

KeyBanc Life Sciences & MedTech Investor Forum

March 22, 2022



Forward Looking Statements and Non-GAAP Financial Measures

Unless expressly indicated or the context requires otherwise, the terms “Sotera Health,” “Company,” “we,” “us,” and “our” in this document refer to Sotera Health Company, a Delaware corporation, and, where appropriate, its subsidiaries on a consolidated basis. This presentation contains forward-looking statements that reflect management’s expectations about future events and the Company’s operating plans and performance and speak only as of the date hereof. You can identify these forward-looking statements by the use of forward-looking words such as “will,” “may,” “plan,” “estimate,” “project,” “believe,” “anticipate,” “expect,” “intend,” “should,” “would,” “could,” “target,” “goal,” “continue to,” “positioned to,” “are confident” or the negative version of those words or other comparable words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, are forward-looking statements. Any forward-looking statements contained in this presentation are based upon our historical performance and on our current plans, estimates and expectations of the Company’s future performance and the future performance of the markets in which the Company operates in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. These forward-looking statements are subject to various risks, uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. These risks and uncertainties include, without limitation, any disruption in the availability or supply of ethylene oxide (“EO”) or cobalt-60 (“Co-60”), including geopolitical risks related to the supply of Co-60 from Russia; changes in industry trends, environmental, health and safety regulations or preferences; the impact of current and future legal proceedings and liability claims, including litigation related to purported exposure to emissions of EO from our facilities in Illinois, Georgia and New Mexico and the possibility that other claims will be made in the future relating to these or other facilities; our ability to increase capacity at existing facilities, renew leases for our leased facilities and build new facilities in a timely and cost-effective manner; our ability to attract and retain qualified employees; the risks of doing business internationally; and any inability to pursue strategic transactions or find suitable acquisition targets. For additional discussion of these risks and uncertainties, please refer to those described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, and the Company’s other filings with the SEC, including its Quarterly Reports on Form 10-Q, including under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements”.

This presentation includes Adjusted EBITDA 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 and serviceable addressable markets. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified this market data. While we are not aware of any misstatements regarding any industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those described under the headings of “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s Form 10-K for the year ended December 31, 2021, and in the Company’s other SEC filings. In addition, projections, assumptions and estimates of the Company’s future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk.

The Sotera Health name, our logo and other trademarks mentioned in this presentation are the property of their respective owners. All Company data and financial information included in this presentation is as of December 31, 2021, unless otherwise stated.

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
- **>50% Adjusted EBITDA margin⁽¹⁾⁽²⁾**
- **~\$33 billion TAM⁽³⁾** 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) For the year and three months ended December 31, 2021.

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

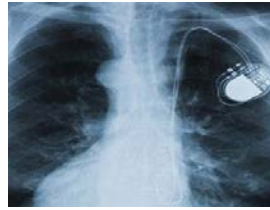
(3) 2019 Management estimated total addressable markets for in-house and outsourced terminal sterilization and outsourced medical device and pharmaceutical lab testing.

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

Medical device



In-vitro diagnostics and analytical tools



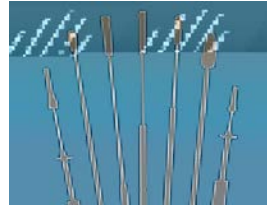
Cardiovascular implantables



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

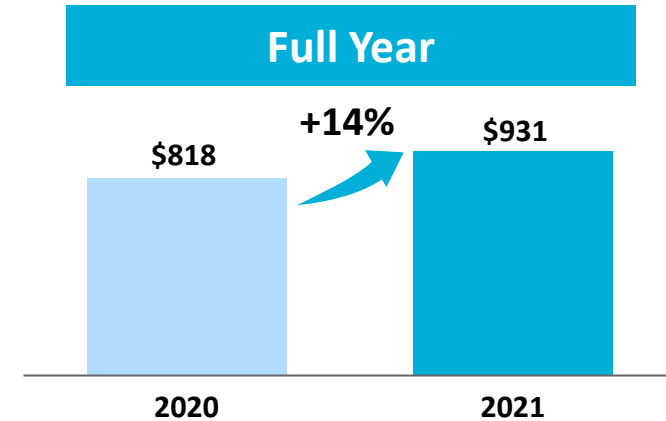
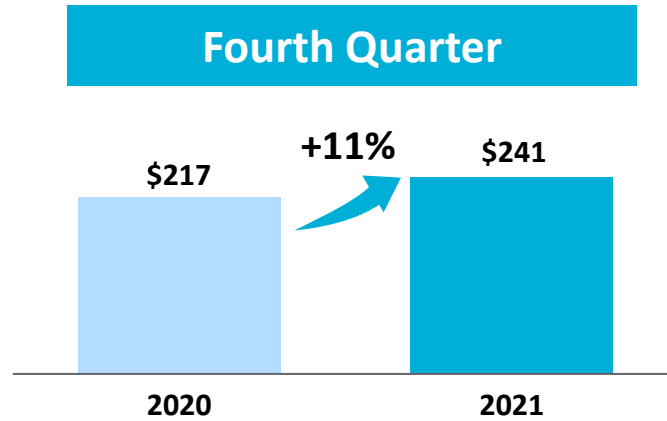
Appendix



