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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-39729



SOTERA HEALTH COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**47-3531161**
(State or other jurisdiction of incorporation or organization)	(I.R.S. 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

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

Title of each class	Trading Symbol(s)	Name of each 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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of October 27, 2026, there were 285,630,846 shares of the registrant's common stock, $0.01 par value per share, outstanding.

SOTERA HEALTH COMPANY
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "intends," "plans" or "anticipates," or by discussions of strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance, achievements, or industry results, to differ materially from historical results or any future results, performance or achievements expressed, suggested or implied by such forward-looking statements. Such 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, the United Kingdom and/or the European Union, or sanctions by Russia against those countries;
- 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 current and former EO sterilization facilities and the possibility that additional claims will be made in the future;
- 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 and the impact of tariffs, that impact our long-term supply contracts with variable price clauses and increase our cost of revenues;
- business continuity hazards, including supply chain disruptions, federal government shutdowns, 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;
- the risks associated with the introduction of artificial intelligence technology;
- 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 rights 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 U.S. tax legislation or other changes in U.S. or non-U.S. taxation of our operations; and
- our significant degree of leverage and how this leverage could adversely affect our ability to raise additional capital, limit our ability to react to challenges facing 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.

These forward-looking statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them publicly in light of new information or future events, except as required by law. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved.

You should carefully consider the above factors, as well as the factors discussed elsewhere in this Quarterly Report on Form 10-Q, including under Part II, Item 1A, "Risk Factors," as well as Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K"). If any of these trends, risks or uncertainties actually occur or continue, our business, financial condition or operating results could be materially adversely affected, the trading prices of our securities could decline and you could lose all or part of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

Unless expressly indicated or the context requires otherwise, the terms "Sotera Health," "Company," "we," "us," and "our" in this Quarterly Report on Form 10-Q refer to Sotera Health Company, a Delaware corporation, and, where appropriate, its subsidiaries on a consolidated basis.

Part I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Sotera Health Company

Consolidated Balance Sheets
(in thousands, except per share amounts)

	As of	
	September 30, 2026	**December 31, 2025**
Assets	***(Unaudited)***	
Current assets:		
Cash and cash equivalents	**$ 412,384**	$ 344,621
Restricted cash short-term	**9**	1,835
Accounts receivable, net of allowance for uncollectible accounts of $1,764 and $2,968, respectively	**152,771**	139,329
Inventories, net	**49,629**	54,375
Prepaid expenses and other current assets	**77,180**	65,250
Income taxes receivable	**9,055**	8,000
Total current assets	**701,028**	613,410
Property, plant, and equipment, net	**1,198,761**	1,130,564
Operating lease assets	**29,242**	33,393
Deferred income taxes	**3,712**	3,853
Post-retirement assets	**57,919**	53,817
Other assets	**40,686**	36,694
Other intangible assets, net	**264,837**	288,227
Goodwill	**1,091,217**	1,103,232
Total assets	**$ 3,387,402**	$ 3,263,190
Liabilities and equity		
Current liabilities:		
Accounts payable	**$ 79,566**	$ 77,963
Accrued liabilities	**99,489**	124,736
Deferred revenue	**15,126**	17,999
Current portion of long-term debt	**13,933**	13,973
Current portion of finance lease obligations	**3,565**	3,465
Current portion of operating lease obligations	**5,389**	5,755
Income taxes payable	**6,620**	5,693
Total current liabilities	**223,688**	249,584
Long-term debt	**2,123,216**	2,126,724
Finance lease obligations, less current portion	**103,546**	93,835
Operating lease obligations, less current portion	**26,386**	29,901
Noncurrent asset retirement obligations	**54,648**	53,496
Deferred lease income	**16,073**	17,057
Post-retirement obligations	**7,724**	8,123
Noncurrent liabilities	**5,536**	7,360
Deferred income taxes	**93,342**	71,075
Total liabilities	**2,654,159**	2,657,155
See Note 13, “Commitments and Contingencies”		
Equity:		
Common stock, with $0.01 par value, 1,200,000 shares authorized; 286,037 shares issued at September 30, 2026 and December 31, 2025	**2,860**	2,860
Preferred stock, with $0.01 par value, 120,000 shares authorized; no shares issued at September 30, 2026 and December 31, 2025	**—**	—
Treasury stock, at cost (454 and 1,666 shares at September 30, 2026 and December 31, 2025, respectively)	**(6,302)**	(17,013)
Additional paid-in capital	**1,274,946**	1,262,119
Retained deficit	**(393,470)**	(532,093)
Accumulated other comprehensive loss	**(144,791)**	(109,838)
Total equity	**733,243**	606,035
Total liabilities and equity	**$ 3,387,402**	$ 3,263,190

See notes to consolidated financial statements.

Sotera Health Company

Consolidated Statements of Operations and Comprehensive Income
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues:				
Service	**$ 277,092**	$ 255,529	**$ 797,025**	$ 736,713
Product	**47,794**	55,783	**129,281**	123,463
Total net revenues	**324,886**	311,312	**926,306**	860,176
Cost of revenues:				
Service	**127,098**	114,337	**372,766**	335,259
Product	**16,999**	19,414	**47,719**	45,303
Total cost of revenues	**144,097**	133,751	**420,485**	380,562
Gross profit	**180,789**	177,561	**505,821**	479,614
Selling, general and administrative expenses	**64,140**	63,294	**200,507**	195,248
Amortization of intangible assets	**3,004**	3,090	**9,050**	27,715
Illinois EO litigation settlements	**—**	—	**—**	64,943
Interest expense, net	**34,122**	39,147	**103,272**	120,674
Loss on refinancing of debt	**—**	1,087	**936**	1,167
Foreign exchange gain, net	**(1,095)**	(1,528)	**(5,412)**	(612)
Other income, net	**(3,114)**	(464)	**(6,928)**	(6,530)
Income before income taxes	**83,732**	72,935	**204,396**	77,009
Provision for income taxes	**25,341**	24,535	**65,773**	33,907
Net income	**58,391**	48,400	**138,623**	43,102
Other comprehensive income (loss) net of tax:				
Pension and post-retirement benefits (net of taxes of $(7), $(4), $(77), and $23, respectively)	**(21)**	(12)	**(223)**	69
Interest rate derivatives (net of taxes of $338, $(10), $1,301 and $(662), respectively)	**984**	(29)	**3,791**	(1,924)
Foreign currency translation	**(2,299)**	(17,178)	**(38,521)**	84,599
Comprehensive income	**$ 57,055**	$ 31,181	**$ 103,670**	$ 125,846
Earnings per share:				
Basic	**$ 0.20**	$ 0.17	**$ 0.49**	$ 0.15
Diluted	**0.20**	0.17	**0.48**	0.15
Weighted average number of shares outstanding:				
Basic	**285,997**	284,067	**285,557**	283,855
Diluted	**289,217**	286,745	**288,271**	286,019

See notes to consolidated financial statements.

Sotera Health Company

Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
Operating activities:		
Net income	**$ 138,623**	$ 43,102
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**80,039**	67,934
Amortization of intangible assets	**16,691**	36,246
Loss on refinancing of debt	**936**	1,167
Deferred income taxes	**25,209**	(16,913)
Share-based compensation expense	**29,342**	23,310
Accretion of asset retirement obligations	**1,935**	1,737
Unrealized foreign exchange (gain) loss, net	**(4,010)**	8,378
Unrealized gain on derivatives not designated as hedging instruments	**(310)**	(605)
Amortization of debt issuance costs	**4,623**	3,950
Other	**(4,043)**	(3,749)
Changes in operating assets and liabilities:		
Accounts receivable	**(16,145)**	2,656
Inventories	**2,785**	1,377
Other current assets	**(11,018)**	(18,948)
Accounts payable	**(3,322)**	(2,802)
Accrued liabilities	**8,122**	13,279
Illinois EO litigation settlement	**(34,000)**	34,000
Income taxes payable / receivable, net	**(3,915)**	(9,544)
Other liabilities	**(152)**	(144)
Other long-term assets	**(2,911)**	(340)
Net cash provided by operating activities	**228,479**	184,091
Investing activities:		
Purchases of property, plant and equipment	**(145,450)**	(87,319)
Other investing activities	**5,275**	2,874
Net cash used in investing activities	**(140,175)**	(84,445)
Financing activities:		
Payment of long-term borrowings	**(7,097)**	(82,547)
Payments of debt issuance costs and debt discount	**(1,140)**	(3,919)
Shares withheld for employee taxes on equity awards	**(9,359)**	(3,861)
Other financing activities	**618**	(2,032)
Net cash used in financing activities	**(16,978)**	(92,359)
Effect of exchange rate changes on cash and cash equivalents	**(5,389)**	14,874
Net increase in cash and cash equivalents, including restricted cash	**65,937**	22,161
Cash and cash equivalents, including restricted cash, at beginning of period	**346,456**	278,865
Cash and cash equivalents, including restricted cash, at end of period	**$ 412,393**	$ 301,026
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	**$ 106,179**	$ 129,600
Cash paid during the period for income taxes, net of tax refunds received	**39,795**	47,607
Purchases of property, plant and equipment included in accounts payable	**30,620**	17,215

See notes to consolidated financial statements.

Sotera Health Company

Consolidated Statements of Equity
(in thousands)
(Unaudited)

Three Months Ended September 30, 2026

	Common Stock						
	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive (Loss) Income	Total Equity
Balance at June 30, 2026	**285,362**	**$ 2,860**	**$ (9,288)**	**$ 1,267,392**	**$ (451,861)**	**$ (143,455)**	**$ 665,648**
Share-based compensation plans	221	—	2,986	7,554	—	—	**10,540**
Comprehensive income (loss):							
Pension and post-retirement plan adjustments, net of tax	—	—	—	—	—	(21)	**(21)**
Foreign currency translation	—	—	—	—	—	(2,299)	**(2,299)**
Interest rate derivatives, net of tax	—	—	—	—	—	984	**984**
Net income	—	—	—	—	58,391	—	**58,391**
Balance at September 30, 2026	**285,583**	**$ 2,860**	**$ (6,302)**	**$ 1,274,946**	**$ (393,470)**	**$ (144,791)**	**$ 733,243**

Nine Months Ended September 30, 2026

	Common Stock						
	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive (Loss) Income	Total Equity
Balance at December 31, 2025	**284,371**	**$ 2,860**	**$ (17,013)**	**$ 1,262,119**	**$ (532,093)**	**$ (109,838)**	**$ 606,035**
Share-based compensation plans	1,212	—	10,711	12,827	—	—	**23,538**
Comprehensive income (loss):							
Pension and post-retirement plan adjustments, net of tax	—	—	—	—	—	(223)	**(223)**
Foreign currency translation	—	—	—	—	—	(38,521)	**(38,521)**
Interest rate derivatives, net of tax	—	—	—	—	—	3,791	**3,791**
Net income	—	—	—	—	138,623	—	**138,623**
Balance at September 30, 2026	**285,583**	**$ 2,860**	**$ (6,302)**	**$ 1,274,946**	**$ (393,470)**	**$ (144,791)**	**$ 733,243**

See notes to consolidated financial statements.

Sotera Health Company

Consolidated Statements of Equity (continued)
(in thousands)
(Unaudited)

	Three Months Ended September 30, 2025						
	Common Stock						
	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance at June 30, 2025	284,047	$ 2,860	$ (19,038)	$ 1,251,089	$ (615,340)	$ (108,288)	$ 511,283
Share-based compensation plans	43	—	381	7,626	—	—	8,007
Comprehensive income (loss):	—	—		—	—	—	—
Pension and post-retirement plan adjustments, net of tax	—	—	—	—	—	(12)	(12)
Foreign currency translation	—	—	—	—	—	(17,178)	(17,178)
Interest rate derivatives, net of tax	—	—	—	—	—	(29)	(29)
Net income	—	—	—	—	48,400	—	48,400
Balance at September 30, 2025	284,090	$ 2,860	$ (18,657)	$ 1,258,715	$ (566,940)	$ (125,507)	$ 550,471

	Nine Months Ended September 30, 2025						
	Common Stock						
	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive (Loss) Income	Total Equity
Balance at December 31, 2024	283,466	$ 2,860	$ (23,434)	$ 1,243,778	$ (610,042)	$ (208,251)	$ 404,911
Share-based compensation plans	624	—	4,777	14,937	—	—	19,714
Comprehensive income (loss):							
Pension and post-retirement plan adjustments, net of tax	—	—	—	—	—	69	69
Foreign currency translation	—	—	—	—	—	84,599	84,599
Interest rate derivatives, net of tax	—	—	—	—	—	(1,924)	(1,924)
Net income	—	—	—	—	43,102	—	43,102
Balance at September 30, 2025	284,090	$ 2,860	$ (18,657)	$ 1,258,715	$ (566,940)	$ (125,507)	$ 550,471

See notes to consolidated financial statements.

