



J.P. Morgan 12th Annual U.S. All Stars Conference

Virtual discussion by
Michael B. Petras, Jr.
Chairman and CEO

September 21, 2021



Forward Looking Statements and Non-GAAP Financial Measures

This presentation contains forward-looking statements that reflect management's expectations about future events and the Company's operating plans and performance and speak only as of the date hereof. You can identify these forward-looking statements by the use of forward-looking words such as "will," "may," "plan," "estimate," "project," "believe," "anticipate," "expect," "intend," "should," "would," "could," "target," "goal," "continue to," "positioned to," "are confident" or the negative version of those words or other comparable words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Any forward-looking statements contained in this presentation are based upon our historical performance and on our current plans, estimates and expectations in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. These forward-looking statements are subject to various risks, uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. These risks and uncertainties include, without limitation, any disruption in the availability or supply of ethylene oxide ("EO") or cobalt-60 ("Co-60"); changes in industry trends, environmental, health and safety regulations or preferences; the impact of current and future legal proceedings and liability claims, including litigation related to purported exposure to emissions of EO from our facilities in Illinois, Georgia and New Mexico and the possibility that other claims will be made in the future relating to these or other facilities; our ability to increase capacity at existing facilities, renew leases for our facilities and build new facilities in a timely and cost-effective manner; the risks of doing business internationally; and any inability to pursue strategic transactions or find suitable acquisition targets. For additional discussion of these forward-looking statements, please refer to the Company's filings with the SEC, such as its annual and quarterly reports. We do not undertake any obligation to publicly update or revise these forward-looking statements, except as otherwise required by law.

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

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other data about the Company's industry and estimated total addressable market. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified this market data. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those described under the headings of "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Company's Form 10-K for the year ended December 31, 2020, and in the Company's other SEC filings. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk.

The Sotera Health name, our logo and other trademarks mentioned in this presentation are the property of their respective owners. All Company data and financial information included in this presentation is as of June 30, 2021, unless otherwise stated.



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



Scott J. Leffler
Chief Financial Officer and Treasurer

Safeguarding Global Health® through our sterilization services, lab testing and advisory services

What we do...

Leader in sterilization services



Leader in lab testing and advisory services



...and how we do it...

- Provide mission-critical services to **blue chip customers with multi-year contracts**
- Unmatched **network of local facilities** to support customer requirements and growth
- In an increasingly regulated industry, we are a **global leader in technical and regulatory expertise**
- **Organic and inorganic growth**
- Our culture – **Safety, quality, accountability and excellence**

...leads to strong results

- **Revenue growth every year** since 2005 (including 2008, 2009 and 2020)
- **>50% adj. EBITDA margin^{1,2}**
- **~\$33bn TAM³** and growing
- Consistent track record of **cash flow generation**
- **Well-positioned for growth in global healthcare market** without payor reimbursement risk

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

(1) Full-year 2020 and six months ended June 30, 2021.

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

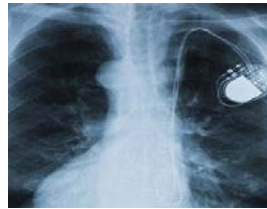
(3) Management estimated total addressable market for terminal sterilization and outsourced medical and pharmaceutical lab testing, 2019.