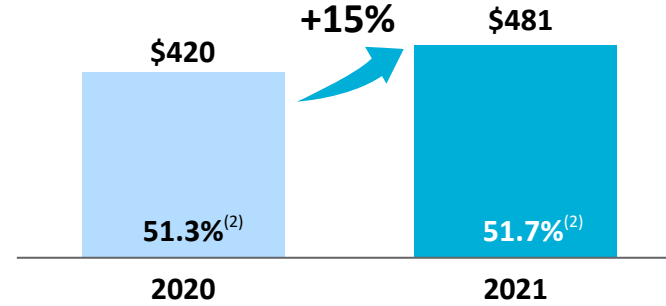
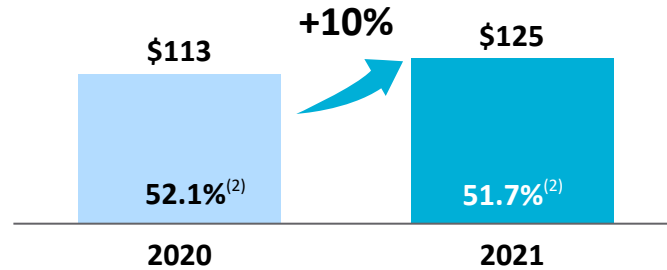
Q4 and FY 2021 Financial Results - Consolidated

\$ in millions, except Adjusted EPS

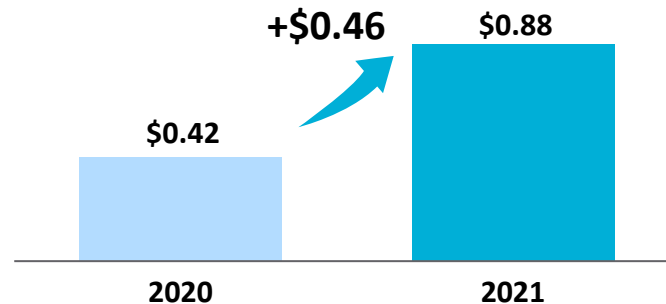
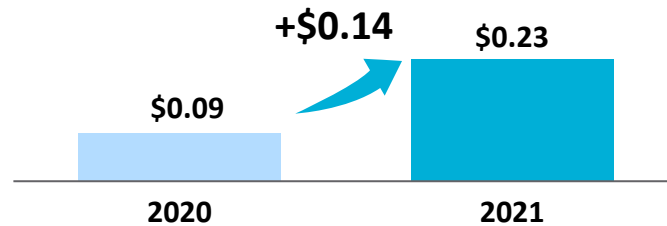
Revenue



Adjusted EBITDA⁽¹⁾



Adjusted EPS⁽¹⁾⁽³⁾



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

(2) Adjusted EBITDA margin. Please refer to Non-GAAP Financial Measures provided in the Appendix.

(3) Adjusted EPS is defined as Adjusted Net Income divided by the weighted average number of diluted shares outstanding.

