

Q1 2021 Results



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, including our 2021 outlook, 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 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 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 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 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 and Adjusted EBITDA, a reconciliation of GAAP EPS, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted EPS, and a reconciliation of total debt, the most directly comparable financial measure calculated and presented in accordance with GAAP, to Total Net Debt and Net Leverage.

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 March 31, 2021, unless otherwise stated.



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



Scott J. Leffler
Chief Financial Officer

How we do business

Our values



Safety

We are uncompromising in our commitment to health and well-being



Customer focus

We are driven to fulfill 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

Differentiated, mission-critical services model



We are driven by our mission: Safeguarding Global Health®

Comprehensive suite of sterilization services and lab services

Sterilization services



Comprehensive sterilization services

Provider of mission-critical and government-mandated sterilization services

of locations

48

of customers

~2,800



Gamma technologies

Global leader in supply of cobalt-60, the key input for gamma sterilization

of locations

2

of customers

~40

Lab services



Expert lab testing and advisory services

Provider of mission-critical medical device and pharmaceutical lab testing and advisory services

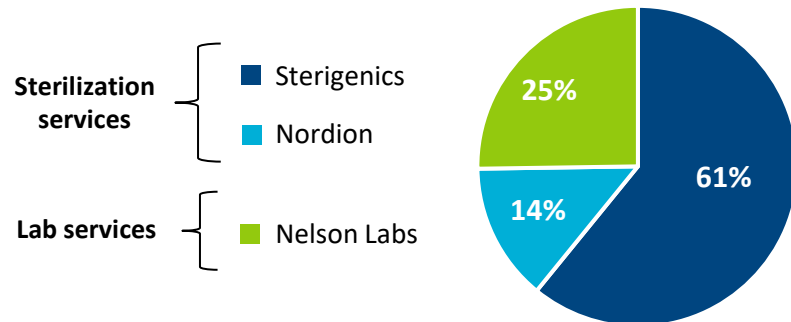
of locations

14

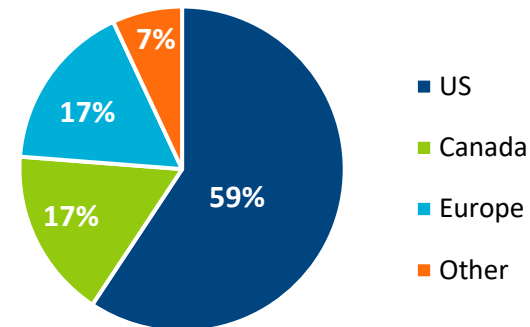
of customers

~3,800

LTM Revenue by segment⁽¹⁾



LTM Revenue by geography⁽¹⁾⁽²⁾



(1) Reflects LTM net revenues as of 3/31/21 of \$842M.

(2) Net revenues for geographic area are reported by the country's origin of revenues.

Q1 2021 Highlights

Market Update & Outlook

- Gradual improvement during Q1 in demand related to elective procedures and new product development; continued strength in demand related to personal protective equipment
- Reaffirming 2021 outlook provided March 9, 2021

Financial Performance

Compared to Q1 2020:

- Revenue increased ~13% from \$188M to \$212M
- Adjusted EBITDA⁽¹⁾ increased ~15% from \$92M to \$105M
- Adjusted EPS⁽¹⁾ increased from \$0.10 to \$0.18 per diluted common share

Capital

- Capital deployment priorities unchanged: growth, special projects, deleveraging and strategic M&A
- Announced expansion of sterilization capacity in Europe; first of six Sterigenics expansions expected to go live in 2021
- Q1 2021 net leverage⁽¹⁾ reduced to 4.1x from 4.3x as of Q4 2020
- Executed secondary offering of 25M shares of already-outstanding common stock

Strategic Initiatives

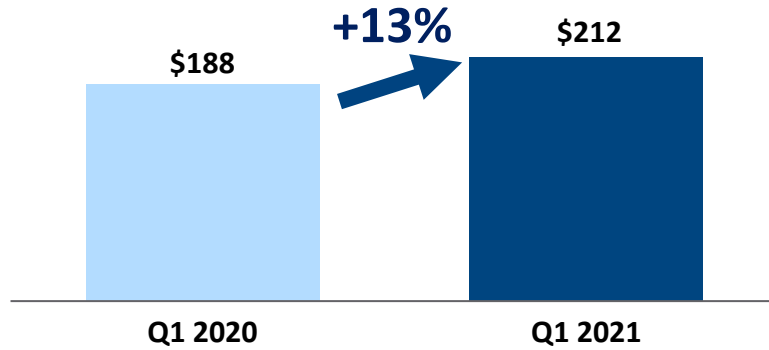
- Iotron and BioScience Laboratories integration efforts on track
- Purchased outstanding equity interest relating to 2018 acquisition of Gibraltar Labs (now named Nelson Labs Fairfield)
- Ongoing investment relating to long-term Co-60 supply development and EO facility enhancements

