutive year of annual revenue growth
- ✓ Completed two secondary equity offerings
- ✓ Successful refinancing of capital structure, pushing maturities out to 2031
- ✓ Christopher Simon, CEO of Haemonetics Corporation, joined Board of Directors
- ✓ Sterigenics facility expansion completed
- ✓ Continued progress in Sterigenics industry-leading EO facility enhancements
- ✓ First insertion of cobalt into Darlington reactor; first harvest expected in '28
- ✓ Published 2024 Corporate Responsibility report
- ✓ Held inaugural investor day in New York City

Financials



Full-Year 2024 As Reported Consolidated Financial Performance

\$ In millions, except Adjusted EPS and Adjusted EBITDA margin

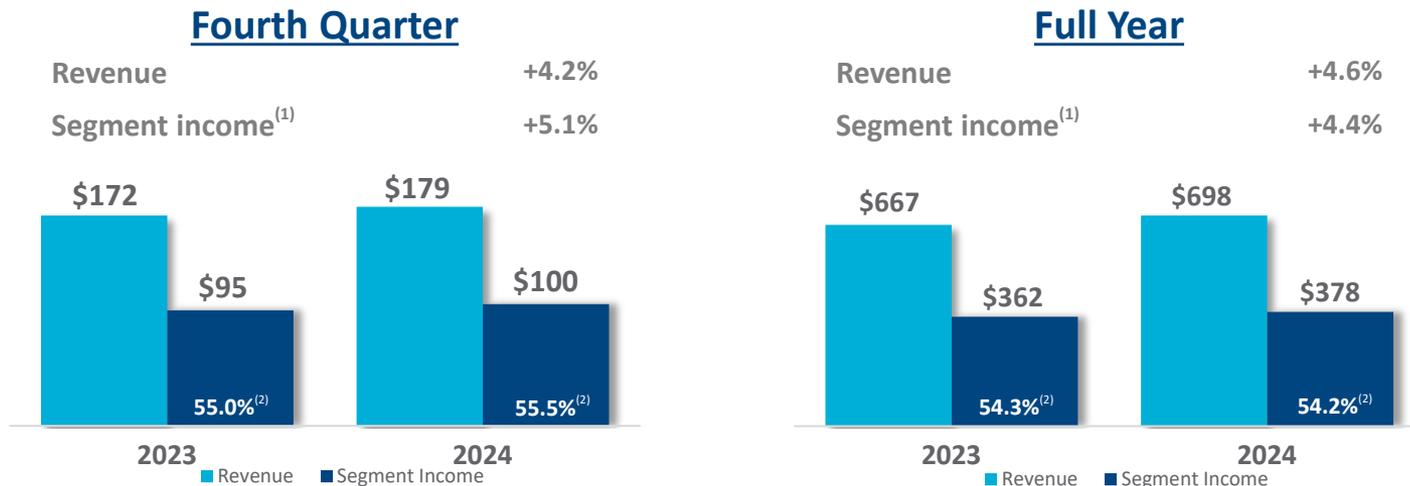


(1) This is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix.

(2) Adjusted EBITDA margin is equal to Adjusted EBITDA divided by net revenues. Please refer to Non-GAAP Financial Measures provided in the Appendix.