Sotera Health Company

Notes to Consolidated Financial Statements

1. Basis of Presentation

Principles of Consolidation – Sotera Health Company (also referred to herein as the "Company," "we," "our," "us" or "its") is a leading global provider of mission-critical end-to-end sterilization solutions, lab testing and advisory services for the healthcare industry with operations primarily in the Americas, Europe and Asia.

We operate and report in three segments: Sterigenics, Nordion and Nelson Labs. We describe our reportable segments in Note 15, "Segment Information". All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates – In preparing our consolidated financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP"), we make estimates and assumptions that affect the amounts reported and the accompanying notes. We regularly evaluate the estimates and assumptions used and revise them as new information becomes available. Actual results may vary from those estimates.

Interim Financial Statements – The accompanying consolidated financial statements include the assets, liabilities, operating results, and cash flows of the Company and its wholly owned subsidiaries. These financial statements are prepared in accordance with GAAP for interim financial information and the instructions to the Quarterly Report on Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. These unaudited interim financial statements should be read in conjunction with the Company's annual consolidated financial statements and accompanying notes in our 2025 Form 10-K.

2. Recent Accounting Standards

Accounting Standards Updates Issued But Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03: Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in this ASU require entities to disaggregate certain expense captions into specified categories in disclosures within the footnotes to the financial statements. In January 2025, the FASB issued ASU 2025-01, which revises the effective date of ASU 2024-03 and clarifies that entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. The Company expects that this ASU will increase disclosures in the annual and interim periods when adopted.

3. Revenue Recognition

The following table shows disaggregated net revenues from contracts with external customers by timing of revenue and by segment for the three and nine months ended September 30, 2026 and 2025:

(thousands of U.S. dollars)	Three Months Ended September 30, 2026			
	Sterigenics	Nordion	Nelson Labs	Consolidated
Point in time	**$ 209,305**	**$ 52,113**	**$ —**	**$ 261,418**
Over time	**—**	**2,911**	**60,557**	**63,468**
Total	**$ 209,305**	**$ 55,024**	**$ 60,557**	**$ 324,886**

(thousands of U.S. dollars)	Three Months Ended September 30, 2025			
	Sterigenics	Nordion	Nelson Labs	Consolidated
Point in time	$ 192,845	$ 61,308	$ —	$ 254,153
Over time	—	1,497	55,662	57,159
Total	$ 192,845	$ 62,805	$ 55,662	$ 311,312

(thousands of U.S. dollars)	Nine Months Ended September 30, 2026			
	Sterigenics	Nordion	Nelson Labs	Consolidated
Point in time	**$ 607,011**	**$ 140,359**	**$ —**	**$ 747,370**
Over time	**—**	**5,823**	**173,113**	**178,936**
Total	**$ 607,011**	**$ 146,182**	**$ 173,113**	**$ 926,306**

(thousands of U.S. dollars)	Nine Months Ended September 30, 2025			
	Sterigenics	Nordion	Nelson Labs	Consolidated
Point in time	$ 557,368	$ 134,979	$ —	$ 692,347
Over time	—	2,814	165,015	167,829
Total	$ 557,368	$ 137,793	$ 165,015	$ 860,176

When we receive consideration from a customer prior to transferring goods or services under the terms of a sales contract, we record deferred revenue, which represents a contract liability. Deferred revenue totaled $15.1 million and $18.0 million at September 30, 2026 and December 31, 2025, respectively. We recognize deferred revenue after we have transferred control of the goods or services to the customer and all revenue recognition criteria are met.

4. Inventories

Inventories consisted of the following:

(thousands of U.S. dollars)	September 30, 2026	December 31, 2025
Raw materials and supplies	**$ 41,929**	$ 45,569
Work-in-process	**317**	2,436
Finished goods	**7,626**	6,622
	49,872	54,627
Reserve for excess and obsolete inventory	**(243)**	(252)
Inventories, net	**$ 49,629**	$ 54,375

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

(thousands of U.S. dollars)	September 30, 2026	December 31, 2025
Prepaid taxes	**$ 6,146**	$ 5,212
Prepaid business insurance	**1,112**	3,974
Prepaid rent	**4,624**	4,466
Customer contract assets	**43,251**	24,410
Current deposits	**272**	283
Prepaid maintenance contracts	**684**	490
Value added tax receivable	**2,121**	4,527
Prepaid software licensing	**3,037**	2,661
Stock supplies	**5,038**	5,012
Embedded derivatives	**2,033**	1,162
Other	**8,862**	13,053
Prepaid expenses and other current assets	**$ 77,180**	$ 65,250

6. Goodwill and Other Intangible Assets

Changes to goodwill during the nine months ended September 30, 2026 were as follows:

(thousands of U.S. dollars)	Sterigenics	Nordion	Nelson Labs	Total
Goodwill at December 31, 2025	$ 658,919	$ 267,771	$ 176,542	$ 1,103,232
Changes due to foreign currency exchange rates	(1,551)	(9,238)	(1,226)	(12,015)
Goodwill at September 30, 2026	**$ 657,368**	**$ 258,533**	**$ 175,316**	**$ 1,091,217**

Other intangible assets consisted of the following:

(thousands of U.S. dollars) **As of September 30, 2026**	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangible assets		
Customer relationships	**$ 165,561**	**$ 91,663**
Proprietary technology	**36,470**	**19,975**
Trade names	**2,400**	**2,360**
Land-use rights	**9,246**	**2,584**
Sealed source and supply agreements	**162,876**	**94,452**
Other	**600**	**590**
Total finite-lived intangible assets	**377,153**	**211,624**
Indefinite-lived intangible assets		
Regulatory licenses and other[(a)]	**73,421**	—
Trade names / trademarks	**25,887**	—
Total indefinite-lived intangible assets	**99,308**	—
Total	**$ 476,461**	**$ 211,624**

As of December 31, 2025	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangible assets		
Customer relationships	$ 167,313	$ 84,083
Proprietary technology	37,775	19,253
Trade names	2,400	2,000
Land-use rights	8,861	2,313
Sealed source and supply agreements	168,740	91,405
Other	900	790
Total finite-lived intangible assets	385,989	199,844
Indefinite-lived intangible assets		
Regulatory licenses and other[(a)]	76,064	—
Trade names / trademarks	26,018	—
Total indefinite-lived intangible assets	102,082	—
Total	$ 488,071	$ 199,844

(a) Includes certain transportation certifications, a class 1B nuclear license and other intangible assets related to obtaining such licensure. These assets are considered indefinite-lived as the decision for renewal by the Canadian Nuclear Safety Commission ("CNSC") is primarily based on a licensee's previous assessments, reported incidents, and annual compliance and inspection results. New applications for a license can take a significant amount of time and cost; whereas an existing

licensee with a historical record of compliance and current operating conditions is generally expected to obtain renewal, as Nordion has demonstrated over its 75-year history. In September 2025, the CNSC renewed Nordion's Class 1B nuclear license for a 25-year term.

Amounts include the impact of foreign currency translation. Fully amortized amounts are written off.

Amortization expense for finite-lived intangible assets was $5.5 million and $5.7 million for the three months ended September 30, 2026 and 2025, respectively. $3.0 million and $3.1 million were included in "Amortization of intangible assets" in the Consolidated Statements of Operations and Comprehensive Income for the three months ended September 30, 2026 and 2025, respectively, whereas the remainder was included in "Cost of revenues."

Amortization expense for finite-lived intangible assets was $16.7 million and $36.2 million for the nine months ended September 30, 2026 and 2025, respectively. $9.1 million and $27.7 million were included in "Amortization of intangible assets" in the Consolidated Statements of Operations and Comprehensive Income for the nine months ended September 30, 2026 and 2025, respectively, whereas the remainder was included in "Cost of revenues."

The estimated aggregate amortization expense for finite-lived intangible assets for each of the next five years and thereafter is as follows:

(thousands of U.S. dollars)

For the remainder of 2026	**$ 5,422**
2027	**20,623**
2028	**20,076**
2029	**19,966**
2030	**19,966**
Thereafter	**79,476**
Total	**$ 165,529**

7. Accrued Liabilities

Accrued liabilities consisted of the following:

(thousands of U.S. dollars)

	September 30, 2026	December 31, 2025
Accrued employee compensation	**$ 37,013**	$ 43,543
Reserve for Illinois EO litigation settlements	**—**	34,000
Accrued interest expense	**19,116**	20,543
Embedded derivatives	**2,390**	1,872
Professional fees	**25,467**	10,483
Accrued utilities	**2,059**	1,786
Insurance accrual	**2,912**	2,131
Accrued taxes	**4,703**	3,287
Other	**5,829**	7,091
Accrued liabilities	**$ 99,489**	$ 124,736

8. Long-Term Debt

Long-term debt consisted of the following:

(thousands of U.S. dollars)

As of September 30, 2026	Gross Amount	Unamortized Debt Issuance Costs	Unamortized Debt Discount	Net Amount
Secured Notes due 2031	**$ 750,000**	**$ (2,696)**	**$ —**	**$ 747,304**
Term Loan due 2031	**1,412,375**	**(6,181)**	**(16,349)**	**1,389,845**
	2,162,375	**(8,877)**	**(16,349)**	**2,137,149**
Less current portion	**14,159**	**(62)**	**(164)**	**13,933**
Long-term debt	**$ 2,148,216**	**$ (8,815)**	**$ (16,185)**	**$ 2,123,216**

(thousands of U.S. dollars)

As of December 31, 2025	Gross Amount	Unamortized Debt Issuance Costs	Unamortized Debt Discount	Net Amount
Secured Notes due 2031	$ 750,000	$ (3,129)	$ —	$ 746,871
Term Loan due 2031	1,419,472	(6,618)	(19,028)	1,393,826
	2,169,472	(9,747)	(19,028)	2,140,697
Less current portion	14,230	(66)	(191)	13,973
Long-term debt	$ 2,155,242	$ (9,681)	$ (18,837)	$ 2,126,724

Debt Facilities

Under the debt agreements summarized below, at September 30, 2026, we and Sotera Health Holdings, LLC ("SHH"), our wholly owned subsidiary, had debt payment obligations under (a) a term loan in the amount of $1,412.4 million, (b) a revolving credit facility, which supported operationally-related letters of credit but was otherwise undrawn, and which provides us with capacity of up to $600.0 million for future potential borrowings, and (c) $750.0 million of senior secured notes. Our debt agreements also include covenants and conditions as described in Note 9, "Long-Term Debt," to our consolidated financial statements included in our 2025 Form 10-K, and rights to request additional debt, as summarized below.

Senior Secured Credit Facilities and Indenture

On December 13, 2019, SHH entered into senior secured first lien credit facilities (the "Senior Secured Credit Facilities"), consisting of both prepayable senior secured first lien term loans (the "Term Loans") and a senior secured first lien revolving credit facility (the "Revolving Credit Facility") pursuant to a first lien credit agreement (as amended through Amendment No. 7 (as defined below), the "Credit Agreement"). The Senior Secured Credit Facilities also provide SHH the right at any time and under certain conditions to request incremental term loans or incremental revolving credit commitments based on a formula defined in the Senior Secured Credit Facilities.

On May 20, 2026, SHH, the Company, certain subsidiaries of the Company, each 2026 Refinancing Term Lender (as defined in the Credit Agreement) and JPMorgan Chase Bank, N.A., as first lien Administrative Agent entered into Amendment No. 7 ("Amendment No. 7") to the Credit Agreement. Among other changes, Amendment No. 7 provides for refinancing lenders to provide repriced Term Loans to SHH in an aggregate principal amount of $1,415.9 million. Amendment No. 7 reduced the interest rate spread by 0.25% across Term Loans under the facility. The Term Loans under the credit facility shall have an applicable interest rate margin equal to Adjusted Term SOFR Rate (as defined in the Credit Agreement) plus 2.25%, with a 0.00% floor (with optionality for SHH to elect Alternate Base Rate plus 1.25% or Adjusted Daily Simple SOFR plus 2.25% (each as defined in the Credit Agreement)). The Term Loans are also subject to 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 Amendment No. 7. The Term Loans amortize at a rate of 1.00% per annum and mature on May 30, 2031.