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

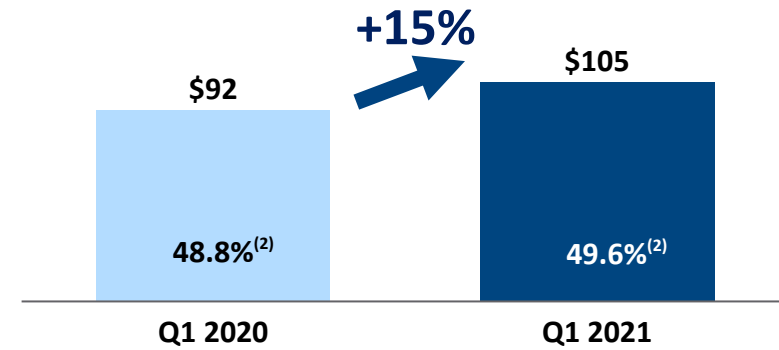
Q1 2021 Consolidated Financial Results

In millions, except Adjusted EPS

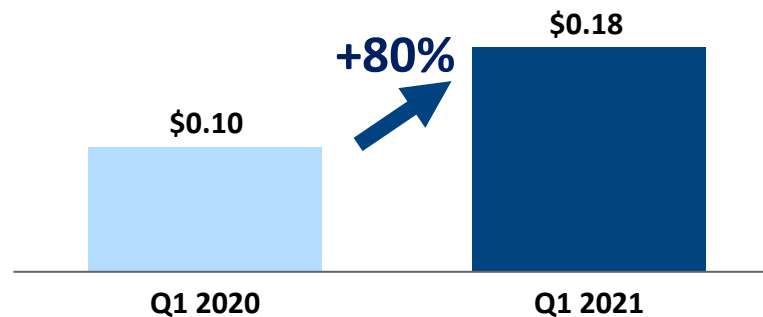
Revenue



Adjusted EBITDA⁽¹⁾⁽³⁾



Adjusted EPS⁽¹⁾⁽⁴⁾



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

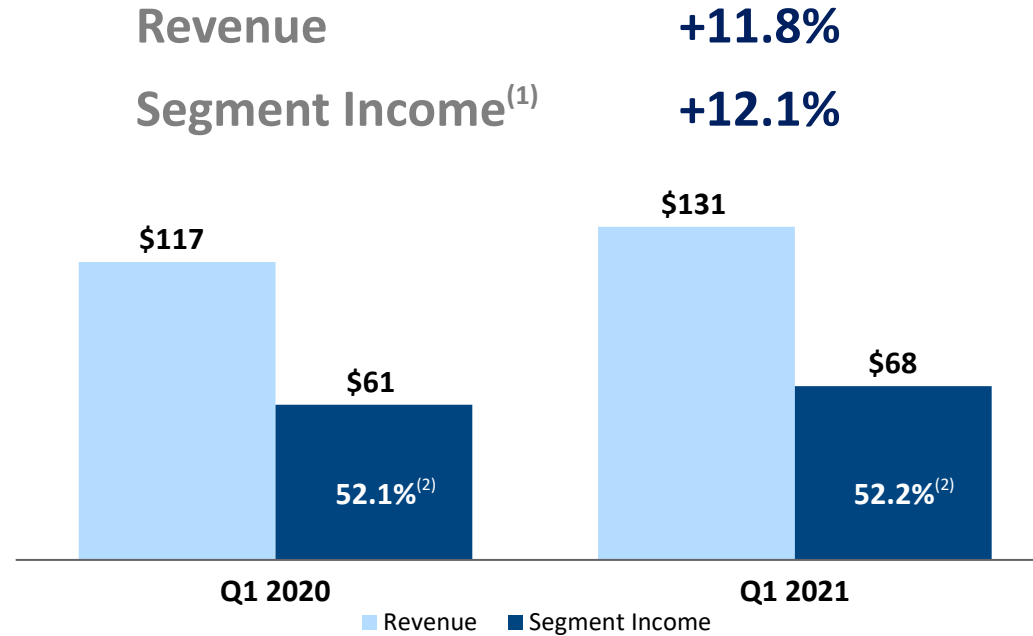
(2) Adjusted EBITDA margin. Please refer to Non-GAAP Financial Measures provided in the Appendix.