Sterigenics 2024 As Reported Financial Performance

\$ In millions



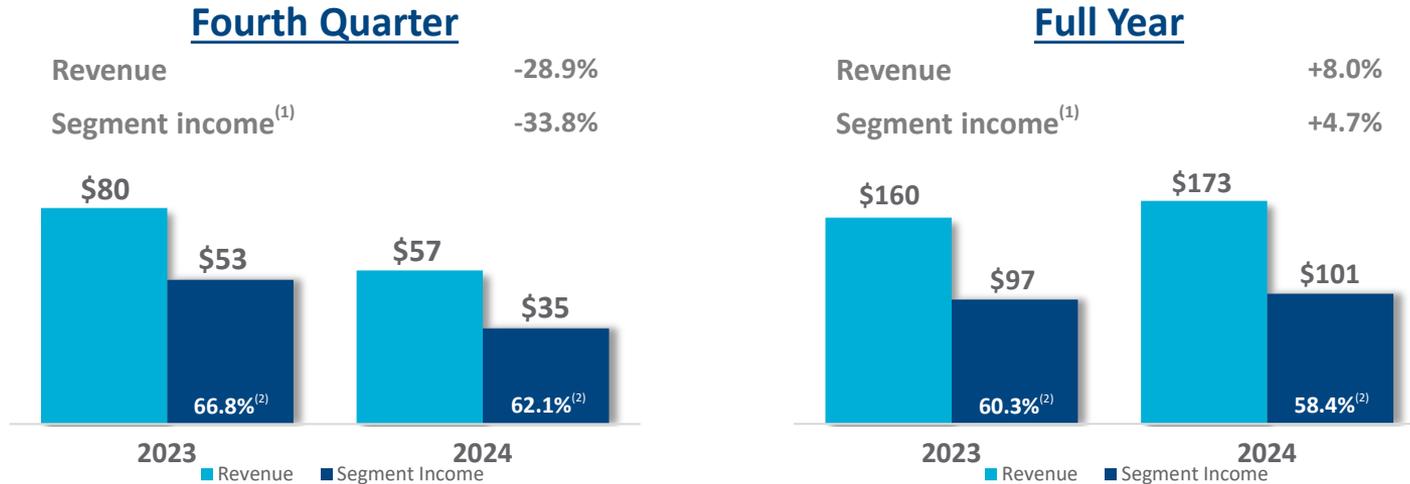
- Revenue growth for the quarter was driven by favorable pricing and changes in volume and mix, partially offset by unfavorable changes in foreign currency rates.
- Segment income growth for the quarter was driven by favorable pricing and changes in volume and mix, partially offset by inflation and unfavorable changes in foreign currency rates.

(1) Segment income is defined to exclude, among other things, depreciation and amortization. Please refer to our consolidated financial statements for more information.

(2) Segment income margin is equal to segment income divided net segment revenues.

Nordion 2024 As Reported Financial Performance

\$ In millions



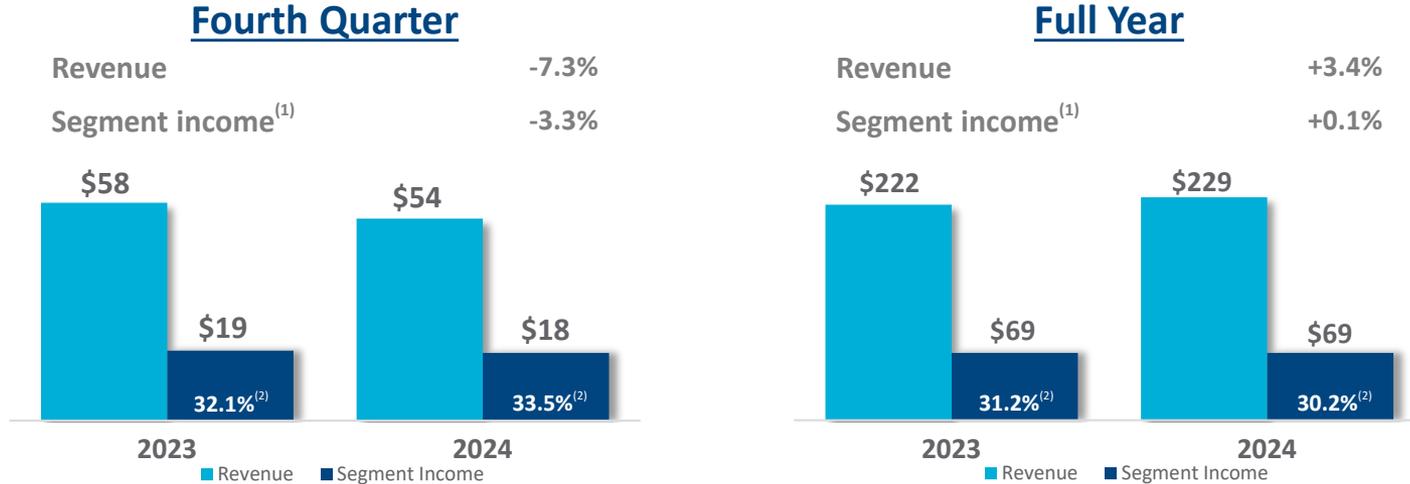
- The timing of Co-60 supply harvest schedules resulted in unfavorable volume and mix, which was the primary driver for net revenue, segment income and segment income margin declines for the quarter, partially offset by favorable pricing.
- Unfavorable changes in foreign currency exchange rates also contributed to the declines in revenue and segment income.

(1) Segment income is defined to exclude, among other things, depreciation and amortization. Please refer to our consolidated financial statements for more information.

(2) Segment income margin is equal to segment income divided net segment revenues.

