JP Morgan Healthcare Conference

MICHAEL B. PETRAS, JR.
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

January 9, 2024

Cautionary Note Regarding Forward-Looking Statements and Non-GAAP Financial Measures

Unless expressly indicated or the context requires otherwise, the terms “Sotera Health,” “Company,” “we,” “us,” and “our” in this document refer to Sotera Health Company, a Delaware corporation, and, where appropriate, its subsidiaries on a consolidated basis. This 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 versions 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, or increases in the price of, ethylene oxide (“EO”) or Cobalt-60 (“Co-60”), or our other direct materials, services and supplies, including as a result of geopolitical instability and/or sanctions arising from the US, Canadian, UK or European Union relations with Russia; foreign currency exchange rates and changes in those rates; adverse changes in industry trends, environmental, health and safety regulations or preferences, or general economic, social and business conditions; the impact and outcome 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; competition for qualified employees in the industries in which we operate; the risks of doing business internationally, including global and regional economic and political instability and compliance with numerous laws and regulations in multiple jurisdictions; and any inability to pursue strategic transactions or find suitable acquisition targets. For additional discussion of these risks and uncertainties, please refer to the Company’s filings with the SEC, such as its annual and quarterly reports. We do not undertake any obligation to publicly update or revise these forward-looking statements, except as otherwise required by law.

This presentation includes Adjusted EBITDA, Adjusted EBTIDA margin, Adjusted Net Income, Adjusted EPS, Net Debt and Net Leverage Ratio, which are unaudited financial measures not based on any standardized methodology prescribed by GAAP. Adjusted EBITDA, Adjusted EBTIDA margin, Adjusted Net Income, Adjusted EPS, Net Debt and Net Leverage Ratio may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Adjusted EBITDA, Adjusted EBTIDA margin, Adjusted Net Income, Adjusted EPS, Net Debt and Net Leverage Ratio should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. 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, Adjusted EBITDA and Adjusted EPS and a reconciliation of total debt, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Net Debt and Net Leverage.

We use these non-GAAP financial measures as the principal measures of our operating performance. Management believes these measures allow management to more effectively evaluate our operating performance and compare the results of our operations from period to period without the impact of certain non-cash items and non-routine items that we do not expect to continue at the same level in the future and other items that are not core to our operations. We believe that these measures are useful to our investors because they provide a more complete understanding of the factors and trends affecting our business than could be obtained without these measures and their disclosure. In addition, we believe these measures will assist investors in making comparisons to our historical operating results and analyzing the underlying performance of our operations for the periods presented. Our management also uses these measurements in their financial analysis and operational decision-making and Adjusted EBITDA serves as the key metric for attainment of our primary annual incentive program. These measures may be calculated differently from, and therefore may not be comparable to, a similarly titled measure used by other companies.

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, 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 September 30, 2023, unless otherwise stated.

OVERVIEW

We are driven by our mission: Safeguarding Global Health®

Sotera Health

Safeguarding Global Health® Through Sterilization Services, Lab Testing and Advisory Services

What we do…

Leader in sterilization services

Sterigenics®
A Sotera Health company

Nordion®
A Sotera Health company

Leader in lab testing and advisory services

Nelson Labs®
A Sotera Health company

…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

- **Annual revenue growth every year** since 2005
- **TTM Q3 2023 Adjusted EBITDA margins[1] of almost 50%**
- **~$33 billion TAM[2]** and growing
- Consistent track record of **cash flow generation**
- **Well-positioned for growth in global healthcare market** without payor reimbursement risk

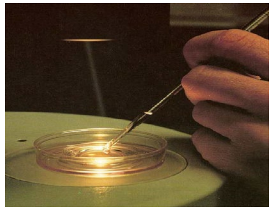
Our capabilities, scale and know-how are not easily replicated…
Our customers depend on our mission-critical services in any economic environment

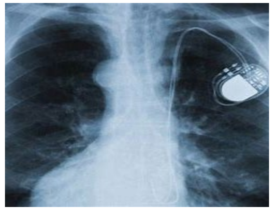
(1) This is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix.
(2) 2019 Management estimated total addressable markets for in-house and outsourced terminal sterilization and outsourced medical device and pharmaceutical lab testing.