(3) 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. Adjusted EBITDA Margin is equal to Adjusted EBITDA divided by net revenues.

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

Sterigenics Q1 2021 Financial Performance

In millions



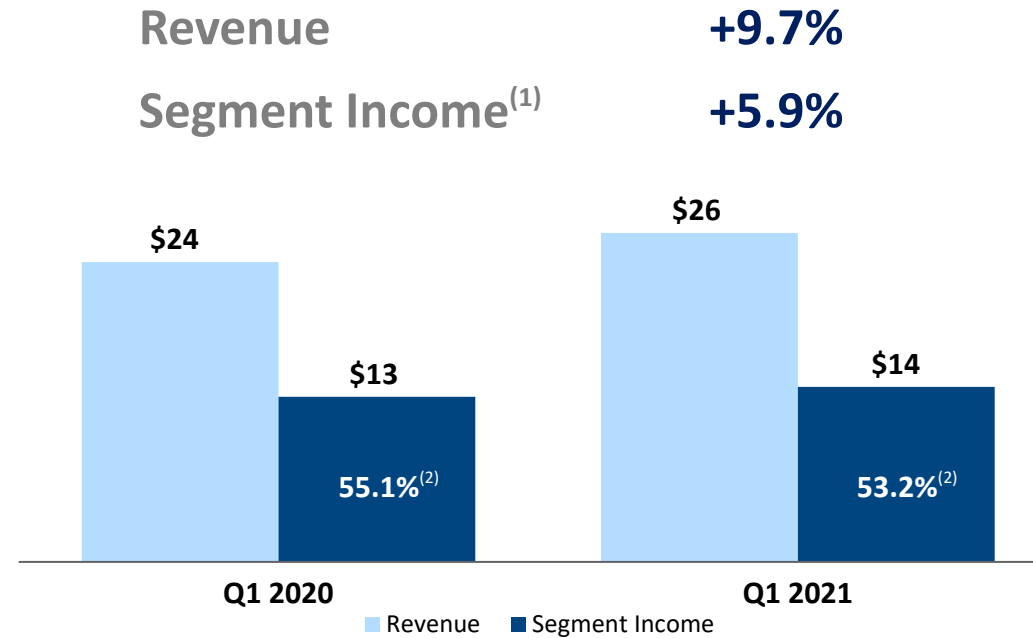
- Revenue and segment income growth driven by the acquisition of Iotron in July 2020, favorable pricing and organic sales growth
- Margin expansion partially offset by incremental overhead associated with being a public company
- Continued investment in capacity expansions and facility enhancements across EO network

(1) Segment income is defined to exclude, among other things, depreciation and amortization. Please refer to the consolidated financial statements included in Sotera Health's SEC filings for more information.

(2) Segment income margin.

Nordion Q1 2021 Financial Performance

In millions



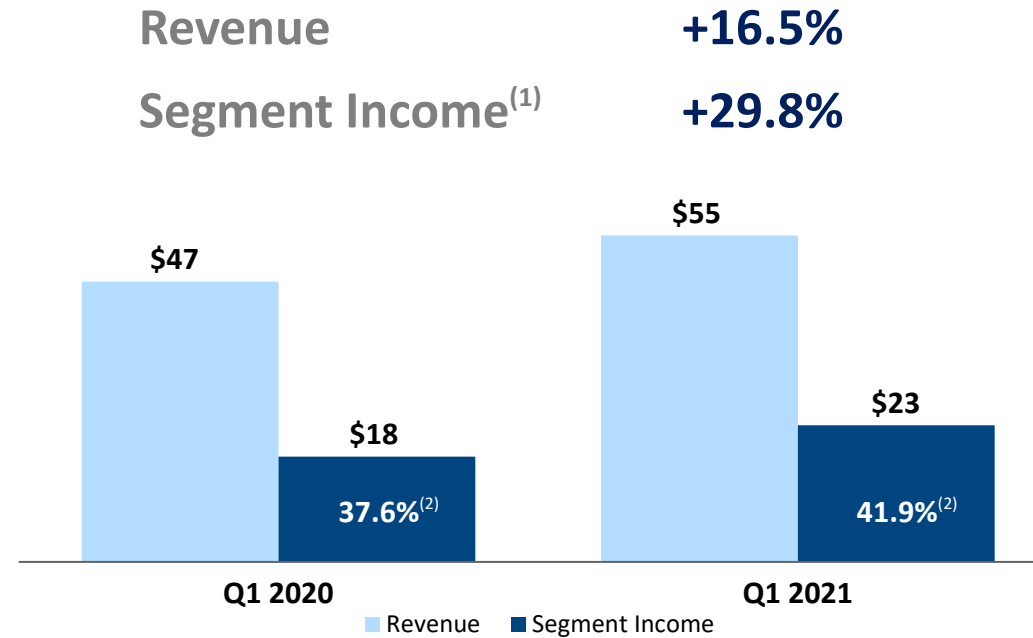
- Revenue and segment income growth driven by favorable FX, pricing, and higher sales of medical-use cobalt
- Margin decline largely driven by incremental overhead associated with being a public company

(1) Segment income is defined to exclude, among other things, depreciation and amortization. Please refer to the consolidated financial statements included in Sotera Health's SEC filings for more information.