The weighted average interest rates on borrowings under the Term Loans for the three months ended September 30, 2026 and 2025 were 5.94% and 7.22%, respectively, and 6.06% and 7.50% for the nine months ended September 30, 2026 and 2025, respectively.

On May 30, 2024, SHH, the Company, certain subsidiaries of the Company, and Wilmington Trust, National Association, as trustee, paying agent, registrar, transfer agent and notes collateral agent, entered into an Indenture (the "Indenture") governing SHH's $750.0 million aggregate principal amount of 7.375% senior secured notes due 2031 (the "Secured Notes"), issued in May 2024. The Secured Notes pay interest semiannually in arrears on June 1 and December 1 of each year, which began on December 1, 2024, at a rate of 7.375% per year, and will mature on June 1, 2031.

Outstanding letters of credit are collateralized by encumbrances against the Revolving Credit Facility and the collateral pledged thereunder, or by cash placed on deposit with the issuing bank. As of September 30, 2026, the Company had $8.2 million of letters of credit issued against the Revolving Credit Facility, resulting in total availability under the Revolving Credit Facility of $591.8 million.

9. Income Taxes

Income tax expense is provided on an interim basis based upon our estimate of the annual effective income tax rate. In determining the estimated annual effective income tax rate, we analyze various factors, including projections of our annual earnings and the taxing jurisdictions where the earnings will occur, the impact of state and local taxes, our ability to utilize tax credits and net operating loss carryforwards and available tax planning alternatives. Our effective tax rates were 30.3% and 32.2% for the three and nine months ended September 30, 2026, respectively. For the three and nine months ended September 30, 2025, our effective tax rates were 33.6% and 44.0%, respectively.

Income tax expense for the three and nine months ended September 30, 2026 differed from the statutory rate primarily due to the foreign rate differential, current year permanent differences, including foreign withholding taxes and other non-deductible items, and U.S. state income taxes (net of federal tax benefit).

Income tax expense for the three and nine months ended September 30, 2025 differed from the statutory rate primarily due to recognition of the cumulative tax effects of the change in U.S. income tax laws under the One Big Beautiful Bill Act (the "OBBBA") in the period of enactment associated with the accounting for the valuation allowance attributable to the limitation on the deductibility of interest expense. This was offset by the tax effects for a change in our indefinite reinvestment assertion with respect to a portion of our foreign earnings, the impact of the foreign rate differential and current year permanent differences.

10. Employee Benefits

The Company sponsors various post-employment benefit plans including, in certain countries outside the United States, defined benefit and defined contribution pension plans, retirement compensation arrangements, and plans that provide extended health care coverage to retired employees, the majority of which relate to Nordion. The interest cost, expected return on plan assets and amortization of net actuarial gain are recorded in "Other income, net" and the service cost component is included in the same financial statement line item as the applicable employee's wages in the Consolidated Statements of Operations and Comprehensive Income.

Defined benefit pension plan

The following defined benefit pension plan disclosure relates to Nordion. Certain immaterial foreign defined benefit pension plans have been excluded from the table below. The components of net periodic pension benefit for the defined benefit plans for the three and nine months ended September 30, 2026 and 2025 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of U.S. dollars)	**2026**	**2025**	**2026**	**2025**
Service cost	**$ 116**	$ 126	**$ 350**	$ 371
Interest cost	**2,280**	2,405	**6,913**	7,105
Expected return on plan assets	**(4,145)**	(4,015)	**(12,563)**	(11,864)
Net periodic benefit	**$ (1,749)**	$ (1,484)	**$ (5,300)**	$ (4,388)

Other benefit plans

Other benefit plans disclosed below relate to Nordion and include a supplemental retirement arrangement, a retirement and termination allowance, and post-retirement benefit plans, which include contributory health and dental care benefits and contributory life insurance coverage. Certain immaterial other foreign benefit plans have been excluded from the table below.

All non-pension post-employment benefit plans are unfunded. The components of net periodic pension cost for the other benefit plans for the three and nine months ended September 30, 2026 and 2025 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of U.S. dollars)	**2026**	**2025**	**2026**	**2025**
Service cost	**$ 1**	$ 1	**$ 3**	$ 4
Interest cost	**75**	79	**227**	234
Amortization of net actuarial gain	**(33)**	(18)	**(100)**	(54)
Net periodic cost	**$ 43**	$ 62	**$ 130**	$ 184

11. Other Comprehensive Income (Loss)

Amounts in accumulated other comprehensive income (loss) are presented net of the related tax. Foreign currency translation is not adjusted for income taxes.

Changes in our accumulated other comprehensive income (loss) balances, net of applicable tax, were as follows:

(thousands of U.S. dollars)	Defined Benefit Plans	Foreign Currency Translation	Interest Rate Derivatives	Total
Beginning balance – July 1, 2026	**$ 3,349**	**$ (147,773)**	**$ 969**	**$ (143,455)**
Other comprehensive income (loss) before reclassifications	**12**	**(2,299)**	**1,017**	**(1,270)**
Amounts reclassified from accumulated other comprehensive income (loss)	**(33)** (a)	**—**	**(33)** (b)	**(66)**
Net current-period other comprehensive income (loss)	**(21)**	**(2,299)**	**984**	**(1,336)**
Ending balance – September 30, 2026	**$ 3,328**	**$ (150,072)**	**$ 1,953**	**$ (144,791)**
Beginning balance – January 1, 2026	**$ 3,551**	**$ (111,551)**	**$ (1,838)**	**$ (109,838)**
Other comprehensive income (loss) before reclassifications	**(123)**	**(38,521)**	**3,857**	**(34,787)**
Amounts reclassified from accumulated other comprehensive income (loss)	**(100)** (a)	**—**	**(66)** (b)	**(166)**
Net current-period other comprehensive income (loss)	**(223)**	**(38,521)**	**3,791**	**(34,953)**
Ending balance – September 30, 2026	**$ 3,328**	**$ (150,072)**	**$ 1,953**	**$ (144,791)**

(thousands of U.S. dollars)	Defined Benefit Plans	Foreign Currency Translation	Interest Rate Derivatives	Total
Beginning balance – July 1, 2025	$ 1,246	$ (107,889)	$ (1,645)	$ (108,288)
Other comprehensive income (loss) before reclassifications	6	(17,178)	308	(16,864)
Amounts reclassified from accumulated other comprehensive income (loss)	(18) (a)	—	(337) (b)	(355)
Net current-period other comprehensive income (loss)	(12)	(17,178)	(29)	(17,219)
Ending balance – September 30, 2025	$ 1,234	$ (125,067)	$ (1,674)	$ (125,507)
Beginning balance – January 1, 2025	$ 1,165	$ (209,666)	$ 250	$ (208,251)
Other comprehensive income (loss) before reclassifications	123	84,599	(1,086)	83,636
Amounts reclassified from accumulated other comprehensive income (loss)	(54) (a)	—	(838) (b)	(892)
Net current-period other comprehensive income (loss)	69	84,599	(1,924)	82,744
Ending balance – September 30, 2025	$ 1,234	$ (125,067)	$ (1,674)	$ (125,507)

(a) For defined benefit pension plans, amounts reclassified from accumulated other comprehensive income (loss) are recorded to "Other income, net" within the Consolidated Statements of Operations and Comprehensive Income.

(b) For interest rate derivatives, amounts reclassified from accumulated other comprehensive income (loss) are recorded to "Interest expense, net" within the Consolidated Statements of Operations and Comprehensive Income.

12. Earnings Per Share

Basic earnings per share represents the amount of income attributable to each common share outstanding. Diluted earnings per share represents the amount of income attributable to each common share outstanding adjusted for the effects of potentially dilutive common shares. Potentially dilutive common shares include stock options and other stock-based awards. In the periods where the effect would be anti-dilutive, potentially dilutive common shares are excluded from the calculation of diluted earnings per share.

For 2025 and prior years, in periods in which the Company had net income, earnings per share was calculated using the two-class method. This method was required as unvested pre-IPO restricted stock awards had the right to receive non-forfeitable dividends or dividend equivalents if the Company were to declare dividends on its common stock. Pursuant to the two-class method, earnings for each period were allocated on a pro-rata basis to common stockholders and unvested pre-IPO restricted stock awards. Diluted earnings per share was computed using the more dilutive of the (a) two-class method and (b) treasury stock method, as applicable, to the potentially dilutive instruments.

In periods in which the Company had a net loss, the two-class method was not applicable because the unvested pre-IPO restricted stock awards did not participate in losses.

Beginning in 2026, earnings per share is calculated using the treasury stock method. As all pre-IPO restricted stock awards were fully vested in the third quarter of 2025, the use of the two-class method is no longer required. Diluted earnings per share represents the weighted average number of common shares outstanding plus the dilutive effect of potential common shares calculated using the treasury stock method.

Our basic and diluted earnings per common share are calculated as follows:

in thousands of U.S. dollars and share amounts (except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Earnings:				
Net income	**$ 58,391**	$ 48,400	**$ 138,623**	$ 43,102
Less: Allocation to participating securities	**—**	—	**—**	3
Net income attributable to Sotera Health Company common shareholders	**$ 58,391**	$ 48,400	**$ 138,623**	$ 43,099
Weighted Average Common Shares:				
Weighted-average common shares outstanding - basic	**285,997**	284,067	**285,557**	283,855
Dilutive effect of potential common shares	**3,220**	2,678	**2,714**	2,164
Weighted-average common shares outstanding - diluted	**289,217**	286,745	**288,271**	286,019
Earnings per Common Share:				
Net income per common share attributable to Sotera Health Company common shareholders - basic	**$ 0.20**	$ 0.17	**$ 0.49**	$ 0.15
Net income per common share attributable to Sotera Health Company common shareholders - diluted	**0.20**	0.17	**0.48**	0.15

Diluted earnings per share does not consider the following potential common shares as the effect would be anti-dilutive:

in thousands of share amounts	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Stock options	**2,956**	5,543	**3,973**	5,570
RSUs	**11**	1	**150**	512
Total anti-dilutive securities	**2,967**	5,544	**4,123**	6,082

13. Commitments and Contingencies

From time to time, we may be or are subject to various lawsuits and other claims, as well as gain contingencies, in the ordinary course of our business. In addition, from time to time, we receive communications from government or regulatory agencies concerning investigations or allegations of noncompliance with laws or regulations in jurisdictions in which we operate. We assess these regulatory and legal actions to determine if a contingent liability should be recorded. In making these determinations, we may, depending on the nature of the matter, consult with internal and external legal counsel and technical experts.

We establish reserves for specific liabilities in connection with regulatory and legal actions that we determine to be both probable and reasonably estimable. The outcomes of regulatory and legal actions can be difficult to predict and are often resolved over long periods of time, making our probability and estimability determinations highly judgmental. Probability determinations require the analysis of various possible outcomes, assessments of potential damages and the impact of multiple factors beyond our control, including potential actions by others, interpretations of the law, and changes and developments in relevant facts, circumstances, regulations and other laws. If a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability is disclosed, together with an estimate of the range of possible loss if the range is determinable and material. In certain of the matters described below, we are not able to estimate potential liability because of the uncertainties related to the outcome(s) and/or the amount(s) or range(s) of loss. The ultimate resolution of pending regulatory and legal matters in future periods, including the matters described below, may have a material adverse effect on our financial condition, results of operations and/or liquidity. The Company may also incur material defense and settlement costs, diversion of management resources and other adverse effects on our business, financial condition, and/or results of operations.

The information regarding those matters set forth below is as of September 30, 2026, except as otherwise indicated.

Ethylene Oxide Tort Litigation

Sterigenics U.S., LLC ("Sterigenics") and other medical supply sterilization companies have been subjected to tort lawsuits alleging various injuries caused by low-level environmental exposure to EO used at or emitted or released from sterilization facilities. Those lawsuits, as detailed further below, are individual claims, as opposed to class actions.