Sotera Health

Our breadth of services touches all key med device and pharma categories

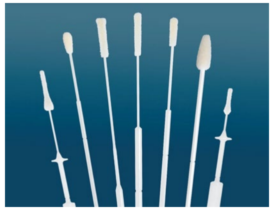
Medical device


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

Sotera Health

Our Customers Trust and Value Our Expertise

5,000+ customers

900+ laboratory tests

Customers located in 65+ countries

Sotera Health

Safeguarding Global Health®

Deep market focus

Significant industry expertise

End-to-end solutions

Customers include over 40 of top 50 medical device companies(1)

Customers include 9 of top 10 pharma companies(1)

50 sterilization facilities

13 laboratory locations

Global scale with integrated facility network

Expertise and strong track record in highly regulated markets

Ability to meet customers' regulatory needs

Comprehensive end-to-end services offered

Provide customer peace-of-mind

Experienced management team with established track record

(1) Based on revenue for the year ended December 31, 2022.

Long-Term Organic Growth Roadmap

Mid to high single-digit volume & mix % growth

+ ~3.5% -5.0% Price growth

High single-digit organic growth

Volume & Mix by Segment

Nordion
Low to mid single-digit

Sterigenics
Mid to high single-digit

Nelson Labs
Mid to high single-digit

Price by Segment

Nelson Labs
Low-end of range

Sterigenics
Middle of range

Nordion
High-end of range

Long-Term Revenue Growth Algorithm results in High-Single Digit Organic Growth[(1)]

(1) Long-term revenue growth is forward-looking, are subject to significant uncertainties and contingencies, and are based on assumptions with respect to future decisions and operating results, which are subject to change. Actual results may vary, and those variations may be material. For a discussion of some of the important factors that could cause these variations, please consult “Cautionary Note Regarding Forward-Looking Statements and Non-GAAP Financial Measures” on slide 2, Sotera Health’s 2022 Form 10-K, 2023 Form 10-Qs and other SEC filings.