(2) Segment income margin.

Nelson Labs Q1 2021 Financial Performance

In millions



- Revenue and segment income growth driven by strong demand for services related to personal protective equipment
- Favorable mix and continued ramp-up of OpEx initiatives drove segment income margin expansion, partially offset by incremental overhead associated with being a public company

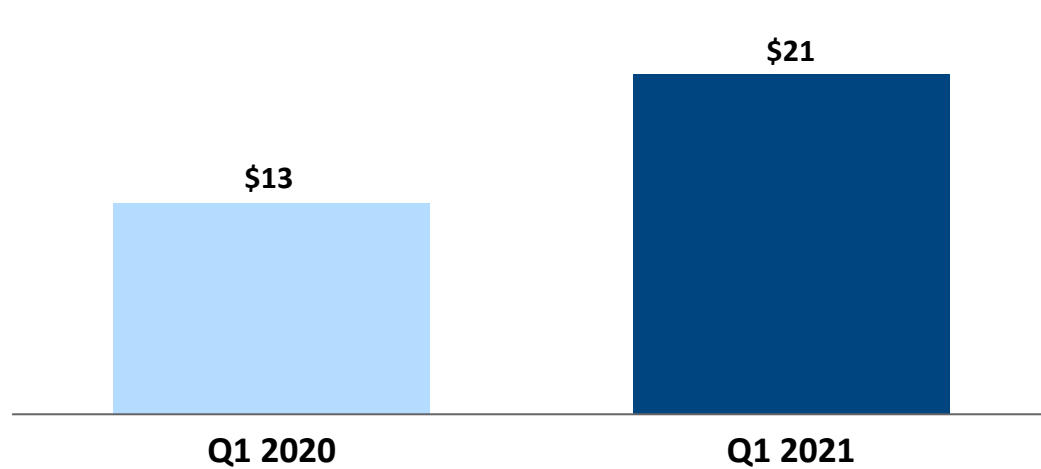
(1) Segment income is defined to exclude, among other things, depreciation and amortization. Please refer to the consolidated financial statements included in Sotera Health's SEC filings for more information.

(2) Segment income margin.

Capital Expenditures and Liquidity

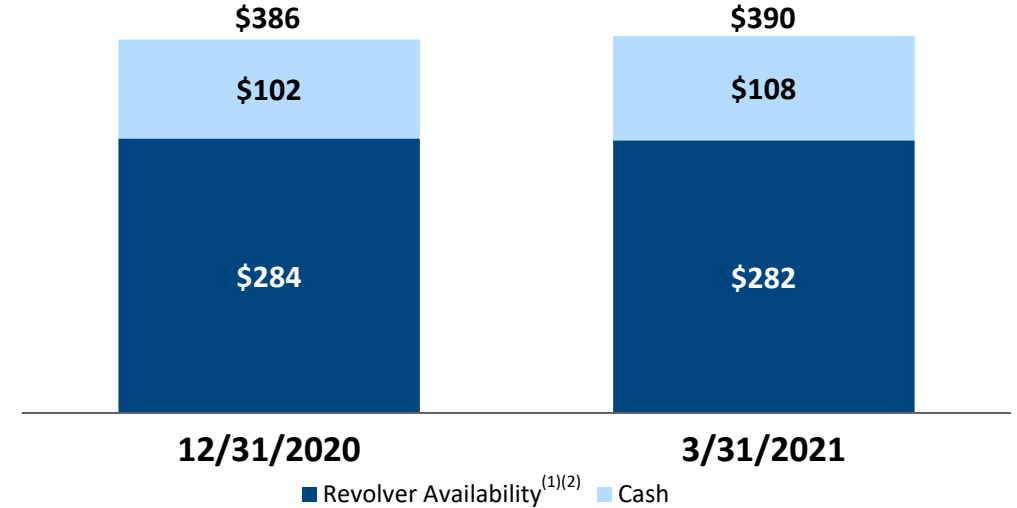
In millions

Capital Expenditures



- Continued commitment to capacity expansions, investment in new Co-60 supply and EO facility enhancements
- Announced sterilization expansion in Europe