California

As of October 29, 2026, subsidiaries of the Company and other parties are defendants in lawsuits pending in Los Angeles County Superior Court in which the plaintiffs assert approximately 170 claims for personal injury or wrongful death allegedly resulting from use, emissions and releases of EO from Sterigenics' Vernon facilities (the "Vernon Cases"). The Vernon Cases have been assigned to one judge, with initial trials scheduled for January and April 2027. Eight individual claims have been selected as the "First Plaintiff Group" and are being prioritized for discovery.

Georgia

Subsidiaries of the Company and other parties are defendants in lawsuits in Georgia in which plaintiffs allege personal injuries, wrongful death and property devaluation resulting from use, emissions and releases of EO from or at Sterigenics' Atlanta facility.

As of October 29, 2026, approximately 550 personal injury and wrongful death claims filed in the State Court of Cobb County (the "Georgia Trial Court") are assigned to a single judge (the "Georgia Personal Injury Cases"). The Georgia Personal Injury Cases are governed in the Georgia Trial Court by case management orders pursuant to which general causation issues in a pool of eight cases were to be adjudicated in Phase 1 and specific causation issues in those pool cases were to be adjudicated in Phase 2; the remaining Georgia Personal Injury Cases, including 15 cases that include both personal injury and property claims and one personal injury lawsuit that is pending before a different judge, are stayed.

On November 22, 2024, the Georgia Trial Court issued a Phase 1 ruling on general causation issues granting in part and denying in part defendants' motions to exclude certain Phase 1 expert testimony and defendants' motions for summary judgment on Phase 1 issues (the "First General Causation Ruling"). Plaintiffs and defendants appealed the First General Causation Ruling to the Court of Appeals of Georgia (the "Phase 1 General Causation Appeals"). While the Phase 1 General Causation Appeals were pending, three of the pool cases, selected by plaintiffs' counsel, proceeded to Phase 2 (the "Phase 2 Cases"). On October 17, 2025, the Georgia Trial Court issued its Phase 2 rulings on specific causation issues granting Sterigenics' motions to exclude three of plaintiffs' specific causation expert witnesses and granting Sterigenics' motions for summary judgment in all three Phase 2 Cases (the "Specific Causation Ruling"). On October 28, 2025, the Georgia Trial Court entered an order also adopting its Specific Causation Ruling with respect to our subsidiary Sotera Health LLC. Plaintiffs in the Phase 2 Cases appealed the Specific Causation Ruling to the Court of Appeals of Georgia (the "Phase 2 Specific Causation Appeals").

On October 31, 2025, the Court of Appeals of Georgia ruled on the Phase 1 General Causation Appeals, finding that, as Sterigenics contended on appeal, the First General Causation Ruling failed to apply the proper standard for determining the admissibility of expert testimony on general causation, vacating the First General Causation Ruling and remanding the pool cases to the Georgia Trial Court with instructions to apply the proper standard in ruling on general causation issues. The Court of Appeals also instructed the Georgia Trial Court to consider whether plaintiffs can prove general causation through epidemiological evidence and background risks of the diseases at issue. On March 30, 2026, the Georgia Trial Court granted defendants' motions to exclude plaintiffs' general causation experts and entered summary judgment for defendants in the five remanded pool cases (the "Second General Causation Ruling and Judgment"). Plaintiffs in the five remanded pool cases appealed the Second General Causation Ruling and Judgment to the Court of Appeals of Georgia (the "Second Phase 1 General Causation Appeals"). Proceedings in the Georgia Trial Court are stayed pending resolution of the Second Phase 1 General Causation Appeals and the Phase 2 Specific Causation Appeals.

Subsidiaries of the Company and other parties are also defendants in a lawsuit filed in May 2020 in which employees of a sterilization customer of Sterigenics allege they were injured while working at the customer's distribution facility by exposure to residual EO allegedly emanating from products of the customer that had been sterilized by Sterigenics. The case is proceeding in the Superior Court of Cobb County on plaintiffs' Fifth Amended Complaint. Pursuant to the customer's contract with Sterigenics, the customer is indemnifying Sterigenics against this lawsuit.

As of October 29, 2026, approximately 305 lawsuits have been filed in the Georgia Trial Court against subsidiaries of the Company and other parties in which plaintiffs allege property devaluation resulting from use, emissions and releases of EO from or at Sterigenics' Atlanta facility. These cases have been consolidated for pretrial purposes (the "Consolidated Property Cases"). Proceedings in a pool of nine of the Consolidated Property Cases are governed by case management orders pursuant to which the parties completed discovery and defendants filed motions to exclude certain plaintiffs' expert testimony and motions for summary judgment, which remain pending. The remaining cases are stayed.

Illinois

Lawsuits against subsidiaries of the Company and other parties have been filed in the Circuit Court of Cook County, Illinois, by plaintiffs alleging personal injury or wrongful death resulting from use, emissions and releases of EO from Sterigenics' former Willowbrook facility (the "Illinois Cases"). As of October 29, 2026, subsidiaries of the Company and other parties are defendants in approximately 25 Illinois Cases that are in various stages of pleadings, motions practice and fact discovery.

New Mexico

On June 24, 2026, the Company and certain subsidiaries agreed with the State of New Mexico to settle the lawsuit filed by the New Mexico Attorney General in the Third Judicial District Court, Doña Ana County, New Mexico (the "Trial Court") in December 2020. The settlement, which was entered into without any admission of liability or wrongdoing by any defendant, fully and finally resolved all claims asserted, or that could have been asserted, in the litigation for an amount that was not material to the Company. On July 7, 2026, the Trial Court entered a Consent Order Dissolving Preliminary Injunction and an Order of Dismissal With Prejudice.

* * *

Additional EO lawsuits have been threatened relating to Sterigenics' current and former EO sterilization facilities in the United States and may be filed in the future. These threats of additional EO lawsuits are comparable to threats that have similarly been made against other companies within our industry. Based on our view of the strength of the science and related evidence that emissions of EO from Sterigenics' operations have not caused and could not have caused the harms alleged in such lawsuits, we believe that losses in the remaining or future EO cases through trials and any appeals that may prove necessary are not probable. Although the Company is vigorously defending against the EO tort claims, future settlements of EO tort claims are reasonably possible. The previously disclosed settlements of certain cases related to our facilities in Willowbrook and Atlanta were driven by dynamics unique to the claims that were settled and thus should not give rise to presumptions that the Company will settle additional EO tort claims and/or that any such settlements will be for comparable amounts.

Potential trial and settlement outcomes can vary widely based on a host of factors. EO tort lawsuits will be presided over by different judges, tried by different counsel presenting different evidence and decided by different juries. The substantive and procedural laws of jurisdictions vary and can meaningfully impact the litigation process and outcome of a case. Each plaintiff's claim involves unique facts and evidence, including the circumstances of the plaintiff's alleged exposure, the type and severity of the plaintiff's disease, the plaintiff's medical history and course of treatment, the location of and other factors related to the plaintiff's real property, and other circumstances. The outcomes of trials before juries are rarely certain and a judgment rendered or settlement reached in one case is not necessarily representative of potential outcomes of other seemingly comparable cases. As a result, it is not possible to estimate a reasonably possible loss or range of loss with respect to any future EO tort lawsuit, trial or settlement. We are vigorously defending the EO tort lawsuits.

14. Financial Instruments and Financial Risk

Derivative Instruments

We do not use derivatives for trading or speculative purposes and are not a party to leveraged derivatives.

Derivatives Designated in Hedge Relationships

From time to time, the Company utilizes interest rate derivatives designated in hedge relationships to manage interest rate risk associated with our variable rate borrowings. These instruments are measured at fair value with changes in fair value recorded as a component of "Accumulated other comprehensive loss" on our Consolidated Balance Sheets.

In March 2025, we entered into an interest rate swap agreement with a notional amount of $400.0 million. The interest rate swap was effective on August 31, 2025 and expires on August 31, 2027. We receive interest at the one-month Term SOFR rate and pay a fixed interest rate under the terms of the swap agreement. In March 2023, we entered into an interest rate swap agreement with a notional amount of $400.0 million. The interest rate swap was effective on August 23, 2023 and expired on August 23, 2025. We received interest at the one-month Term SOFR rate and paid a fixed interest rate under the terms of the swap agreement.

We designated both interest rate swaps as cash flow hedges designed to hedge the variability of cash flows attributable to changes in the SOFR benchmark interest rate of our Term Loans (or any successor thereto).

Derivatives Not Designated in Hedge Relationships

The Company also enters into foreign currency forward contracts to manage foreign currency exchange rate risk of our intercompany loans in certain of our international subsidiaries and non-functional currency assets and liabilities. The foreign currency forward contracts expire on a monthly basis. These foreign currency derivatives are not designated in hedge relationships.

Embedded Derivatives

We have embedded derivatives in certain of our customer and supply contracts as a result of the currency of the contract being different from the functional currency of the parties involved. Changes in the fair value of the embedded derivatives are recognized in "Other income, net" in the Consolidated Statements of Operations and Comprehensive Income.

The following table provides a summary of the notional and fair values of our derivative instruments:

(in U.S. dollars; notional in millions, fair value in thousands)	**September 30, 2026**			**December 31, 2025**		
		Fair Value			**Fair Value**	
	Notional Amount	**Derivative Assets**	**Derivative Liabilities**	**Notional Amount**	**Derivative Assets**	**Derivative Liabilities**
Derivatives designated as hedging instruments						
Interest rate swaps	**400.0**	**2,746**	**—**	400.0	—	2,346
Derivatives not designated as hedging instruments						
Foreign currency forward contracts	**$ 10.4**	**$ 15**	**$ 1**	—	—	—
Embedded derivatives	**233.8** [(a)]	**2,033**	**2,390**	264.4 [(a)]	1,162	1,872
Total	**$ 644.2**	**$ 4,794**	**$ 2,391**	$ 664.4	$ 1,162	$ 4,218

(a) Represents the total notional amounts for certain of the Company's supply and sales contracts accounted for as embedded derivatives.

Embedded derivative assets/liabilities and foreign currency forward contracts are included in "Prepaid expenses and other current assets" and "Accrued liabilities" on our Consolidated Balance Sheets depending upon their position at period end. Interest rate swaps are included in "Other assets" and "Noncurrent liabilities" on the Consolidated Balance Sheets depending upon their position at period end.

The following table summarizes the activities of our derivative instruments for the periods presented, and the line item they are recorded in the Consolidated Statements of Operations and Comprehensive Income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of U.S. dollars)	**2026**	**2025**	**2026**	**2025**
Realized gain on interest rate derivatives recorded in interest expense, net[(a)]	**(44)**	(453)	**(89)**	(1,126)
Unrealized (gain) loss on embedded derivatives recorded in other income, net	**(992)**	1,389	**(310)**	(605)
Realized loss (gain) on foreign currency forward contracts recorded in foreign exchange gain, net	**111**	1,488	**(504)**	(6,683)
Unrealized (gain) loss on foreign currency forward contracts recorded in foreign exchange gain, net	**(53)**	685	**(14)**	(20)

(a) For the three and nine months ended September 30, 2026 and 2025, amounts represent settlement payments on interest rate swaps.

Credit Risk

Certain of our financial assets, including cash and cash equivalents, are exposed to credit risk.

We are also exposed, in our normal course of business, to credit risk from our customers. As of September 30, 2026 and December 31, 2025, accounts receivable was net of an allowance for uncollectible accounts of $1.8 million and $3.0 million, respectively.

Credit risk on financial instruments arises from the potential for counterparties to default on their contractual obligations to us. We are exposed to credit risk in the event of non-performance, but do not anticipate non-performance by any of the counterparties to our financial instruments. We limit our credit risk by dealing with counterparties that are considered to be of high credit quality. In the event of non-performance by counterparties, the carrying value of our financial instruments represents the maximum amount of loss that would be incurred.

Our credit team evaluates and regularly monitors changes in the credit risk of our customers. We routinely assess the collectability of accounts receivable and maintain an adequate allowance for uncollectible accounts to address potential credit losses. The process includes a review of customer financial information and credit ratings, current market conditions as well as the expected future economic conditions that may impact the collection of trade receivables. We regularly review our customers' past due amounts through an analysis of aged accounts receivables, specific customer past due aging amounts, and the history of trade receivables written off. Upon concluding that a receivable balance is not collectible, the balance is written off against the allowance for uncollectible accounts.

Fair Value Hierarchy

The fair value of our financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation techniques we would use to determine such fair values are described as follows: Level 1—fair values determined by inputs utilizing quoted prices in active markets for identical assets or liabilities; Level 2—fair values based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable; Level 3—fair values determined by unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants.