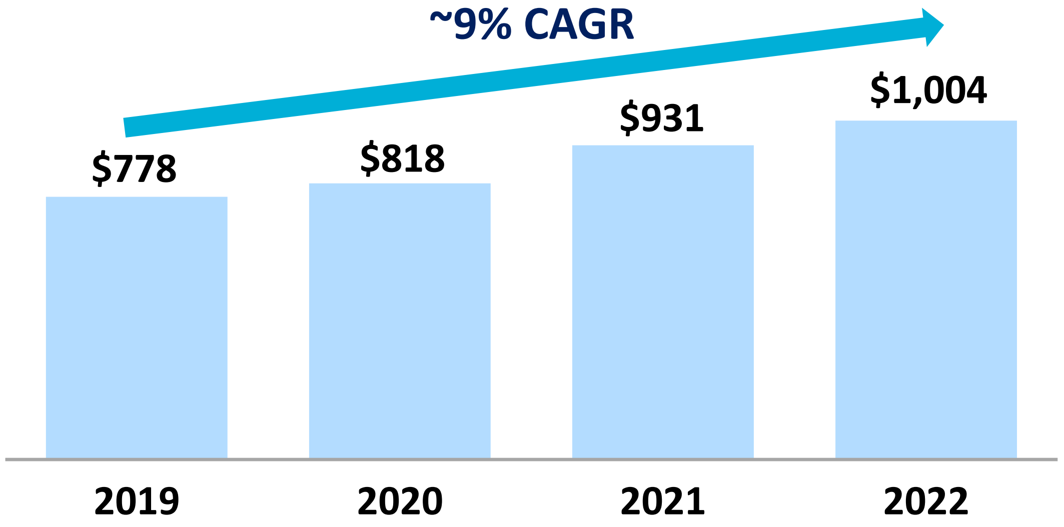
FINANCIAL OVERVIEW

Growth drivers translate to long-term value creation

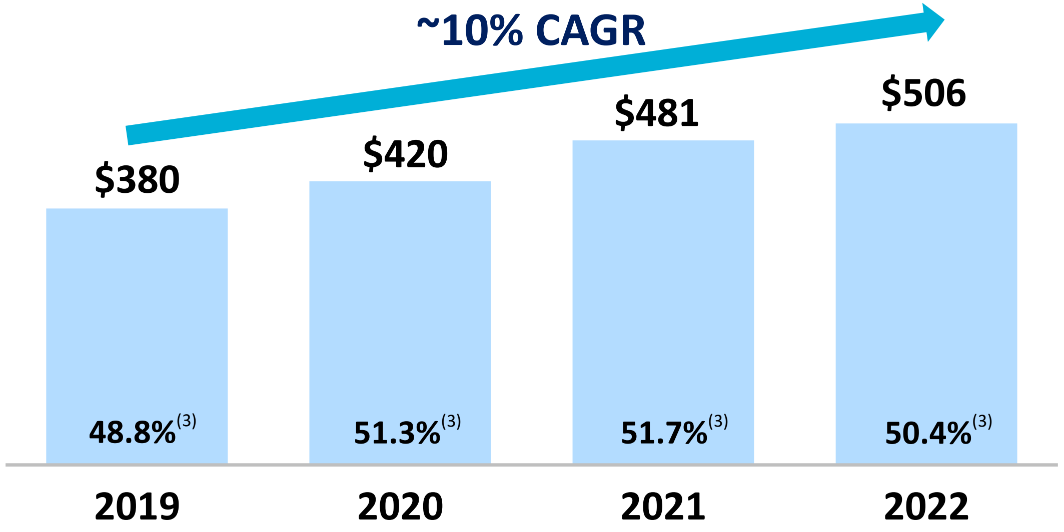
Consolidated 2019 – 2022 Fiscal Year Financial Results

$ In millions

Revenue



Adjusted EBITDA[3]



- ~9% revenue CAGR driven by favorable, sustainable industry trends supported by capacity expansions and tuck-in acquisitions
- Long-term customer relationships averaging over a decade across our top 25 customers[1]
- Over 90% of sterilization services sales under multi-year contracts, representing over $700M of revenue[2]

- Differentiated service capabilities in highly regulated industries lead to industry leading margin profile
- Margins benefiting from operating leverage, operational excellence initiatives and favorable price

(1) Based on 2022 data.
(2) Based on revenue for the year ended December 31, 2022.
(3) This is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix.

Sotera Health

Q3 2023 Highlights[1]

Business & Market Update

- Revenue, Adjusted EBITDA and Adjusted EBITDA margin improvement versus both Q3 2022 and Q2 2023
- Nordion Co-60 supply on track to deliver on FY '23 expectations
- Some macro-economic pressures persist, including interest rate, inflation and customer supply-chain pressures
- Sterigenics and Nelson continue to experience some volume softness

Financial Performance

	Q3 '23 vs Q3 '22
Net Revenues	↑ 5.8% to $263M
Adjusted EBITDA[2]	↑ 7.3% to $134M
Adjusted EBITDA margin[2]	↑ 72bps to 51.0%
Adjusted EPS[2]	↓ $0.02 to $0.21

Capital Deployment & Liquidity

- Capital deployment priorities continue to be organic growth, leverage reduction and M&A
- One Sterigenics expansion went live during the quarter
- Net Leverage[2] of 4.2x; expect to end the year at or below 4.0x
- Strong liquidity of $645M; no outstanding borrowings on the revolving line of credit

Other Activities

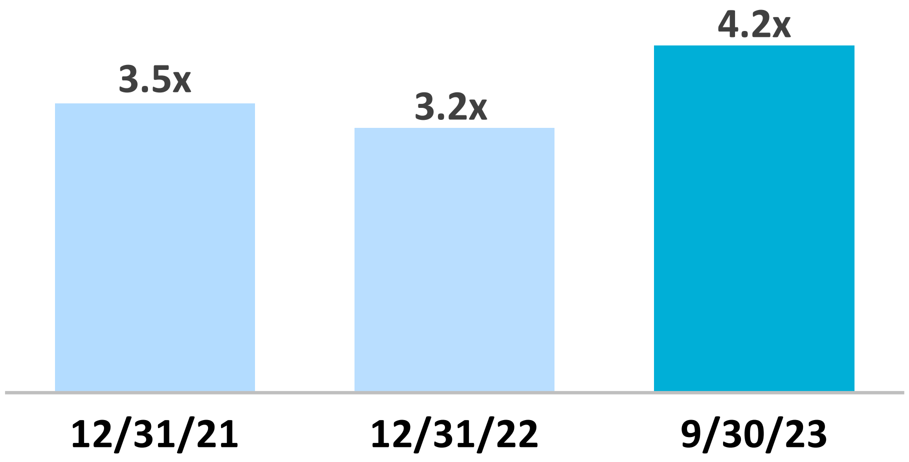
- Signed $35M binding term sheet to settle 79 cases in Georgia; expect to finalize by year-end
- EPA under consent order to finalize NESHAP regulations ~Q1 '24; engaging with US regulatory bodies on proposed rules
- Prudently managing costs in light of volume headwinds