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

Medical device



In-vitro diagnostics and analytical tools



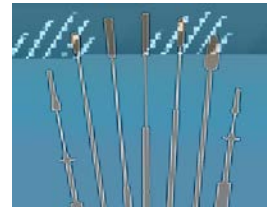
Cardiovascular implantables



Orthopedic and ophthalmic implants



Endoscopy



Collection Swabs



Personal protective equipment



Drug delivery



Vascular catheters



Surgical kits

Pharmaceutical



Inhalation



Injectables



Biologics



Ophthalmic



Oral



Topical



Suppository



Pharma packaging

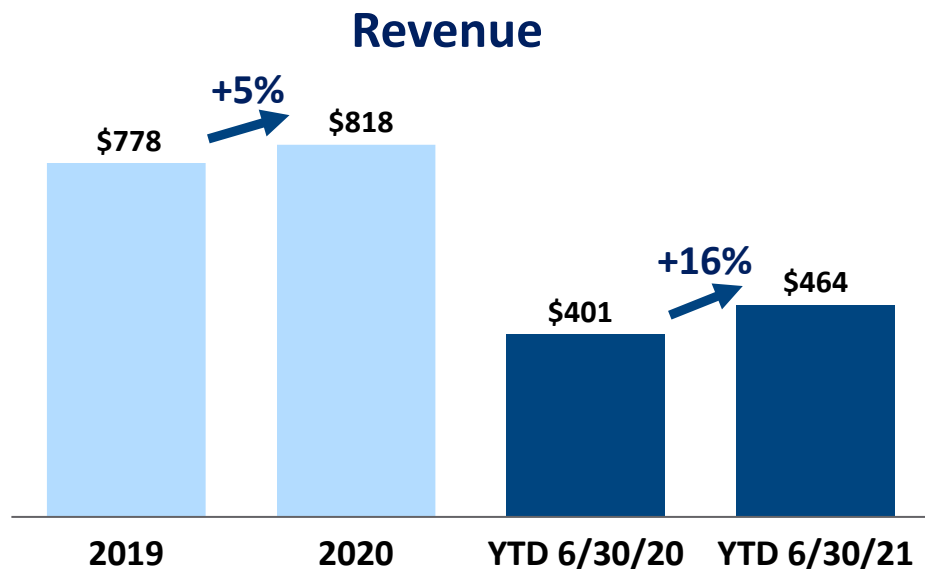


Non-injectable sterile fluids

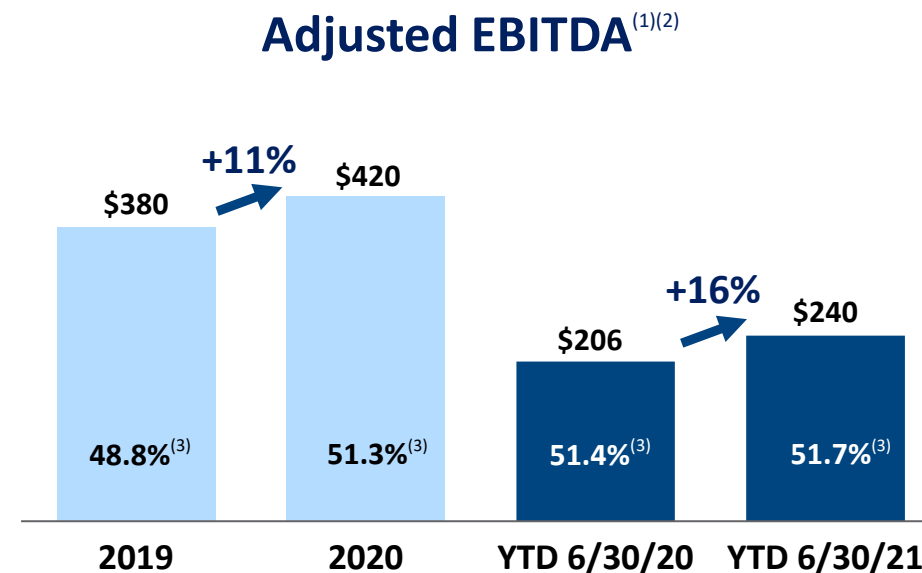
Our sterilization services generally represent a small fraction of the total end product costs

Consolidated Financial Results

In millions



- Revenue growth every year since 2005, including year-over-year growth in each quarter since the pandemic began
- Double digit year-over-year growth in each quarter since the IPO










- Over 250 bps of Adjusted EBITDA margin expansion since 2019
- Expansion driven by price, capacity utilization, favorable mix and operational excellence initiatives

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

(2) 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.

(3) Adjusted EBITDA margin, which is equal to Adjusted EBITDA divided by net revenues.

Why we are a global leader in our markets

	Strong financial profile	Revenue growth since 2005 >50% Adjusted EBITDA margin ⁽¹⁾⁽²⁾ Excellent visibility
	Barriers to entry drive attractive returns	Track record Expertise Scale
	Large and growing total addressable market	~\$33bn TAM ⁽³⁾
	Strong industry dynamics	Essential and regulated markets
	Trusted partner at scale	50 sterilization and 14 labs global facilities 800+ lab tests
	Operational excellence	Consistent revenue growth since 2005
	Platform geared for continued M&A	2 transformational and 8 bolt-on acquisitions ⁽⁴⁾
	Established and experienced management team	M&A execution Capital deployment

(1) Full-year 2020 and six months ended June 30, 2021; (2) For a reconciliation of GAAP to non-GAAP results, please refer to Non-GAAP Financial Measures provided in the Appendix; (3) Management estimates for 2019; (4) Since 2013.