The following table discloses the fair value of our financial assets and liabilities:

As of September 30, 2026		**Fair Value**		
(thousands of U.S. dollars)	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**
Derivatives designated as hedging instruments[(a)]				
Interest rate swap asset	**2,746**	—	**2,746**	—
Derivatives not designated as hedging instruments[(b)]				
Foreign currency forward contract assets	**15**	—	**15**	—
Foreign currency forward contract liabilities	**1**	—	**1**	—
Embedded derivative assets	**2,033**	—	**2,033**	—
Embedded derivative liabilities	**2,390**	—	**2,390**	—
Current portion of long-term debt[(c)]				
Term Loan, due 2031	**13,933**	—	**14,159**	—
Long-term debt[(c)]				
Secured Notes, due 2031	**747,304**	—	**753,750**	—
Term Loan, due 2031	**1,375,912**	—	**1,405,720**	—
Finance Lease Obligations (with current portion)[(d)]	**107,111**	—	**107,111**	—

As of December 31, 2025		**Fair Value**		
(thousands of U.S. dollars)	**Carrying Amount**	**Level 1**	**Level 2**	**Level 3**
Derivatives designated as hedging instruments[(a)]				
Interest rate swap liability	2,346	—	2,346	—
Derivatives not designated as hedging instruments[(b)]				
Embedded derivative assets	1,162	—	1,162	—
Embedded derivative liabilities	1,872	—	1,872	—
Current portion of long-term debt[(c)]				
Term Loan, due 2031	13,973	—	14,327	—
Long-term debt[(c)]				
Secured Notes, due 2031	746,871	—	789,375	—
Term Loan, due 2031	1,379,853	—	1,410,539	—
Finance Lease Obligations (with current portion)[(d)]	97,300	—	97,300	—

(a) Derivatives designated as hedging instruments are measured at fair value with changes in fair value recorded as a component of accumulated other comprehensive income (loss). Interest rate swaps are valued using pricing models that incorporate observable market inputs including interest rate curves and yield curves.

(b) Derivatives that are not designated as hedging instruments are measured at fair value with gains or losses recognized immediately in the Consolidated Statements of Operations and Comprehensive Income. Embedded derivatives are valued using internally developed models that rely on observable market inputs, including foreign currency forward curves. Foreign currency forward contracts are valued by reference to changes in foreign currency exchange rates over the life of the contract.

(c) Carrying amounts of current portion of long-term debt and long-term debt instruments are reported net of discounts and debt issuance costs. The estimated fair value of these instruments is based upon quoted prices for the Term Loans and the Secured Notes in inactive markets as provided by an independent fixed income security pricing service.

(d) Fair value approximates carrying value.

15. Segment Information

We identify our operating segments based on the way we manage, evaluate and internally report our business activities for purposes of allocating resources and assessing performance. We have three reportable segments: Sterigenics, Nordion and Nelson Labs. We have determined our reportable segments based upon an assessment of organizational structure, service types, and internally prepared financial statements. Our chief operating decision-maker ("CODM"), the Chief Executive Officer of Sotera Health Company, evaluates performance and allocates resources based on net revenues and segment income after the elimination of intercompany activities. The CODM uses these performance measures to inform decisions about the operations of the business and dedication of resources to selling and general administrative matters pertinent to the Company. The accounting policies of our reportable segments are the same as those described in Note 1, "Significant Accounting Policies," of the Company's annual consolidated financial statements and accompanying notes in our 2025 Form 10-K.

Sterigenics

Sterigenics provides outsourced terminal sterilization and irradiation services for the medical device, pharmaceutical, food safety and advanced applications markets using four major technologies: gamma irradiation, EO processing, E-beam and X-Ray irradiation.

Nordion

Nordion is a leading global provider of Co-60 used in the sterilization and irradiation processes for the medical device, pharmaceutical, food safety, and high-performance materials industries, as well as in the treatment of cancer. In addition, Nordion is a leading global provider of gamma irradiation systems.

Nelson Labs

Nelson Labs provides outsourced microbiological and analytical chemistry testing and advisory services for the medical device and pharmaceutical industries.

	Three Months Ended September 30, 2026			
(thousands of U.S. dollars)	**Sterigenics**	**Nordion**	**Nelson Labs**	**Total**
Net revenues[a]	$ 209,305	$ 55,024	$ 60,557	$ 324,886
Segment expenses[b]	83,002	20,002	39,709	142,713
Corporate expense allocation[c]	8,816	1,298	1,394	11,508
Segment income	**$ 117,487**	**$ 33,724**	**$ 19,454**	**$ 170,665**

	Three Months Ended September 30, 2025			
(thousands of U.S. dollars)	**Sterigenics**	**Nordion**	**Nelson Labs**	**Total**
Net revenues[a]	$ 192,845	$ 62,805	$ 55,662	$ 311,312
Segment expenses[b]	76,925	23,426	35,367	135,718
Corporate expense allocation[c]	8,765	1,331	1,308	11,404
Segment income	**$ 107,155**	**$ 38,048**	**$ 18,987**	**$ 164,190**

	Nine Months Ended September 30, 2026			
(thousands of U.S. dollars)	**Sterigenics**	**Nordion**	**Nelson Labs**	**Total**
Net revenues[a]	$ 607,011	$ 146,182	$ 173,113	$ 926,306
Segment expenses[b]	247,535	56,724	115,159	419,418
Corporate expense allocation[c]	27,450	4,043	4,338	35,831
Segment income	**$ 332,026**	**$ 85,415**	**$ 53,616**	**$ 471,057**

	Nine Months Ended September 30, 2025			
(thousands of U.S. dollars)	**Sterigenics**	**Nordion**	**Nelson Labs**	**Total**
Net revenues[a]	$ 557,368	$ 137,793	$ 165,015	$ 860,176
Segment expenses[b]	226,752	54,638	105,968	387,358
Corporate expense allocation[c]	27,712	4,208	4,134	36,054
Segment income	**$ 302,904**	**$ 78,947**	**$ 54,913**	**$ 436,764**

(a) Revenues are reported net of intersegment sales. Our Nordion segment recognized $0.6 million and $3.1 million in revenues from sales to our Sterigenics segment for the three months ended September 30, 2026 and 2025, respectively, and $30.1 million and $23.3 million in revenues from sales to our Sterigenics segment for the nine months ended September 30, 2026 and 2025, respectively, that are not reflected in net revenues in the table above. Intersegment sales for Sterigenics and Nelson Labs are immaterial for all periods presented.

(b) Segment expenses are comprised of direct materials, labor, utilities, other costs of revenues, selling, general and administrative expenses ("SG&A") and other non-operating expenses (income) attributable to each segment.

(c) Corporate expenses that are directly incurred by a segment are reflected in each segment's income. The remaining Corporate expenses for executive management, accounting, information technology, legal, human resources, treasury, investor relations, corporate development, tax, purchasing, and marketing not directly incurred by a segment are allocated to the segments primarily based on total net revenue.

Capital expenditures by segment for the nine months ended September 30, 2026 and 2025 were as follows:

	Nine Months Ended September 30,	
(thousands of U.S. dollars)	**2026**	**2025**
Sterigenics	**$ 121,993**	$ 64,871
Nordion	**12,490**	15,234
Nelson Labs	**10,967**	7,214
Total capital expenditures	**$ 145,450**	$ 87,319

Total assets and depreciation and amortization expense by segment are not readily available and are not reported separately to the CODM.

A reconciliation of segment income to consolidated income before income taxes is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of U.S. dollars)	**2026**	**2025**	**2026**	**2025**
Segment income	**$ 170,665**	$ 164,190	**$ 471,057**	$ 436,764
Less adjustments:				
Interest expense, net	**34,122**	39,147	**103,272**	120,674
Depreciation and amortization[a]	**32,450**	28,290	**96,522**	103,972
Share-based compensation[b]	**7,791**	8,047	**29,616**	23,465
Loss on refinancing of debt[c]	**—**	1,087	**936**	1,167
Gain on foreign currency and derivatives not designated as hedging instruments, net[d]	**(2,101)**	(167)	**(5,747)**	(1,294)
Business optimization expenses[e]	**2,387**	3,098	**5,267**	7,575
Professional services relating to EO sterilization facilities[f]	**11,656**	11,152	**34,860**	37,515
Illinois EO litigation settlements[g]	**—**	—	**—**	64,943
Accretion of asset retirement obligation[h]	**628**	601	**1,935**	1,738
Consolidated income before taxes	**$ 83,732**	$ 72,935	**$ 204,396**	$ 77,009

(a) Includes depreciation of Co-60 held at gamma irradiation sites, and excludes accelerated depreciation associated with business optimization activities.
(b) Represents share-based compensation expense related to employees and non-employee Directors.
(c) Represents the write-off of unamortized debt issuance costs and discounts, as well as certain other costs incurred related to the Term Loans and the Revolving Credit Facility.
(d) Represents the effects of (i) fluctuations in foreign currency exchange rates and (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion.
(e) Represents (i) certain costs related to divestitures, acquisitions and the integration of acquisitions, (ii) professional fees and other costs associated with business optimization, cost saving and other process enhancement projects, and (iii) legal, consulting, and other fees associated with the secondary offerings and shareholder engagement.
(f) Represents litigation and other professional fees associated with our EO sterilization facilities.
(g) Represents (i) the cost to settle 97 pending and threatened EO claims against Sterigenics in Illinois pursuant to the term sheet entered into on April 3, 2025 and (ii) the cost to settle 129 pending and threatened EO claims against Sterigenics in Illinois pursuant to the term sheet entered into on July 23, 2025.
(h) Represents non-cash accretion of asset retirement obligations (“ARO”) 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis in conjunction with our consolidated financial statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q, as well as the audited consolidated financial statements and notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our 2025 Form 10-K. This discussion and analysis contains forward-looking statements that are based on management's current expectations, estimates and projections about our business and operations. Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of various factors, including the factors we describe in the section entitled Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q, as well as Part I, Item 1A, "Risk Factors" in our 2025 Form 10-K.

OVERVIEW

We are a leading global provider of mission-critical end-to-end sterilization solutions, lab testing and advisory services for the healthcare industry. We are driven by our mission: Safeguarding Global Health®. We provide end-to-end sterilization as well as microbiological and analytical lab testing and advisory services to help ensure that medical, pharmaceutical and food products are safe for healthcare practitioners, patients and consumers in the United States and around the world. Our services are an essential aspect of our customers' manufacturing processes and supply chains, helping to ensure sterilized medical products reach healthcare practitioners and patients. Most of these services are necessary for our customers to satisfy applicable government requirements.

We serve our customers throughout their product lifecycles, from product design to manufacturing and delivery, helping to ensure the sterility, effectiveness and safety of their products for the end user. We operate across two core businesses: sterilization services and lab services. Each of our businesses has a longstanding record and is a leader in its respective market, supported and connected by our core capabilities including deep end market, regulatory, technical and logistics expertise. The combination of Sterigenics, our terminal sterilization business, and Nordion, our Co-60 supply business, makes us the only vertically integrated global gamma sterilization provider in the sterilization industry. For financial reporting purposes, our sterilization services business is comprised of two reportable segments, Sterigenics and Nordion, and our lab services business constitutes a third reportable segment, Nelson Labs.

For the three and nine months ended September 30, 2026, respectively, we recorded net revenues of $324.9 million and $926.3 million, net income of $58.4 million and $138.6 million, Adjusted Net Income of $82.5 million and $208.8 million, and Adjusted EBITDA of $170.7 million and $471.1 million. Adjusted Net Income and Adjusted EBITDA are financial measures not based on any standardized methodology prescribed by GAAP. For the definition of Adjusted Net Income and Adjusted EBITDA and the reconciliation of net income to each of these non-GAAP financial measures, please see "Non-GAAP Financial Measures."

CONSOLIDATED RESULTS OF OPERATIONS

Three Months Ended September 30, 2026 as compared to Three Months Ended September 30, 2025

The following table sets forth the components of our results of operations for the three months ended September 30, 2026 and 2025.