(1) This slide is as presented on Sotera Health's November 2, 2023 earnings call and has not been updated for purposes of this presentation.
(2) This is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix.

Net Leverage and Investments

$ In millions

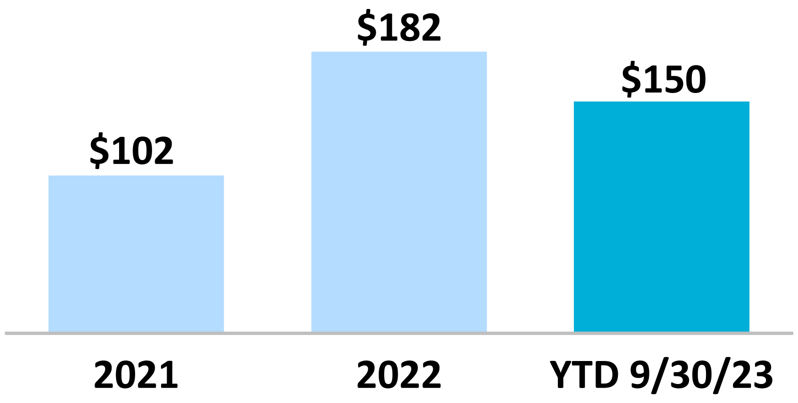
Net Leverage[1]



Long-range target of 2.0x – 4.0x

- Net leverage temporarily above target range due to $500M Term Loan B and subsequent $408M settlement payout
- Expect to end 2023 at or below 4.0x[2]

Capital Expenditures[3]



Investing to Meet Customer Demand

- **Sterigenics:** 3 active capacity expansions; continued EO facility investments
- **Nordion:** Cobalt-60 development projects
- **Nelson Labs:** Pharma expansion & lab information management system

(1) This is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix.
(2) Guidance published as of 11/2/23. This guidance has not been updated for purposes of this presentation.
(3) Excludes any Capital Expenditures included in accounts payable or accruals at the end of the period.

Sotera Health

EO Litigation Summary and Tentative Timeline (as of 1/9/24)

Cook County, IL

- $408M settlement for 880 personal injury cases completed; schedule for two opt-outs and 14 post-settlement cases TBD
- Court-issued order for insurance reimbursement of ~$75.5M for IL legal fees thru Sept 2022; additional claim of $32M pending

Atlanta, GA

- Secured 100% participation in settlement of 79 cases in December 2023; funding completed in January 2024
- Remaining litigation in Cobb County State Court
  - Pool of 8 out of ~220 personal injury claims proceeding to Phase 1 “general causation” ruling in early 2025
  - Any pool cases surviving Phase 1 to proceed to Phase 2 “specific causation” determination in late 2025 / early 2026
  - Pool of 10 out of ~365 property cases proceeding through discovery and dispositive motions through 2024

Santa Teresa, NM

- Court dismissed NM Attorney General’s claims for decreased property values, increased health care costs, medical monitoring, strict liability and violations of the NM Unfair Practices Act
  - Schedule for surviving public nuisance and negligence claims (including additional dispositive motions) TBD
- One personal injury case in NM federal court; remains in early stages with no trial date

Sterigenics operates safely and in compliance with regulatory requirements and will continue to vigorously defend itself against EO claims

For developments related to Ethylene Oxide, updates can be found at https://investors.soterahealth.com/ethylene-oxide-eo-overview

