

**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): February 23, 2023

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 1.01 Entry into a Material Definitive Agreement.

On February 23, 2023, Sotera Health Company (the “Company”) and Sotera Health Holdings, LLC, as the Borrower (“SHH”) entered into the First Lien Credit Agreement dated as of February 23, 2023, by and among the Company, SHH, JPMorgan Chase Bank, N.A., as First Lien Administrative Agent (the “Administrative Agent”) and the lenders party thereto (the “Credit Agreement”). The Credit Agreement provides for, among other things, a new Term Loan B facility in an aggregate principal amount of \$500,000,000 (the “Term Facility” and the loans thereunder, the “Term Loans”).

The Term Loans will bear a variable rate of interest, at the Company’s option, of a per annum rate equal to either (x) the Term Secured Overnight Financing Rate (SOFR) (which is subject to a minimum floor of 0.50%), plus an applicable margin of 3.75% or (y) the Base Rate (as defined in the Credit Agreement) plus an applicable margin of 2.75%. The Credit Agreement also includes a “soft call” premium of 1.00% for certain repricing transactions with respect to the Term Loans that occur within the six-month period after the effective date of the Credit Agreement.

The Term Loans amortize at a rate of 1% per annum and the Term Facility matures on December 13, 2026.

All of SHH’s obligations under the Credit Agreement are guaranteed by the Company and certain wholly owned material US subsidiaries of SHH (such entities, the “Guarantors”). All of SHH’s and the Guarantor’s obligations are secured on a first-priority basis, subject to certain customary exceptions and exclusions, on substantially all of the Company’s, SHH’s and the Guarantors’ assets. The Credit Agreement contains customary representations and warranties, events of default, affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions and dividends and other distributions, which are substantially the same as those under the Company’s and SHH’s existing credit agreement.

As previously disclosed, the Company plans to use the proceeds of the Term Facility, along with cash on hand, to fund the proposed \$408 million ethylene oxide litigation settlement in Cook County, IL (assuming the conditions thereto are satisfied), to pay down existing borrowings under the Company’s revolving credit facility, to further enhance liquidity and for other general corporate purposes.

The proposed \$408 million ethylene oxide litigation settlement in Cook County, IL is subject to a number of conditions and limitations, as described in the Current Report on Form 8-K filed by the Company on January 9, 2023 with the Securities and Exchange Commission.

The foregoing description of certain provisions of the underlying Credit Agreement do not purport to be complete and is qualified in its entirety by the full text of the Credit Agreement, which will be filed as an exhibit to the Company's next Annual Report on Form 10-K.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01 of this Current Report on Form 8-K above is incorporated herein by reference to this Item 2.03.

Item 7.01 Regulation FD Disclosure.

On February 23, 2023, the Company issued a press release (the "Press Release") announcing entry into the Credit Agreement. A copy of the Press Release is filed as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 7.01, including Exhibit 99.1, 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*

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated February 23, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: February 23, 2023

By: /s/ Michael F. Biehl
Michael F. Biehl
Interim Chief Financial Officer



Sotera Health Closes on \$500 Million Term Loan B Financing

CLEVELAND, OH, February 23, 2023 – Sotera Health Company (“Sotera Health” or the “Company”) (Nasdaq: SHC), a leading global provider of mission-critical end-to-end sterilization solutions and lab testing and advisory services for the healthcare industry, today announced that it has successfully closed on a new senior secured Term Loan B facility in an aggregate principal amount of \$500 million. The Company had previously announced its intention to enter into a new senior secured Term Loan B facility in an aggregate principal amount of \$425 million. The Company plans to use proceeds of this debt financing, along with cash on hand, to: a) fund a previously announced \$408 million ethylene oxide litigation settlement in Cook County, IL, subject to the satisfaction or waiver by the Company of the various conditions for the settlement, b) pay down existing borrowings under the Company’s revolving credit facility, c) further enhance liquidity and d) for other general corporate purposes.

“We are pleased to announce the successful completion of our \$500 million Term Loan B debt financing at terms that are favorable to the Company,” said Chairman and Chief Executive Officer, Michael B. Petras, Jr. “The strong market reception for this financing is a testament to the solid profile of our business. This funding will be used to cover our litigation needs, as well as provide additional liquidity for the Company.”

The Term Loan B will bear interest at a variable rate per annum, at the Company’s option, of either one-, three-, or six-month SOFR plus 375 basis points (subject to a 50bps floor), or a base rate plus 275 basis points, in any case payable in arrears. It is prepayable without premium or penalty at any time six months after the closing date, and includes a 1.00% premium for certain repricing transactions that occur in the first six months after the closing date. The Loan is required to be paid down at 1% of the aggregate principal amount (\$5 million) per year, with the balance due at the end of 2026. The Term Loan B covenants are substantially the same as those the Company’s existing Credit Agreement.

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®.

Updates can be found from time to time on recent developments in matters relevant to investors on the Investor Relations section of the Company’s website at [Investor Relations | Sotera Health](#). For developments related to Ethylene Oxide, updates can be found at [Ethylene Oxide | Sotera Health](#).

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440-262-1410 | soterahealth.com

Forward-Looking Statements

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 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, including statements about the use of proceeds from the Term Loan B facility, 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, or increases in the price of ethylene oxide (“EO”) or cobalt-60 (“Co-60”), including geopolitical risks related to the supply of Co-60 from Russia; foreign currency exchange rates and changes in those rates; changes in industry trends, environmental, health and safety regulations or preferences; satisfaction of conditions to completing the settlement, including the participation by substantially all Illinois plaintiffs in the settlement; 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; adverse judgments against two of our subsidiaries in the EO tort litigation, which if the settlement is not successful may require an appellate bond or alternative form of security to appeal, and plaintiff efforts to enforce judgments against us, any of which may have an adverse impact on our liquidity; in the near and long terms, or may cause the need for us to increase our borrowings and, consequently, increase our interest expense; uncertainty in the capital markets and other risks related to our ability to raise additional debt financing on reasonable terms or at all, including availability of capital and the impact of future litigation developments on our ability to access capital markets; 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; 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 the Company’s filings with the SEC, such as its annual and quarterly reports, as well as the Current Report on Form 8-K filed by the Company on January 9, 2023, with the SEC disclosing the terms of the Illinois settlement. We do not undertake any obligation to publicly update or revise these forward-looking statements, except as otherwise required by law.

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Source: Sotera Health Company

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