(thousands of U.S. dollars)	2026	2025	$ Change	% Change
Total net revenues	**$ 324,886**	$ 311,312	$ 13,574	4.4 %
Total cost of revenues	**144,097**	133,751	10,346	7.7 %
Net income	**58,391**	48,400	9,991	20.6 %
Adjusted Net Income[(a)]	**82,488**	75,270	7,218	9.6 %
Adjusted EBITDA[(a)]	**170,665**	164,190	6,475	3.9 %

(a) Adjusted Net Income and Adjusted EBITDA are non-GAAP financial measures. For more information regarding our calculation of Adjusted Net Income and Adjusted EBITDA, including information about their limitations as tools for analysis and a reconciliation of net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted Net Income and Adjusted EBITDA, please see the reconciliation included below in "Non-GAAP Financial Measures."

Total Net Revenues

The following table compares our revenues by type for the three months ended September 30, 2026 to the three months ended September 30, 2025.

(thousands of U.S. dollars)

Net revenues for the three months ended September 30,	**2026**	**2025**	$ Change	% Change
Service	**$ 277,092**	$ 255,529	$ 21,563	8.4 %
Product	**47,794**	55,783	(7,989)	(14.3)%
Total net revenues	**$ 324,886**	$ 311,312	$ 13,574	4.4 %

Net revenues were $324.9 million for the three months ended September 30, 2026, an increase of $13.6 million, or 4.4%, as compared to the three months ended September 30, 2025. Changes in foreign currency exchange rates had no material impact on consolidated net revenues for the three months ended September 30, 2026 compared with the three months ended September 30, 2025.

Service revenues

Service revenues increased $21.6 million, or 8.4%, to $277.1 million for the three months ended September 30, 2026 as compared to $255.5 million for the three months ended September 30, 2025. The increase in net service revenues was primarily driven by pricing in the Sterigenics and Nelson Labs segments and favorable volume/mix across all three segments.

Product revenues

Product revenues decreased $8.0 million, or 14.3%, to $47.8 million for the three months ended September 30, 2026 as compared to $55.8 million for the three months ended September 30, 2025. The decrease was driven by lower revenues from Co-60 in the Nordion segment due to the timing of reactor harvest schedules.

Total Cost of Revenues

The following table compares our cost of revenues by type for the three months ended September 30, 2026 to the three months ended September 30, 2025.

(thousands of U.S. dollars)

Cost of revenues for the three months ended September 30,	**2026**	**2025**	$ Change	% Change
Service	**$ 127,098**	$ 114,337	$ 12,761	11.2 %
Product	**16,999**	19,414	(2,415)	(12.4)%
Total cost of revenues	**$ 144,097**	$ 133,751	$ 10,346	7.7 %

Total cost of revenues accounted for approximately 44.4% and 43.0% of our consolidated net revenues for the three months ended September 30, 2026 and 2025, respectively.

Cost of service revenues

Cost of service revenues increased $12.8 million, or 11.2%, for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025. The increase was primarily driven by higher employee compensation costs, depreciation from capital assets recently placed into service, and inflation.

Cost of product revenues

Cost of product revenues decreased $2.4 million, or 12.4%, for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025. The decrease was primarily driven by a decline in direct material costs arising from lower volumes of Co-60 shipments due to the timing of reactor harvest schedules.

SG&A Expenses

SG&A expenses increased $0.8 million, or 1.3%, for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025, driven mainly by higher employee compensation costs.

Amortization of intangible assets decreased $0.1 million, or 2.8%, to $3.0 million for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025. The decline was primarily due to changes in foreign currency exchange rates.

Interest Expense, Net

Interest expense, net decreased $5.0 million, or 12.8%, for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025, due to a lower interest rate on our Term Loans and a $75.0 million principal paydown in September 2025. The weighted average interest rate on our outstanding debt was 6.44% and 7.25% for the three months ended September 30, 2026 and 2025, respectively.

Foreign Exchange Gain, Net

Foreign exchange gain, net was $1.1 million for the three months ended September 30, 2026 as compared to $1.5 million for the three months ended September 30, 2025. The change in foreign exchange gain, net in our Consolidated Statements of Operations and Comprehensive Income mainly relates to short-term gains and losses on transactions and certain assets and liabilities denominated in currencies other than the functional currency of our operating entities.

Other Income, Net

Other income, net increased $2.7 million for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025. The fluctuation was mainly driven by favorable changes in the fair value of embedded derivatives in certain of Nordion's customer and supply contracts.

Provision for Income Taxes

Provision for income taxes increased $0.8 million to a net provision of $25.3 million for the three months ended September 30, 2026 as compared to $24.5 million for the three months ended September 30, 2025. The change was primarily attributable to higher pre-tax income for the three months ended September 30, 2026 compared to the three months ended September 30, 2025, partially offset by a decrease in the impact of permanent differences and the valuation allowance attributable to the limitation on the deductibility of interest expense.

Provision for income taxes for the three months ended September 30, 2026 differed from the federal statutory rate primarily due to the foreign rate differential, current year permanent differences, including foreign withholding taxes and other non-deductible items, and U.S. state income taxes (net of federal tax benefit). Income tax expense for the three months ended September 30, 2025 differed from the statutory rate due to recognition of the cumulative tax effects of the change in U.S. income tax laws under the OBBBA in the period of enactment associated with the accounting for the valuation allowance attributable to the limitation on the deductibility of interest expense. This was offset by the tax effects for a change in our indefinite reinvestment assertion with respect to a portion of our foreign earnings, the impact of the foreign rate differential and an increase in current year permanent tax differences.

Net Income, Adjusted Net Income and Adjusted EBITDA

Net income for the three months ended September 30, 2026 was $58.4 million, as compared to net income of $48.4 million for the three months ended September 30, 2025 due to the factors described above. Adjusted Net Income was $82.5 million for the three months ended September 30, 2026, as compared to $75.3 million for the three months ended September 30, 2025. Adjusted EBITDA was $170.7 million for the three months ended September 30, 2026, as compared to $164.2 million for the three months ended September 30, 2025. Please see "Non-GAAP Financial Measures" below for a reconciliation of Adjusted Net Income and Adjusted EBITDA to their most directly comparable financial measure calculated and presented in accordance with GAAP.

Nine Months Ended September 30, 2026 as compared to Nine Months Ended September 30, 2025

The following table sets forth the components of our results of operations for the nine months ended September 30, 2026 and 2025.

(thousands of U.S. dollars)	2026	2025	$ Change	% Change
Total net revenues	**$ 926,306**	$ 860,176	$ 66,130	7.7 %
Total cost of revenues	**420,485**	380,562	39,923	10.5 %
Net income	**138,623**	43,102	95,521	221.6 %
Adjusted Net Income[(a)]	**208,815**	170,376	38,439	22.6 %
Adjusted EBITDA[(a)]	**471,057**	436,764	34,293	7.9 %

(a) Adjusted Net Income and Adjusted EBITDA are non-GAAP financial measures. For more information regarding our calculation of Adjusted Net Income and Adjusted EBITDA, including information about their limitations as tools for analysis and a reconciliation of net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted Net Income and Adjusted EBITDA, please see the reconciliation included below in "Non-GAAP Financial Measures."

Total Net Revenues

The following table compares our revenues by type for the nine months ended September 30, 2026 to the nine months ended September 30, 2025.

(thousands of U.S. dollars)

Net revenues for the nine months ended September 30,	2026	2025	$ Change	% Change
Service	**$ 797,025**	$ 736,713	$ 60,312	8.2 %
Product	**129,281**	123,463	5,818	4.7 %
Total net revenues	**$ 926,306**	$ 860,176	$ 66,130	7.7 %

Net revenues were $926.3 million for the nine months ended September 30, 2026, an increase of $66.1 million, or 7.7%, as compared to the nine months ended September 30, 2025. Excluding the impact of foreign currency exchange rates, net revenues for the nine months ended September 30, 2026 increased approximately 6.3% compared with the nine months ended September 30, 2025.

Service revenues

Service revenues increased $60.3 million, or 8.2%, to $797.0 million for the nine months ended September 30, 2026 as compared to $736.7 million for the nine months ended September 30, 2025. The increase in net service revenues was primarily driven by pricing in the Sterigenics and Nelson Labs segments, favorable volume/mix across all three segments as well as changes in foreign currency exchange rates.

Product revenues

Product revenues increased $5.8 million, or 4.7%, to $129.3 million for the nine months ended September 30, 2026 as compared to $123.5 million for the nine months ended September 30, 2025. The increase was primarily driven by favorable pricing and volume/mix.

The following table compares our cost of revenues by type for the nine months ended September 30, 2026 to the nine months ended September 30, 2025.

(thousands of U.S. dollars)

Cost of revenues for the nine months ended September 30,	2026	2025	$ Change	% Change
Service	**$ 372,766**	$ 335,259	$ 37,507	11.2 %
Product	**47,719**	45,303	2,416	5.3 %
Total cost of revenues	**$ 420,485**	$ 380,562	$ 39,923	10.5 %

Total cost of revenues accounted for approximately 45.4% and 44.2% of our consolidated net revenues for the nine months ended September 30, 2026 and 2025, respectively.

Cost of service revenues

Cost of service revenues increased $37.5 million, or 11.2%, for the nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025. The increase was primarily driven by higher employee compensation costs and depreciation from capital assets recently placed into service. Direct materials, energy, facility maintenance and professional services costs also contributed to the increase in cost of service revenues. Changes in foreign currency exchange rates had an unfavorable impact to cost of service revenues for the nine months ended September 30, 2026.

Cost of product revenues

Cost of product revenues increased $2.4 million, or 5.3%, for the nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025. The increase was primarily attributable to higher direct material and transportation costs.

SG&A expenses

SG&A expenses increased $5.3 million, or 2.7%, for the nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025. The increase was primarily driven by higher employee compensation costs, mainly attributable to share-based compensation expense, partially offset by lower litigation and professional services expenses.

Amortization of intangible assets

Amortization of intangible assets decreased $18.7 million, or 67.3%, to $9.1 million for the nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025. The decline was primarily due to certain intangible assets that were fully amortized in May 2025.

Interest Expense, Net

Interest expense, net decreased $17.4 million, or 14.4%, for the nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025, primarily due to a lower interest rate on our Term Loans and a $75.0 million principal paydown in September 2025. The weighted average interest rate on our outstanding debt was 6.52% and 7.46% for the nine months ended September 30, 2026 and 2025, respectively.

Loss on Refinancing of Debt

Loss on refinancing of debt for the nine months ended September 30, 2026 was $0.9 million related to Amendment No. 7 to the Credit Agreement. Loss on refinancing of debt for the nine months ended September 30, 2025 was $1.2 million related to Amendments No. 5 and No. 6 to the Credit Agreement. These refinancing activities resulted in the write-off of certain unamortized debt issuance costs and discounts on the Term Loans. In addition, certain new debt issuance costs and discounts were expensed in connection with the Credit Agreement amendments.

Foreign Exchange Gain, Net

Foreign exchange gain, net was $5.4 million for the nine months ended September 30, 2026 as compared to $0.6 million for the nine months ended September 30, 2025. The change in foreign exchange gain, net in our Consolidated Statements of Operations and Comprehensive Income mainly relates to short-term gains and losses on transactions and certain assets and liabilities denominated in currencies other than the functional currency of our operating entities.

Other Income, Net

Other income, net increased $0.4 million, or 6.1%, for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, mainly arising from higher pension income in the Nordion segment.

Provision for Income Taxes

Provision for income tax increased $31.9 million to a net provision of $65.8 million for the nine months ended September 30, 2026 as compared to $33.9 million for the nine months ended September 30, 2025. The change was primarily attributable to higher pre-tax income for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, partially offset by a decrease in the impact of permanent differences and the valuation allowance attributable to the limitation on the deductibility of interest expense.

Provision for income taxes for the nine months ended September 30, 2026 differed from the statutory rate primarily due to the foreign rate differential, current year permanent differences, including foreign withholding taxes and other non-deductible items, and U.S. state income taxes (net of federal tax benefit). Provision for income taxes for the nine months ended September 30, 2025 differed from the statutory rate due to recognition of the cumulative tax effects of the change in U.S. income tax laws under the OBBBA in the period of enactment associated with the accounting for the valuation allowance attributable to the limitation on the deductibility of interest expense. This was offset by the tax effects for a change in our indefinite reinvestment assertion with respect to a portion of our foreign earnings, the impact of the foreign rate differential and an increase in current year permanent tax differences.