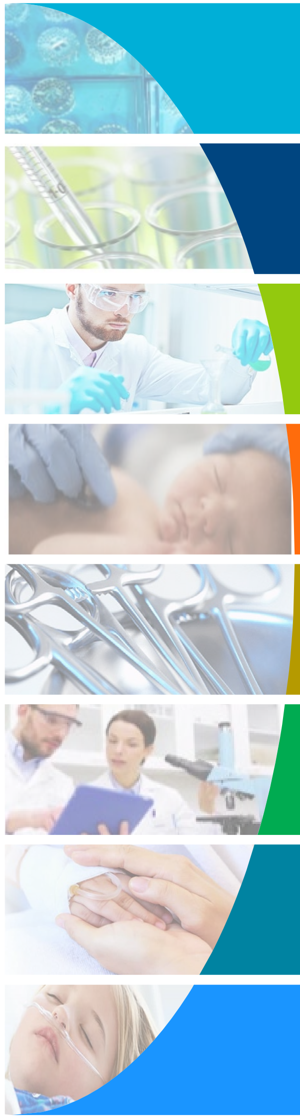
Corporate Responsibility is Integral to Sotera Health

- ESG focus follows naturally from our Mission and Values
  - Committed to ***Safeguarding Global Health®***
  - We help to ensure the safety of millions of patients and health care workers globally
  - Our work aligns with the UN Sustainable Development Goal 3 – to ensure healthy lives and promote well-being for all people around the world

- Strong Corporate Governance is fundamental
  - ESG oversight by Nominating & Corporate Governance Committee and full Board
  - ESG outreach to shareholders representing over 60% of outstanding shares not held by affiliates
  - Karen A. Flynn joined Board as new independent director

- Internal ESG Committee with Executive Management Leadership
  - Regular reviews with CEO
  - Multi-year strategy to coordinate, drive and disclose ESG activities and new ESG initiatives that are most meaningful to stakeholders
  - Published 2023 Responsibility Report in Dec. 2023 and issued new Human Rights Policy in Jan. 2024

Global Leader with Runway for Future Growth



Strong financial profile	Revenue growth since 2005 >50% Adjusted EBITDA margin(1)(2)
Barriers to entry drive attractive returns	Track record Expertise Scale
Large and growing market	~$33bn TAM(3) ~$11B SAM(3)
Strong industry dynamics	Essential and regulated markets
Trusted global partner at scale	50 sterilization and 13 lab and Expert Advisory Services facilities 900+ Lab tests
Operational excellence	Contributes to industry-leading margins
Platform geared for organic and inorganic growth	Continued capital investment 2 transformational and 9 bolt-on acquisitions(4)
Experienced management team with established track record	M&A execution Capital deployment

(1) As of December 31, 2022; (2) Please refer to Non-GAAP Financial Measures provided in the Appendix; (3) 2019 Management estimated addressable markets for in-house and outsourced terminal sterilization and outsourced medical device and pharmaceutical lab testing.; (4) Since 2013.

Sotera Health

Appendix

Our values drive our business and guide our ESG strategy

- **Safety** — We are uncompromising in our commitment to health and well-being
- **Customer focus** — We are driven to fulfil our customers' needs with the highest quality and care
- **People** — We value our people who are part of a global team that is diverse, respectful, passionate and collaborative
- **Integrity** — We are honest, reliable and accountable in everything we do
- **Excellence** — We exceed the expectations of our stakeholders and continue to improve and innovate in everything we do

Non-GAAP Financial Measures

(unaudited)
(dollars in thousands)