Non-GAAP Financial Measures

<i>(unaudited)</i> <i>(in thousands, except per share amounts)</i>	Three Months Ended		Year Ended December 31,	
	December 31,		2021	2020
	2021	2020	2021	2020
Net income (loss)	\$ 35,997	\$ (43,386)	\$ 117,121	\$ (37,491)
Amortization of intangible assets	21,443	20,431	86,742	80,255
Share-based compensation ^(a)	3,381	6,968	13,870	10,987
Capital restructuring bonuses ^(b)	—	2,702	—	2,702
Gain on foreign currency and embedded derivatives ^(c)	(943)	(3,663)	(58)	(8,454)
Acquisition and divestiture related charges, net ^(d)	(4,015)	962	(6,018)	3,932
Business optimization project expenses ^(e)	168	40	948	2,524
Plant closure expenses ^(f)	763	261	2,327	2,649
Loss on extinguishment of debt ^(g)	4	44,262	20,681	44,262
Professional services relating to EO sterilization facilities ^(h)	12,164	11,301	45,656	36,671
Accretion of asset retirement obligations ⁽ⁱ⁾	501	470	2,252	1,946
COVID-19 expenses ^(j)	165	314	761	2,677
Income tax benefit associated with pre-tax adjustments ^(k)	(5,728)	(18,682)	(38,500)	(43,536)
Adjusted Net Income	63,900	21,980	245,782	99,124
Interest expense, net	15,607	48,117	74,192	215,259
Depreciation ^(l)	16,703	15,975	64,160	63,309
Income tax provision applicable to Adjusted Net Income ^(m)	28,465	26,990	97,095	42,167
Adjusted EBITDA⁽ⁿ⁾	\$ 124,675	\$ 113,062	\$ 481,229	\$ 419,859
Net Revenues	\$ 241,249	\$ 216,845	\$ 931,478	\$ 818,158
Adjusted EBITDA Margin	51.7 %	52.1 %	51.7 %	51.3 %
Weighted average number of shares outstanding				
Basic	279,616	253,470	279,228	237,696
Diluted	279,774	253,470	279,382	237,696
Earnings (loss) per share				
Basic	\$ 0.13	\$ (0.17)	\$ 0.41	\$ (0.16)
Diluted	0.13	(0.17)	0.41	(0.16)
Adjusted earnings per share				
Basic	\$ 0.23	\$ 0.09	\$ 0.88	\$ 0.42
Diluted	0.23	0.09	0.88	0.42

*See accompanying footnotes on the following slide

Non-GAAP Financial Measures (continued)

- (a) Includes non-cash share-based compensation expense.
- (b) Represents cash bonuses for members of management primarily relating to the IPO.
- (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 direct and incremental costs related to the acquisitions of RCA, the noncontrolling interests in our China subsidiaries, and BioScience Labs in 2021; Iotron 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, (iii) transition services income and non-cash deferred lease income associated with the terms of the divestiture of the Medical Isotopes business in 2018, (iv) a \$3.4 million gain recognized in the third quarter of 2021 related to the settlement of an insurance claim for Nordion, and (v) a \$5.1 million non-cash gain arising from the derecognition of an ARO liability no longer attributable to Nordion pursuant to the terms of the sale of the Medical Isotopes business in 2018.
- (e) 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 acquisitions, the Sotera Health rebranding, operating structure realignment and other process enhancement projects.
- (f) 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.
- (g) Represents expenses incurred in connection with the repricing of our Term Loan in January 2021, full redemption of the First Lien Notes in August 2021, and paydown of debt following the November 2020 IPO, including accelerated amortization of prior debt issuance and discount costs, premiums paid in connection with early extinguishment and debt issuance and discount costs incurred for the new debt.
- (h) Represents professional fees related to litigation associated with our EO sterilization facilities and other related professional fees.
- (i) 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.
- (j) Represents non-recurring costs associated with the COVID-19 pandemic, including incremental costs to implement workplace health and safety measures. For the year ended December 31, 2020, costs also included donations to related charitable causes and special bonuses for front-line personnel working on-site during lockdown periods.
- (k) Represents the income tax impact of adjustments calculated based on the tax rate applicable to each item. We eliminate the effect of significant changes to income tax valuation allowances, tax rate changes as applied to tax assets and liabilities, and unusual items from our presentation of adjusted net income.
- (l) Includes depreciation of Co-60 held at gamma irradiation sites.
- (m) 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 (k).
- (n) \$22.0 million and \$20.6 million of the adjustments for the three months ended December 31, 2021 and 2020, respectively, and \$85.3 million and \$82.6 million of the adjustments for the year ended December 31, 2021 and 2020, respectively, are included in cost of revenues, primarily consisting of amortization of intangible assets, depreciation, and accretion of asset retirement obligations.