Net Income, Adjusted Net Income and Adjusted EBITDA

Net income for the nine months ended September 30, 2026 was $138.6 million, as compared to net income of $43.1 million for the nine months ended September 30, 2025 due to the factors described above. Adjusted Net Income was $208.8 million for the nine months ended September 30, 2026, as compared to $170.4 million for the nine months ended September 30, 2025. Adjusted EBITDA was $471.1 million for the nine months ended September 30, 2026, as compared to $436.8 million for the nine months ended September 30, 2025. Please see "Non-GAAP Financial Measures" below for a reconciliation of Adjusted Net Income and Adjusted EBITDA to their most directly comparable financial measure calculated and presented in accordance with GAAP.

NON-GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements presented in accordance with GAAP, we consider Adjusted Net Income and Adjusted EBITDA, financial measures that are not based on any standardized methodology prescribed by GAAP.

We define Adjusted Net Income as net income before amortization and certain other adjustments that we do not consider in our evaluation of our ongoing operating performance from period to period as discussed further below. 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.

We use Adjusted Net Income and Adjusted EBITDA, non-GAAP financial measures, as the principal measures of our operating performance. Management believes Adjusted Net Income and Adjusted EBITDA are useful because they 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 absent this disclosure. In addition, we believe Adjusted Net Income and Adjusted EBITDA 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 Adjusted Net Income and Adjusted EBITDA in its financial analysis and operational decision-making, and Adjusted EBITDA serves as the basis for the metric we utilize to determine attainment of our primary annual incentive program. Adjusted Net Income and Adjusted EBITDA may be calculated differently from, and therefore may not be comparable to, a similarly titled measure used by other companies.

Adjusted Net Income and Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. There are a number of limitations related to the use of Adjusted Net Income and Adjusted EBITDA rather than net income, the nearest GAAP equivalent. For example, Adjusted Net Income and Adjusted EBITDA primarily exclude:

- certain recurring non-cash charges such as depreciation of fixed assets, although these assets may have to be replaced in the future, as well as amortization of acquired intangible assets and ARO;
- costs of acquiring and integrating businesses, which will continue to be a part of our growth strategy;
- non-cash gains or losses from fluctuations in foreign currency exchange rates and the mark-to-fair value of derivatives not designated as hedging instruments, which includes the embedded derivatives relating to certain customer and supply contracts at Nordion;
- impairment charges on long-lived assets, intangible assets and investments accounted for under the equity method;
- loss on refinancing of debt incurred in connection with refinancing or early extinguishment of long-term debt;
- expenses incurred in connection with secondary offerings of our common stock and other shareholder activities;

- expenses and charges related to the litigation, settlement agreements, and other activities associated with our EO sterilization facilities, including those related to Willowbrook, Illinois, Atlanta, Georgia, Santa Teresa, New Mexico and Vernon, California;
- in the case of Adjusted EBITDA, interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness; and
- share-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense and an important part of our compensation strategy.

In evaluating Adjusted Net Income and Adjusted EBITDA, you should be aware that in the future, we will incur expenses similar to the adjustments in this presentation. Our presentations of Adjusted Net Income and Adjusted EBITDA should not be construed as suggesting that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider Adjusted Net Income and Adjusted EBITDA alongside other financial performance measures, including our net income and other GAAP measures.

The following table presents a reconciliation of net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Adjusted Net Income and Adjusted EBITDA, for each of the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(thousands of U.S. dollars)	**2026**	**2025**	**2026**	**2025**
Net income	**$ 58,391**	$ 48,400	**$ 138,623**	$ 43,102
Amortization of intangible assets	**5,526**	5,648	**16,691**	36,246
Share-based compensation[(a)]	**7,791**	8,047	**29,616**	23,465
Loss on refinancing of debt[(b)]	**—**	1,087	**936**	1,167
Gain on foreign currency and derivatives not designated as hedging instruments, net[(c)]	**(2,101)**	(167)	**(5,747)**	(1,294)
Business optimization expenses[(d)]	**2,387**	3,098	**5,267**	7,575
Professional services relating to EO sterilization facilities[(e)]	**11,656**	11,152	**34,860**	37,515
Illinois EO litigation settlements[(f)]	**—**	—	**—**	64,943
Accretion of asset retirement obligations[(g)]	**628**	601	**1,935**	1,738
Income tax benefit associated with pre-tax adjustments[(h)]	**(1,790)**	(2,596)	**(13,366)**	(44,081)
Adjusted Net Income	**82,488**	75,270	**208,815**	170,376
Interest expense, net	**34,122**	39,147	**103,272**	120,674
Depreciation[(i)]	**26,924**	22,642	**79,831**	67,726
Income tax provision applicable to Adjusted Net Income[(j)]	**27,131**	27,131	**79,139**	77,988
Adjusted EBITDA[(k)]	**$ 170,665**	$ 164,190	**$ 471,057**	$ 436,764

(a) Represents share-based compensation expense related 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 Term Loans and the Revolving Credit Facility.

(c) Represents the effects of (i) fluctuations in foreign currency exchange rates and (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion.

(d) Represents (i) certain costs related to divestitures, acquisitions and the integration of acquisitions, (ii) professional fees and other costs associated with business optimization, cost saving and other process enhancement projects, and (iii) legal, consulting, and other fees associated with the secondary offerings and shareholder engagement.

(e) Represents litigation and other professional fees associated with our EO sterilization facilities.

(f) Represents (i) the cost to settle 97 pending and threatened EO claims against Sterigenics in Illinois pursuant to the term sheet entered into on April 3, 2025 and (ii) the cost to settle 129 pending and threatened EO claims against Sterigenics in Illinois pursuant to the term sheet entered into on July 23, 2025. See Note 19, “Commitments and Contingencies” of our 2025 Form 10-K.

(g) Represents non-cash accretion of ARO 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.

(h) 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.

(i) Includes depreciation of Co-60 held at gamma irradiation sites, and excludes accelerated depreciation associated with business optimization activities.

(j) Represents the difference between the income tax provision as determined under GAAP and the income tax benefit associated with pre-tax adjustments described in footnote (h).

(k) $27.6 million and $24.1 million of the adjustments for the three months ended September 30, 2026 and 2025, respectively, and $82.8 million and $72.7 million of the adjustments for the nine months ended September 30, 2026 and 2025, respectively, are included in cost of revenues, primarily consisting of amortization of intangible assets, depreciation, and accretion of ARO.

SEGMENT RESULTS OF OPERATIONS

We have three reportable segments: Sterigenics, Nordion and Nelson Labs. Our CODM evaluates performance and allocates resources within our business based on segment income, which excludes certain items which are included in income before income tax as determined in our Consolidated Statements of Operations and Comprehensive Income. The accounting policies for our reportable segments are the same as those for the consolidated Company.

Our Segments

Sterigenics

Sterigenics provides outsourced terminal sterilization and irradiation services for the medical device, pharmaceutical, food safety and advanced applications markets using four major technologies: gamma irradiation, EO processing, E-beam and X-Ray irradiation.

Nordion

Our Nordion business is a leading global provider of Co-60 used in the sterilization and irradiation processes for the medical device, pharmaceutical, food safety, and high-performance materials industries, as well as in the treatment of cancer. In addition, Nordion is a leading global provider of gamma irradiation systems.

As a result of the time required to meet regulatory and logistics requirements for delivery of radioactive products, combined with accommodations that we make to our customers to minimize disruptions to their operations during the installation of Co-60, Nordion sales patterns can often vary significantly from one quarter to the next. In most cases, however, timing-related impacts on our sales performance tend to be resolved within several quarters, resulting in more consistent performance over longer periods of time. In addition, sales of gamma irradiation systems occur infrequently and tend to be for larger amounts. Nordion's results of operations are also impacted by Co-60 harvest schedules.

Nelson Labs

Our Nelson Labs business provides outsourced microbiological and analytical chemistry testing and advisory services for the medical device and pharmaceutical industries.

For more information regarding our reportable segments, please refer to Note 15, "Segment Information" to our consolidated financial statements.

Segment Results for the Three Months Ended September 30, 2026 and 2025

The following tables compare segment net revenue and segment income for the three months ended September 30, 2026 to the three months ended September 30, 2025:

(thousands of U.S. dollars)	Three Months Ended September 30, 2026	2025	$ Change	% Change
Net Revenues				
Sterigenics	**$ 209,305**	$ 192,845	$ 16,460	8.5 %
Nordion	**55,024**	62,805	(7,781)	(12.4%)
Nelson Labs	**60,557**	55,662	4,895	8.8 %
Segment Income				
Sterigenics	**$ 117,487**	$ 107,155	$ 10,332	9.6 %
Nordion	**33,724**	38,048	(4,324)	(11.4) %
Nelson Labs	**19,454**	18,987	467	2.5 %
Segment Income margin				
Sterigenics	**56.1 %**	55.6 %		
Nordion	**61.3 %**	60.6 %		
Nelson Labs	**32.1 %**	34.1 %		

Net Revenues by Segment

Sterigenics net revenues were $209.3 million for the three months ended September 30, 2026, an increase of $16.5 million, or 8.5%, as compared to the three months ended September 30, 2025. The increase was attributable to favorable pricing of 4.8%, volume and mix of 3.4% as well as favorable changes in foreign currency exchange rates.

Nordion net revenues were $55.0 million for the three months ended September 30, 2026, a decrease of $7.8 million, or 12.4%, as compared to the three months ended September 30, 2025. Revenue decline was driven mainly by volume and mix of 13.7%, which was largely attributable to Co-60 harvest schedule timing, coupled with unfavorable changes in foreign currency exchange rates, partially offset by the impact from pricing of 2.2%.

Nelson Labs net revenues were $60.6 million for the three months ended September 30, 2026, an increase of $4.9 million, or 8.8%, as compared to the three months ended September 30, 2025. The increase was attributable to volume and mix of 6.6% and a favorable impact from pricing of 2.6%, partially offset by changes in foreign currency exchange rates.

Segment Income

Sterigenics segment income was $117.5 million for the three months ended September 30, 2026, an increase of $10.3 million, or 9.6%, as compared to the three months ended September 30, 2025. The increase in segment income and segment income margin was primarily a result of favorable customer pricing and increases in volume and mix, partially offset by inflation.

Nordion segment income was $33.7 million for the three months ended September 30, 2026, a decrease of $4.3 million, or 11.4%, as compared to the three months ended September 30, 2025. The decrease in segment income was driven by unfavorable volume/mix due to the timing of Co-60 harvest schedules and changes in foreign currency exchange rates, partially offset by favorable pricing. Segment income margin improved, driven by operational productivity and favorable pricing, partially offset by inflation.

Nelson Labs segment income was $19.5 million for the three months ended September 30, 2026, an increase of $0.5 million, or 2.5%, as compared to the three months ended September 30, 2025. Segment income increased as a result of favorable volume/mix and pricing. Segment income margin was impacted by business mix.

Segment Results for the Nine Months Ended September 30, 2026 and 2025

The following tables compare segment net revenue and segment income for the nine months ended September 30, 2026 to the nine months ended September 30, 2025:

(thousands of U.S. dollars)	Nine Months Ended September 30, 2026	2025	$ Change	% Change
Net Revenues				
Sterigenics	**$ 607,011**	$ 557,368	$ 49,643	8.9 %
Nordion	**146,182**	137,793	8,389	6.1%
Nelson Labs	**173,113**	165,015	8,098	4.9 %
Segment Income				
Sterigenics	**$ 332,026**	$ 302,904	$ 29,122	9.6 %
Nordion	**85,415**	78,947	6,468	8.2 %
Nelson Labs	**53,616**	54,913	(1,297)	(2.4)%
Segment Income margin				
Sterigenics	**54.7 %**	54.3 %		
Nordion	**58.4 %**	57.3 %		
Nelson Labs	**31.0 %**	33.3 %		

Net Revenues by Segment

Sterigenics net revenues were $607.0 million for the nine months ended September 30, 2026, an increase of $49.6 million, or 8.9%, as compared to the nine months ended September 30, 2025. The increase was attributable to favorable pricing of 4.6%, volume and mix of 2.6% as well as changes in foreign currency exchange rates of 1.7%.

Nordion net revenues were $146.2 million for the nine months ended September 30, 2026, an increase of $8.4 million, or 6.1%, as compared to the nine months ended September 30, 2025. Revenue growth was driven mainly by volume and mix of 3.7%, which was largely attributable to favorable Co-60 harvest schedule timing on a year-to-date basis, coupled with a favorable impact from pricing of 2.5%.