	Year Ended December 31,			
	2019	2020	2021	2022
Net income (loss)	$ (20,425)	$ (37,491)	$ 117,121	$ (233,570)
Amortization of intangible assets	80,048	80,255	86,742	81,554
Impairment of long-lived assets and intangible assets[a]	5,792	—	—	—
Share-based compensation[b]	16,882	10,987	13,870	21,211
Capital restructuring bonuses[c]	2,040	2,702	—	—
Loss (gain) on foreign currency and derivatives not designated as hedging instruments, net[d]	2,662	(8,454)	(58)	3,150
Acquisition and divestiture related charges, net[e]	(318)	3,932	(6,018)	1,398
Business optimization project expenses[f]	4,195	2,524	948	2,226
Plant closure expenses[g]	1,712	2,649	2,327	4,730
Impairment of investment in unconsolidated affiliate[h]	—	—	—	9,613
Loss on extinguishment of debt[i]	30,168	44,262	20,681	—
Professional services relating to EO sterilization facilities[j]	11,216	36,671	45,656	72,639
Illinois EO litigation settlement[k]	—	—	—	408,000
Accretion of asset retirement obligations[l]	2,051	1,946	2,252	2,194
COVID-19 expenses[m]	—	2,677	761	155
Income tax benefit associated with pre-tax adjustments[n]	(35,637)	(43,536)	(38,500)	(103,081)
Adjusted Net Income	**100,386**	**99,124**	**245,782**	**270,219**
Interest expense, net	157,729	215,259	74,192	78,490
Depreciation[o]	66,671	63,309	64,160	64,000
Income tax provision applicable to Adjusted Net Income[p]	55,146	42,167	97,095	93,540
Adjusted EBITDA[q]	**$ 379,932**	**$ 419,859**	**$ 481,229**	**$ 506,249**
Net Revenues	$ 778,327	$ 818,158	$ 931,478	$1,003,687
Adjusted EBITDA Margin	48.8 %	51.3 %	51.7 %	50.4 %

Sotera Health

Non-GAAP Financial Measures (continued)

(a) Represents impairment charges related to the decision to not reopen the Willowbrook, Illinois facility in September 2019

(b) Represents share-based compensation expense to employees and non-employee directors. 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 relating to the November 2020 IPO and the December 2019 refinancing.

(d) Represents the effects of (i) fluctuations in foreign currency exchange rates, (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion, and (iii) unrealized gains and losses on interest rate caps not designated as hedging instruments.

(e) Represents (i) certain direct and incremental costs related to the acquisitions of RCA, the noncontrolling interests in our China subsidiaries, BioScience Labs in 2021, Iotron in July 2020, the first quarter 2021 gain on the mandatorily redeemable noncontrolling interest in Nelson Labs Fairfield, 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 that existed at the time of our acquisition of the business in 2014, and (v) a $5.1 million non-cash gain recognized in the fourth quarter of 2021 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.

(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, operating structure realignment and other process enhancement projects.

(g) Represents professional fees, exit costs, severance and other payroll costs, and other costs including ongoing lease and utility expenses associated with the closure of the Willowbrook, Illinois facility. The year ended December 31, 2023 includes a $1.0 million cancellation fee received from a tenant connection with the termination of an office space lease at the Nordion facility.

(h) Represents an impairment charge on our equity method investment in a joint venture.

(i) Represents expenses incurred in connection with the refinancing of our debt capital structure in December 2019, paydown of debt following the November 2020 IPO, the January 2021 Term Loan repricing, and full redemption of the First Lien Notes in August 2021 including accelerated amortization of prior debt issuance and discount costs, and premiums paid in connection with early extinguishment.

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

(k) Represents the cost to settle approximately 870+ pending and threatened EO claims against Sterigenics U.S., LLC and Sotera Health LLC ("the Settling Defendants") in Illinois under Settlement Agreements entered into on March 28, 2023.

(l) Represents non-cash accretion of asset retirement obligations related to Co-60 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.

(m) 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.

(n) 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.

(o) Includes depreciation of Co-60 held at gamma irradiation sites.

(p) Represents the difference between the income tax provision/benefit as determined under U.S. GAAP and the income tax benefit associated with pre-tax adjustments described in footnote (n).

(q) $86.7 million, $82.6 million, $85.3 million, and $83.6 million of the adjustments for the years ended December 31, 2019, 2020, 2021, and 2022, respectively, are included in cost of revenues, primarily consisting of amortization of intangible assets, depreciation, and accretion of asset retirement obligations.