Nelson Labs 2024 As Reported Financial Performance

\$ In millions



- Revenue decline for the quarter was driven by unfavorable volume and mix primarily due to a decline of Expert Advisory Services revenue as well as changes in foreign currency rates, partially offset by favorable pricing.
- Segment income decline for the quarter was driven by unfavorable volume and mix as well as higher employee compensation costs, partially offset by favorable pricing and labor productivity.
- Segment income margin improved primarily due to lower Expert Advisory Services revenue, favorable pricing and labor productivity.

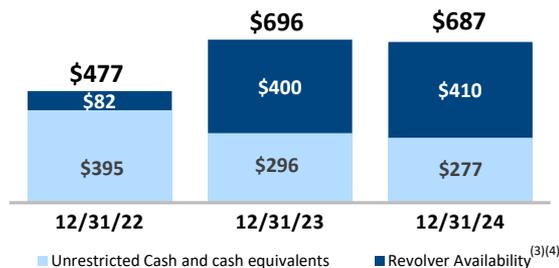
(1) Segment income is defined to exclude, among other things, depreciation and amortization. Please refer to our consolidated financial statements for more information.

(2) Segment income margin is equal to segment income divided net segment revenues.

Net Leverage, Liquidity and Investments

\$ In millions

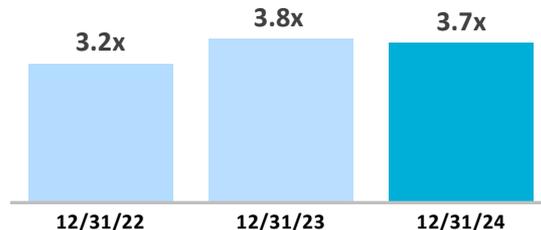
Liquidity



Liquidity Position

- Continued strong liquidity position of \$687M as of Q4 2024
- No borrowings on revolving credit facility as of Q4 2024

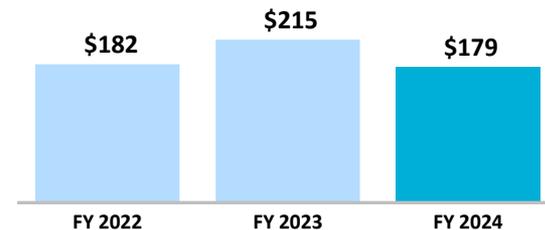
Net Leverage⁽¹⁾



Target of 2.0x-3.0x by 2027

- Net Leverage Ratio⁽¹⁾ improvement in 2024
- Adjusted EBITDA⁽¹⁾ growth and cash generation driving Net Leverage Ratio improvement

Capital Expenditures⁽²⁾



Target of ~\$110M by 2027

- **Sterigenics:** 2 active capacity expansions; continued EO facility investments
- **Nordion:** Cobalt-60 development projects
- **Nelson Labs:** Pharma expansion & lab information management system

(1) This is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix.
 (2) Excludes any Capital Expenditures included in accounts payable or accruals at the end of the applicable period.
 (3) Revolving availability is calculated as maximum facility size less letters of credit.
 (4) Maximum facility size was \$347.5M as of December 31, 2022 and increased to \$423.8M in March 2023.

2025 Outlook

On the following slides, Sotera Health presents an overview of its full-year 2025 outlook, including certain non-GAAP financial measures. As outlined in the Company's February 27, 2025 press release, Sotera Health does not provide a reconciliation of the forward-looking Adjusted EBITDA, Tax Rate Applicable to Adjusted Net Income, Adjusted Net Income and Adjusted EPS to the most directly comparable GAAP measure, as this cannot be done without unreasonable effort due to the variability and low visibility with respect to certain costs, including, among others, uncertainties caused by changes to the regulatory landscape, restructuring items and certain fair value measurements, all of which are potential adjustments for future earnings. The variability of these forward-looking items could have a potentially unpredictable, and a potentially significant, impact on our future GAAP results.