Nelson Labs net revenues were $173.1 million for the nine months ended September 30, 2026, an increase of $8.1 million, or 4.9%, as compared to the nine months ended September 30, 2025. The increase was attributable to favorable impacts from pricing of 2.8% as well as changes in foreign currency exchange rates and volume and mix of 1.2% and 0.9%, respectively.

Segment Income

Sterigenics segment income was $332.0 million for the nine months ended September 30, 2026, an increase of $29.1 million, or 9.6%, as compared to the nine months ended September 30, 2025. The increase in segment income was driven primarily by favorable customer pricing and increases in volume and mix, partially offset by inflation.

Nordion segment income was $85.4 million for the nine months ended September 30, 2026, an increase of $6.5 million, or 8.2%, as compared to the nine months ended September 30, 2025. The increase in segment income and segment income margin was driven by higher volume and mix due to favorable Co-60 harvest schedule timing on a year-to-date basis, along with favorable changes in pricing, partially offset by inflation.

Nelson Labs segment income was $53.6 million for the nine months ended September 30, 2026, a decrease of $1.3 million, or 2.4%, as compared to the nine months ended September 30, 2025. Segment income and segment income margin decreased due to inflation and business mix, partially offset by favorable pricing.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Cash

The primary sources of liquidity for our business are cash flows from operations and borrowings under our credit facilities. As of September 30, 2026, we had $412.4 million of cash and cash equivalents. This is an increase of $65.9 million from the balance at December 31, 2025. The increase in cash and cash equivalents was a result of $228.5 million of cash flows provided by operating activities, partially offset by $145.5 million of cash paid for purchases of property, plant and equipment, $17.0

million of cash used in financing activities and a $5.4 million decline due to an unfavorable change in foreign currency exchange rates. Our foreign subsidiaries held cash of approximately $308.7 million at September 30, 2026 and $253.4 million at December 31, 2025. No material restrictions exist on accessing cash held by our foreign subsidiaries notwithstanding any potential tax consequences.

Uses of Cash

We expect that cash on hand, operating cash flows and amounts available under our credit facilities will provide sufficient working capital to operate our business, meet foreseeable liquidity requirements (inclusive of debt service on our long-term debt), make expected capital expenditures including investments in fixed assets to build and/or expand existing facilities, and meet litigation costs that we expect to continue to incur for at least the next 12 months and the foreseeable future thereafter. Our primary long-term liquidity requirements beyond the next 12 months will be to service our debt, make capital expenditures, and fund suitable business acquisitions. As of September 30, 2026, there were no outstanding borrowings on the Revolving Credit Facility. We expect any excess cash provided by operations will be allocated to fund capital expenditures, potential acquisitions, or for other general corporate purposes. Our ability to meet future working capital, capital expenditures and debt service requirements will depend on our future financial performance, which will be affected by a range of macroeconomic, competitive and business factors, including interest rate changes and changes in our industry, many of which are outside of our control.

Capital Expenditures

Our capital expenditure program is a component of our long-term strategy. This program includes, among other things, investments in new and existing facilities, business expansion projects, Co-60 used by Sterigenics at its gamma irradiation facilities, cobalt development projects and information technology enhancements. During the nine months ended September 30, 2026, our capital expenditures amounted to $145.5 million, compared to $87.3 million for the nine months ended September 30, 2025.

Cash Flow Information

Nine Months Ended September 30, 2026 compared to Nine Months Ended September 30, 2025

(thousands of U.S. dollars)	Nine Months Ended September 30,	
	2026	**2025**
Net Cash Provided by (Used in):		
Operating activities	**$ 228,479**	$ 184,091
Investing activities	**(140,175)**	(84,445)
Financing activities	**(16,978)**	(92,359)
Effect of foreign currency exchange rate changes on cash and cash equivalents	**(5,389)**	14,874
Net increase in cash and cash equivalents, including restricted cash	**$ 65,937**	$ 22,161

Operating activities

Cash flows provided by operating activities increased $44.4 million to net cash provided of $228.5 million for the nine months ended September 30, 2026 compared to net cash provided by operating activities of $184.1 million for the nine months ended September 30, 2025. The increase in cash flows provided by operating activities was primarily driven by higher gross profit and a decrease in cash paid for interest and income taxes, partially offset by the $34.0 million Illinois EO litigation settlement paid in February 2026.

Investing activities

Cash used in investing activities increased $55.7 million to net cash used of $140.2 million for the nine months ended September 30, 2026 compared to $84.4 million for the nine months ended September 30, 2025. The variance was primarily driven by an increase in cash paid for capital expenditures of $58.1 million for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025.

Financing activities

Cash used in financing activities decreased $75.4 million to net cash used of $17.0 million for the nine months ended September 30, 2026 compared to net cash used of $92.4 million for the nine months ended September 30, 2025. The decrease in cash used in financing activities was mainly attributable to a $75.0 million voluntary principal paydown in September 2025 in connection with Amendment No. 6 to the Credit Agreement.

Debt Facilities

On December 13, 2019, SHH, our wholly owned subsidiary, entered into the Senior Secured Credit Facilities consisting of both the Term Loans and the Revolving Credit Facility pursuant to a first lien credit agreement. The total borrowing capacity under the Revolving Credit Facility is $600.0 million. The Senior Secured Credit Facilities also provide SHH the right at any time and under certain conditions to request incremental term loans or incremental revolving credit commitments based on a formula defined in the Senior Secured Credit Facilities.

On May 20, 2026, SHH, the Company, certain subsidiaries of the Company, each 2026 Refinancing Term Lender (as defined in the Credit Agreement) and JPMorgan Chase Bank, N.A., as first lien Administrative Agent entered into Amendment No. 7 to the Credit Agreement. Among other changes, Amendment No. 7 provides for refinancing lenders to provide repriced Term Loans to SHH in an aggregate principal amount of $1,415.9 million. Amendment No. 7 reduced the interest rate spread by 0.25% across Term Loans under the facility. The Term Loans under the credit facility shall have an applicable interest rate margin equal to Adjusted Term SOFR Rate (as defined in the Credit Agreement) plus 2.25%, with a 0.00% floor (with optionality for SHH to elect Alternate Base Rate plus 1.25% or Adjusted Daily Simple SOFR plus 2.25% (each as defined in the Credit Agreement)). The Term Loans are also subject to 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 Amendment No. 7. The Term Loans amortize at a rate of 1.00% per annum and mature on May 30, 2031.

On May 30, 2024, SHH, the Company, certain subsidiaries of the Company, and Wilmington Trust, National Association, as trustee, paying agent, registrar, transfer agent and notes collateral agent, entered into an Indenture (the "Indenture") governing SHH's $750.0 million aggregate principal amount of 7.375% Secured Notes issued in May 2024.

The Senior Secured Credit Facilities and the Indenture contain certain covenants and events of default. Additionally, all of SHH's obligations under the Senior Secured Credit Facilities and the Indenture are unconditionally guaranteed by the Company and certain domestic restricted subsidiaries. For additional information about our Senior Secured Credit Facilities, the Indenture and the Secured Notes, including the covenants and events of default, refer to Note 8, "Long-Term Debt," to our Financial Statements and Note 9, "Long-Term Debt," to our consolidated financial statements included in our 2025 Form 10-K.

Outstanding letters of credit are collateralized by encumbrances against the Revolving Credit Facility and the collateral pledged thereunder, or by cash placed on deposit with the issuing bank. As of September 30, 2026, the Company had $8.2 million of letters of credit issued against the Revolving Credit Facility, resulting in total availability under the Revolving Credit Facility of $591.8 million.

Term Loan Interest Rate Risk Management

The Company utilizes interest rate derivatives to reduce the variability of cash flows in the interest payments associated with our variable rate debt due to changes in SOFR. For additional information on the derivative instruments described above, refer to Note 14, "Financial Instruments and Financial Risk"—*"Derivative Instruments."*

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements and related disclosures in conformity with GAAP requires management to make judgments, estimates and assumptions at a specific point in time and in certain circumstances that affect amounts reported in the accompanying consolidated financial statements. In preparing these consolidated financial statements, management has made its best estimates and judgments of certain amounts, giving due consideration to materiality. The application of accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates.

A comprehensive discussion of the Company's critical accounting policies and management estimates made in connection with the preparation of the financial statements is included in Item 7 of the Company's 2025 Form 10-K. There have been no significant changes in critical accounting policies, management estimates or accounting policies since the year ended December 31, 2025.

NEW ACCOUNTING PRONOUNCEMENTS

For a description of recent accounting pronouncements applicable to our business, see Note 2, "Recent Accounting Standards" to our consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risks are described within "Quantitative and Qualitative Disclosures About Market Risk" in Part II, Item 7A of our 2025 Form 10-K. These market risks have not materially changed for the three and nine months ended September 30, 2026.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's "disclosure controls and procedures," (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the "SEC"), and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control

During the three months ended September 30, 2026, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be subject to various legal proceedings arising in the ordinary course of our business, including claims relating to personal injury, property damage, workers' compensation, employee safety, and our disclosures as a Nasdaq-listed, publicly-traded company. In addition, from time to time, we receive communications from government or regulatory agencies concerning investigations or allegations of noncompliance with laws or regulations in jurisdictions in which we operate. At this time, and except as disclosed herein, we are unable to predict the outcome of, and cannot reasonably estimate the impact of, any pending litigation matters, matters concerning allegations of non-compliance with laws or regulations and matters concerning allegations of other improprieties, or the incidence of any such matters in the future. Information regarding our legal proceedings is included below.

Legal Proceedings Described in Note 13, "Commitments and Contingencies," of Our Consolidated Financial Statements

Note 13, "Commitments and Contingencies," to our consolidated financial statements for the three and nine months ended September 30, 2026 contained in this Quarterly Report on Form 10-Q includes information on legal proceedings that constitute material contingencies for financial reporting purposes that could have a material effect on our financial condition or results of operations. This Item should be read in conjunction with Note 13, "Commitments and Contingencies" for information regarding the Ethylene Oxide Tort Litigation with respect to California, Georgia, Illinois and New Mexico, which is incorporated into this Item 1 by reference.

Legal Proceedings Not Described in Note 13, "Commitments and Contingencies," to Our Consolidated Financial Statements

In addition to the matters that are identified in Note 13, "Commitments and Contingencies," to our consolidated financial statements for the three and nine months ended September 30, 2026 contained in this Quarterly Report on Form 10-Q, and incorporated into this Item by reference, we report matters, if any, that constitute material pending legal proceedings, other than ordinary course litigation incidental to our business, to which we are or any of our subsidiaries is a party. SEC regulations require disclosure of environmental proceedings that involve a government authority and potential monetary sanctions that the Company reasonably believes will exceed a specified threshold. The Company uses a threshold of $1.0 million to determine whether the disclosure of any such proceedings is required because we believe matters under this threshold are not material to the Company.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously described under Item 1A of our 2025 Form 10-K.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the three months ended September 30, 2026, none of the Company's directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as that term is defined in Regulation S-K, Item 408).

Item 6. Exhibits.

The exhibits listed in the following Exhibit Index are filed, furnished, or incorporated by reference as part of this Quarterly Report on Form 10-Q.

		Incorporated by Reference				
Exhibit No	**Description of Exhibits**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Furnished/Filed Herewith**
31.1	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
31.2	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
32.1	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
101.INS	Inline XBRL Instance Document - The XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed Herewith

** Furnished Herewith

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 thereunto duly authorized.

SOTERA HEALTH COMPANY

By:	/s/ Jonathan M. Lyons
Name:	Jonathan M. Lyons
Title:	Senior Vice President and Chief Financial Officer (Principal Financial Officer)

Date: November 3, 2026

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alton E. Shader, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sotera Health Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2026

/s/ Alton E. Shader

Alton E. Shader

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonathan M. Lyons, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sotera Health Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2026

/s/ Jonathan M. Lyons

Jonathan M. Lyons

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Sotera Health Company (the "Company"), does hereby certify, to each such officer's knowledge, that the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Alton E. Shader

Dated: November 3, 2026

Alton E. Shader
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ Jonathan M. Lyons

Dated: November 3, 2026

Jonathan M. Lyons
Title: Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

The foregoing certifications are furnished and are not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are not deemed to be incorporated by reference into any filing of Sotera Health Company under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that Sotera Health Company specifically incorporates them by reference.