Non-GAAP Financial Measures (continued)

(unaudited)
(dollars in thousands)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
Net income	**$ (13,660)**	$ 25,090
Amortization of intangibles	**20,181**	20,219
Share-based compensation[a]	**8,378**	4,616
Gain on foreign currency and derivatives not designated as hedging instruments, net[b]	**1,333**	3,194
Acquisition and divestiture related charges, net[c]	**72**	447
Business optimization project expenses[d]	**1,237**	1,035
Plant closure expenses[e]	**126**	2,627
Professional services and other expenses relating to EO sterilization facilities[f]	**18,518**	14,501
Georgia EO litigation settlement[g]	**35,000**	—
Accretion of asset retirement obligation[h]	**555**	526
COVID-19 expenses[i]	**—**	6
Income tax benefit associated with pre-tax adjustments[j]	**(13,100)**	(7,753)
Adjusted Net Income	**58,640**	64,508
Interest expense, net[k]	**30,464**	20,080
Depreciation[l]	**17,994**	15,885
Income tax provision applicable to Adjusted Net Income[m]	**27,230**	24,679
Adjusted EBITDA[n]	**134,328**	125,152
Net Revenues	**$ 263,177**	$ 248,704
Adjusted EBITDA Margin	51.0 %	50.3 %
Weighted average number of shares outstanding:		
Basic	**281,105**	280,142
Diluted	**281,105**	280,172
Earnings (loss) per share:		
Basic	**$ (0.05)**	$ 0.09
Diluted	**(0.05)**	0.09
Adjusted earnings per share:		
Basic	**$ 0.21**	$ 0.23
Diluted	**0.21**	0.23

Non-GAAP Financial Measures (continued)

(a) Represents share-based compensation expense to employees and non-employee directors.

(b) Represents the effects of (i) fluctuations in foreign currency exchange rates, (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion, and (iii) unrealized gains and losses on interest rate caps not designated as hedging instruments.

(c) Represents (i) certain direct and incremental costs related to the acquisitions of RCA and BioScience Labs 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.

(d) Represents professional fees, exit costs, severance and other payroll costs, and other costs associated with business optimization and cost savings projects relating to the integration of acquisitions, operating structure realignment and other process enhancement projects.

(e) 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.

(f) Represents litigation and other professional fees associated with our EO sterilization facilities. This includes $10.2 million of interest expense, net for the three months ended September 30, 2023 associated with Term Loan B that was issued to finance the $408.0 million cost to settle approximately 880 pending and threatened EO claims against the Settling Defendants in Illinois under Settlement Agreements entered into on March 28, 2023.

(g) Represents the cost to settle 79 pending EO claims against the Settling Defendants in Georgia under a settlement term sheet entered into on October 16, 2023.

(h) 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.

(i) Represents non-recurring costs associated with the COVID-19 pandemic, including incremental costs to implement workplace health and safety measures.

(j) 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.

(k) The three months ended September 30, 2023 exclude $10.2 million of interest expense, net, on Term Loan B attributable to the loan proceeds that were used to fund the $408.0 million cost of the Willowbrook Settlement. The three months ended September 30, 2022 exclude $3.3 million of unrealized loss on interest rate derivatives not designated as hedging instruments.

(l) Includes depreciation of Co-60 held at gamma irradiation sites.

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

(n) $22.4 million and $22.1 million of the adjustments for the three months ended September 30, 2023 and 2022, respectively are included in cost of revenues, primarily consisting of amortization of intangible assets, depreciation, and accretion of asset retirement obligations.

Sotera Health

Non-GAAP Financial Measures (continued)

(unaudited)
(dollars in thousands)

	Twelve months ended September 30, 2023
Net loss	**$ (307,024)**
Amortization of intangible assets	81,248
Share-based compensation[(a)]	30,391
Gain on foreign currency and derivatives not designated as hedging instruments, net[(b)]	9,397
Acquisition and divestiture related charges, net[(c)]	1,237
Business optimization project expenses[(d)]	7,710
Plant closure expenses[(e)]	314
Professional services and other expenses relating to EO sterilization facilities[(f)]	74,301
Illinois EO litigation settlement[(g)]	408,000
Georgia EO litigation settlement[(h)]	35,000
Accretion of asset retirement obligations[(i)]	2,232
COVID-19 expenses[(j)]	1
Income tax benefit associated with pre-tax adjustments[(k)]	(117,195)
Adjusted Net Income	**225,612**
Interest expense, net[(l)]	106,791
Depreciation[(m)]	72,417
Income tax provision applicable to Adjusted Net Income[(n)]	86,074
Adjusted EBITDA[(o)]	**$ 490,894**
Net Revenues	$ 990,639
Adjusted EBITDA Margin	49.6 %

Sotera Health

Non-GAAP Financial Measures (continued)

(a) Represents share-based compensation expense to employees and non-employee directors.