Full-year 2025 Outlook⁽¹⁾

	FY 2025 Outlook
Net Revenues ⁽²⁾	+4.0% to +6.0%
Net Revenues Currency Impact ⁽³⁾	(~2.25%)
Adj EBITDA ⁽²⁾⁽⁴⁾	+4.5% to +6.5%
Adj EBITDA Currency Impact ⁽³⁾	(~2.50%)
Interest Expense	\$155M to \$165M
Tax Rate Applicable to Adj Net Income ⁽⁴⁾	33.0% to 35.0%
Adj EPS ⁽⁴⁾	\$0.70 to \$0.76
Weighted Avg. Diluted Shares	286M to 287M
Capital Expenditures	\$190M to \$210M

(1) The outlook provided on this slide contains a number of assumptions, including, among others, the Company's current expectations regarding supply chain continuity, particularly for the supply of EO and Co-60, the impact of inflationary trends, including their impact on energy prices and the supply of labor. Our outlook is based on current plans and expectations and is subject to several known and unknown risks and uncertainties, including those set forth on the slide titled "Cautionary Note Regarding Forward-Looking Statements and Non-GAAP Financial Measures."

(2) Excludes the impact of translational currency.

(3) Assumes average foreign exchange rates for January 2025 remain constant for the remainder of 2025.

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

Other 2025 Outlook Items

General Commentary

- 4.0% - 6.0% revenue outlook range & 4.5% - 6.5% Adjusted EBITDA outlook range are both on a constant currency basis
 - ~2.25% and ~2.50% FX headwinds on '25 revenue and Adjusted EBITDA, respectively⁽¹⁾
- Total company price expected around the mid-point of the 3% - 4% long-term range
- Outlook assumes no M&A activity
- Outlook does not incorporate the potential impact of tariffs

Cadence

- Q1 typically the softest revenue quarter of the year
- Foreign exchange headwind expected to be more pronounced for first 3-quarters of '25⁽¹⁾
- Sterigenics Q1 '25 constant currency revenue growth expected to be in the low- to mid-single digits vs. Q1 2024⁽¹⁾
- Nordion 1st half & 2nd half '25 revenue proportions expected to be similar to '24; '25 constant currency revenue growth in the mid-single digits
- Nelson Labs revenue expected to be back-half weighted due to difficult comparisons to Expert Advisory Services; Q1 '25 revenue expected to be down low double-digits with margins to be better versus Q1 '24; sequential margin improvement over the course of '25

Capital Deployment & Net Leverage

- Capital deployment priorities continue to be organic growth, leverage reduction and opportunistic M&A
- Net Leverage Ratio expected to decline compared to year-end '24

(1) Assumes average foreign exchange rates for January 2025 remain constant for the remainder of 2025.

Our Corporate Responsibility Journey Continues...

2020

- Initial Public Offering

2021

- Developed Corporate Responsibility Strategy
- Gap Analysis and Materiality Matrix
- Named SVP, Global EHS

2022

- First Corporate Responsibility Report
- Conducted and implemented ERM process
- Implemented GHG and Energy tracking
- Expanded EHS Leadership

2023

- Second Corporate Responsibility Report
- Reported Baseline Environmental Metrics
- Shareholder Engagement

2024

- Third Corporate Responsibility Report
- Shareholder Engagement
- Named New Independent Director

2025

- Named Lead Independent Director

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

Appendix



Non-GAAP Financial Measures

(unaudited)

(dollars in thousands, except per share amounts)

	Three months ended December 31,		Year ended December 31,		
	2023	2024	2022	2023	2024
Net income (loss)	\$ 38,681	\$ 12,323	\$(233,570)	\$ 51,376	\$ 44,398
Amortization of intangible assets	20,058	19,640	81,554	81,348	79,377
Share-based compensation ^(a)	8,229	8,173	21,211	32,364	36,896
Loss on refinancing of debt ^(b)	—	8	—	—	24,168
(Gain) loss on foreign currency and derivatives not designated as hedging instruments, net ^(c)	(3,011)	4,147	3,150	(1,552)	2,448
Business optimization expenses ^(d)	392	4,470	8,354	7,662	7,504
Impairment of investment in unconsolidated affiliate ^(e)	—	—	9,613	—	—
Secondary offering and other shareholder activities ^(f)	—	165	—	—	1,864
Professional services and other expenses relating to EO sterilization facilities ^(g)	11,362	10,337	72,639	45,312	32,694
Illinois EO litigation settlement ^(h)	—	—	408,000	—	—
Georgia EO litigation settlement ⁽ⁱ⁾	—	—	—	35,000	—
Accretion of asset retirement obligations ^(j)	731	724	2,194	2,413	2,638
COVID-19 expenses ^(k)	—	—	155	—	—
Income tax benefit associated with pre-tax adjustments ^(l)	(10,057)	(1,246)	(103,081)	(49,597)	(33,487)
Adjusted Net Income	66,385	58,741	270,219	204,326	198,500
Interest expense, net ^(m)	42,653	40,960	78,490	142,878	164,691
Depreciation ⁽ⁿ⁾	20,664	19,346	64,000	76,577	82,420
Income tax provision applicable to Adjusted Net Income ^(o)	37,046	33,887	93,540	104,248	102,963
Adjusted EBITDA^(p)	\$ 166,748	\$ 152,934	\$ 506,249	\$ 528,029	\$ 548,574
Net Revenues	\$ 310,239	\$ 290,203	\$1,003,687	\$1,049,288	\$1,100,441
Adjusted EBITDA Margin	53.7 %	52.7 %	50.4 %	50.3 %	49.9 %
Weighted average number of shares outstanding					
Basic	281,335	283,260	280,096	281,008	282,784
Diluted	283,339	285,817	280,096	283,222	284,906
Earnings (loss) per share					
Basic	\$ 0.14	\$ 0.04	\$ (0.83)	\$ 0.18	\$ 0.16
Diluted	0.14	0.04	(0.83)	0.18	0.16
Adjusted earnings per share					
Basic	\$ 0.24	\$ 0.21	\$ 0.96	\$ 0.73	\$ 0.70
Diluted	0.23	0.21	0.96	0.72	0.70