Appendix

Non-GAAP Financial Measures⁽¹⁾

(unaudited) (\$'s in thousands)	Six Months Ended June 30,		Year Ended December 31,	
	2021	2020	2020	2019
Net income (loss)	\$ 53,680	\$ 5,266	\$ (37,491)	\$ (20,425)
Amortization of intangibles	44,060	39,624	80,255	80,048
Impairment of long-lived assets and intangible assets ^(a)	—	—	—	5,792
Share-based compensation ^(b)	6,942	3,118	10,987	16,882
Capital restructuring bonuses ^(c)	—	—	2,702	2,040
(Gain) loss on foreign currency and embedded derivatives ^(d)	(996)	1,244	(8,454)	2,662
Acquisition and divestiture related charges, net ^(e)	659	2,289	3,932	(318)
Business optimization project expenses ^(f)	536	1,799	2,524	4,195
Plant closure expenses ^(g)	1,298	1,222	2,649	1,712
Loss on extinguishment of debt ^(h)	14,312	—	44,262	30,168
Professional services relating to EO sterilization facilities ⁽ⁱ⁾	24,043	13,640	36,671	11,216
Accretion of asset retirement obligation ^(j)	1,153	982	1,946	2,051
COVID-19 expenses ^(k)	487	2,347	2,677	—
Income tax benefit associated with pre-tax adjustments ^(l)	(22,996)	(16,360)	(43,536)	(35,637)
Adjusted Net Income	123,178	55,171	99,124	100,386
Interest expense, net	40,445	111,812	215,259	157,729
Depreciation ^(m)	31,062	31,433	63,309	66,671
Income tax provision applicable to Adjusted Net Income ⁽ⁿ⁾	45,195	7,896	42,167	55,146
Adjusted EBITDA^(o)	\$ 239,880	\$ 206,312	\$ 419,859	\$ 379,932
Net Revenues	\$ 464,065	\$ 401,285	\$ 818,158	\$ 778,327
Adjusted EBITDA Margin	51.7 %	51.4 %	51.3 %	48.8 %

(1) See accompanying footnotes for this table on next slide.

Non-GAAP Financial Measures

- (a) Represents impairment charges related to the decision to not reopen the Willowbrook, Illinois facility in September 2019.
- (b) Includes non-cash share-based compensation expense. 2019 also includes \$10.0 million of one-time cash share-based compensation expense related to the pre-IPO Class C Units, which vested in the third quarter of 2019.
- (c) Represents cash bonuses for members of management primarily relating to the November 2020 IPO and the December 2019 refinancing.
- (d) Represents the effects of (i) fluctuations in foreign currency exchange rates, primarily related to remeasurement of intercompany loans denominated in currencies other than subsidiaries' functional currencies, and (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion.
- (e) Represents (i) certain direct and incremental costs related to the acquisitions of the noncontrolling interests in our China subsidiaries, BioScience Laboratories in 2021, Iotron Industries in July 2020, Nelson Labs Fairfield in 2018 (including the first quarter 2021 gain on the mandatorily redeemable noncontrolling interest), and certain related integration efforts as a result of those acquisitions, (ii) the earnings impact of fair value adjustments (excluding those recognized within amortization expense) resulting from the businesses acquired, and (iii) transition services income and non-cash deferred lease income associated with the terms of the divestiture of the Medical Isotopes business in 2018.
- (f) Represents professional fees, contract termination and exit costs, severance and other payroll costs, and other costs associated with business optimization and cost savings projects relating to the integration of recent acquisitions, the Sotera Health rebranding, operating structure realignment and other process enhancement projects.
- (g) Represents professional fees, severance and other payroll costs, and other costs including ongoing lease and utility expenses associated with the closure of the Willowbrook, Illinois facility.
- (h) Represents expenses incurred in connection with the refinancing of our debt capital structure in December 2019, the January 2021 Term Loan repricing, and paydown of debt following the November 2020 IPO, including accelerated amortization of prior debt issuance and discount costs, and premiums paid in connection with early extinguishment.
- (i) Represents professional fees related to litigation associated with our EO sterilization facilities and other related professional fees.
- (j) Represents non-cash accretion of asset retirement obligations related to Co-60 and gamma processing facilities, which are based on estimated site remediation costs for any future decommissioning of these facilities (without regard for whether the decommissioning services would be performed by employees of Nordion, instead of by a third party) and are accreted over the life of the asset.
- (k) Represents non-recurring costs associated with the COVID-19 pandemic, including donations to related charitable causes, special bonuses for front-line personnel working on-site during lockdown periods, and incremental costs to implement workplace health and safety measures.
- (l) Represents the tax benefit or provision associated with the reconciling items between net income (loss) and Adjusted Net Income. To determine the aggregate tax effect of the reconciling items, we utilized statutory income tax rates ranging from 0% to 35%, depending upon the applicable jurisdictions of each adjustment.
- (m) Includes depreciation of Co-60 held at gamma irradiation sites.
- (n) Represents the difference between income tax expense or benefit as determined under U.S. GAAP and the income tax benefit associated with pre-tax adjustments described in footnote (l).
- (o) \$42.5 million and \$40.7 million of the adjustments for the six months ended June 30, 2021 and 2020, respectively, and \$82.6 million and \$86.7 million of the adjustments for the years ended December 31, 2020 and 2019, respectively, are included in cost of revenues, primarily consisting of amortization of intangibles, depreciation, and accretion of asset retirement obligations.