(b) Represents the effects of (i) fluctuations in foreign currency exchange rates, (ii) non-cash mark-to-fair value of embedded derivatives relating to certain customer and supply contracts at Nordion, and (iii) unrealized gains and losses on interest rate caps not designated as hedging instruments.

(c) Represents (i) certain direct and incremental costs related to the acquisitions of RCA and BioScience Labs 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.

(d) Represents professional fees, exit costs, severance and other payroll costs, and other costs associated with business optimization and cost savings projects relating to the integration of acquisitions, operating structure realignment and other process enhancement projects.

(e) 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. The twelve months ended September 30, 2023 also includes a $1.0 million cancellation fee received from a tenant in connection with the termination of an office space lease at the Nordion facility.

(f) Represents litigation and other professional fees associated with our EO sterilization facilities. This includes $18.0 million of interest expense, net for the twelve months ended September 30, 2023 associated with Term Loan B that was issued to finance the $408.0 million cost to settle approximately 880 pending and threatened EO claims against the Settling Defendants in Illinois under Settlement Agreements entered into on March 28, 2023.

(g) Represents the cost to settle approximately 880 pending and threatened EO claims against the Settling Defendants in Illinois under settlement Agreements entered into on March 28, 2023.

(h) Represents the cost to settle 79 pending EO claims against the Settling Defendants in Georgia under a settlement term sheet entered into on October 16, 2023.

(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.

(k) 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.

(l) The twelve months ended September 30, 2023 exclude $18.0 million of interest expense, net on Term Loan B attributable to the loan proceeds that were used to fund the $408.0 million Illinois EO litigation settlement. The twelve months ended September 30, 2023 exclude $7.8 million net decrease in the fair value of interest rate derivatives not designated as hedging instruments recorded to interest expense.

(m) Includes depreciation of Co-60 held at gamma irradiation sites.

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

(o) $90.5 million of the adjustments for the twelve months ended September 30, 2023 are included in cost of revenues, primarily consisting of amortization of intangible assets, depreciation, and accretion of asset retirement obligations.

Non-GAAP Financial Measures (continued)

	12/31/2021	12/31/2022	9/30/2023
Current portion of long-term debt	$ -	$ 197,119	$ 5,235
Long-term debt less current portion	1,743,534	1,747,115	2,222,789
Current portion of finance leases	1,160	1,722	8,398
Finance leases less current portion	40,877	56,955	63,219
Total Debt	**1,785,571**	**2,002,910**	**2,299,641**
Less: cash and cash equivalents	(106,917)	(395,214)	(244,959)
Total Net Debt	**$ 1,678,654**	**$ 1,607,696**	**$ 2,054,682**
Adjusted EBITDA[1]	**$ 481,229**	**$ 506,249**	**$ 490,894**
Net Leverage Ratio	**3.5x**	**3.2x**	**4.2x**

(1) Represents Adjusted EBITDA for the twelve months ended December 31, 2021, December 31, 2022, and September 30, 2023, respectively. This is a non-GAAP financial measure. Please refer to Non-GAAP Financial Measures provided in the Appendix.

Sotera Health

Non-GAAP Financial Measures Definitions

- **Adjusted Net Income** is defined as net income (loss) before amortization and certain other adjustments that we do not consider in our evaluation of our ongoing operating performance from period to period.
- **Adjusted EBITDA** is defined as Adjusted Net Income before interest expense, depreciation (including depreciation of Co-60 used in our operations) and income tax provision applicable to Adjusted Net Income.
- **Adjusted EBITDA margin** is equal to Adjusted EBITDA divided by net revenues.
- **Adjusted EPS** is defined as Adjusted Net Income divided by the weighted average number of diluted shares outstanding.
- **Net Debt** is equal to our total debt, plus unamortized debt issuance costs and debt discounts, less cash and cash equivalents.
- **Net Leverage Ratio** is equal to Net Debt divided by Adjusted EBITDA

Sotera Health