Non-GAAP Financial Measures (continued)

- (a) Represents share-based compensation expense to employees and Non-Employee Directors.
- (b) Represents the write-off of unamortized debt issuance costs and discounts, as well as certain other costs incurred related to the Refinancing Term Loans and the Secured Notes. The year ended December 31, 2024 includes \$0.7 million of debt refinancing costs related to Amendment No. 3 to the Senior Credit Facilities.
- (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, and (v) professional fees, payroll costs, and other costs, including ongoing lease and utility expenses associated with the closure of the Willowbrook, Illinois facility. The year ended December 31, 2023 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 secondary offerings of our common stock that closed on March 4, 2024 and September 6, 2024, respectively and legal, consulting, and other fees associated with shareholder engagement.
- (g) Represents litigation and other professional fees associated with our EO sterilization facilities. Amounts presented for the three months and year ended December 31, 2023 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.
- (h) 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.
- (i) Represents the cost to settle 79 pending EO claims in Georgia under a Settlement Term Sheet entered into on December 21, 2023.
- (j) 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.
- (k) Represents non-recurring costs associated with the COVID-19 pandemic including incremental costs to implement workplace health and safety measures.
- (l) 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.
- (m) Interest expense, net presented in this reconciliation for the three months and year ended December 31, 2023 have been adjusted to conform to the current year presentation 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. The year ended December 31, 2022 excludes a \$1.7 million net decrease in the fair value of interest rate derivatives not designated as hedging instruments recorded to interest expense.
- (n) Includes depreciation of Co-60 held at gamma irradiation sites. The three months and year ended December 31, 2024 excludes accelerated depreciation associated with business optimization activities.
- (o) 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 (l).
- (p) \$24.4 million, \$24.1 million, \$83.6 million, \$94.1 million and \$97.1 million of the adjustments for the for the three months ended December 31, 2023 and 2024 and years ended December 31, 2022, 2023 and 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 (continued)

	As of December 31,		
	2022	2023	2024
Current portion of long-term debt	\$ 197,119	\$ 4,797	14,803
Long-term debt less current portion	1,747,115	2,223,674	2,208,100
Current portion of finance leases	1,722	8,771	2,923
Finance leases less current portion	56,955	63,793	95,286
Total Debt	2,002,911	2,301,035	2,321,112
Less: cash and cash equivalents	(395,214)	(296,407)	(277,242)
Total Net Debt	\$ 1,607,697	\$ 2,004,628	\$ 2,043,870
Adjusted EBITDA⁽¹⁾	\$ 506,249	\$ 528,029	\$ 548,574
Net Leverage	3.2x	3.8x	3.7x

(1) Represents Adjusted EBITDA for the years ended December 31, 2022, 2023 and 2024, respectively. Refer to the reconciliations of Adjusted EBITDA to net income (loss) for additional detail.

Non-GAAP Financial Measures 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.
- **Segment income margin** is equal to segment income divided by net segment revenues.
- **Adjusted EPS** is defined as Adjusted Net Income divided by the weighted average number of diluted shares outstanding.
- **Net Debt** is equal to our total debt net of unamortized debt issuance costs and debt discounts, less cash and cash equivalents.
- **Net Leverage Ratio** is equal to Net Debt divided by Adjusted EBITDA.
- 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.