Liquidity



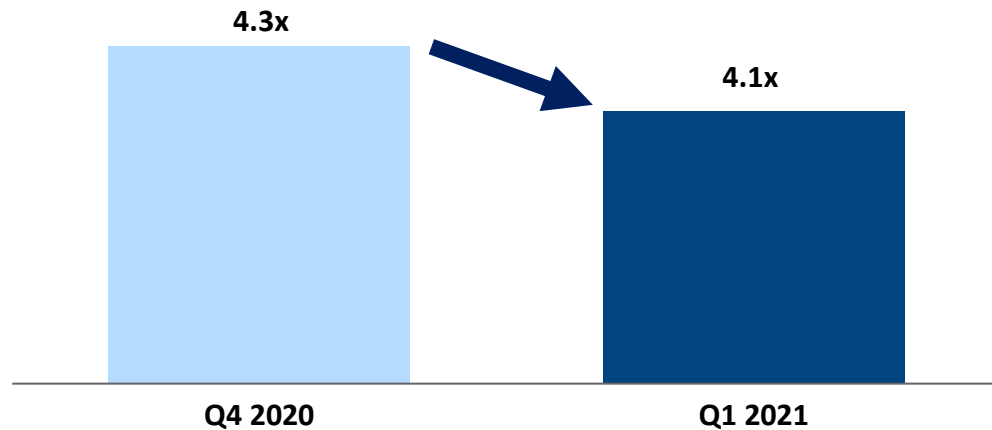
- Finished Q1 2021 with \$390 million of liquidity; ample levels to meet capital deployment priorities
- No outstanding borrowings on revolving credit facility

(1) Revolving credit facility availability is calculated as maximum facility size less borrowings and letters of credit.

(2) Maximum facility size of \$347.5M.

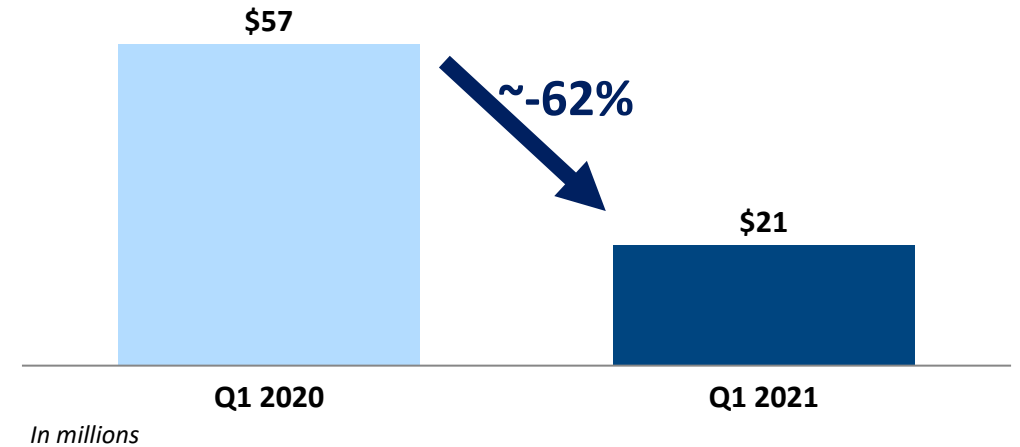
Deleveraging and Capital Markets

Net Leverage Reduction⁽¹⁾



Continuing to de-leverage towards long-term target range of 2.0x to 4.0x net leverage⁽²⁾

Interest Expense Reduction



Interest expense reduction contributing to stronger cash flow

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

(2) Long-term target is forward-looking and reflects expectations as of May 13, 2021. Sotera Health assumes no obligation to update this statement. Results may be materially different and are affected by many factors detailed in the Company's Form 10-K for the year ended December 31, 2020, and in the Company's other SEC filings.

2021 Outlook

On the following slide, Sotera Health presents an overview of its full-year 2021 Outlook, including certain non-GAAP measures. As outlined in the company's May 13, 2021 press release, Sotera Health does not provide a reconciliation of the forward-looking Adjusted EBITDA and Adjusted EPS outlook to the most directly comparable GAAP measure, as this cannot be done without unreasonable effort due to the variability and low visibility with respect to certain costs.

Reaffirming 2021 Outlook⁽¹⁾

	FY 2021 Outlook	YoY%
Revenue	\$890M to \$920M	+9% to +12%
Adj EBITDA	\$465M to \$485M	+11% to +16%
Tax Rate	~28%	~-6%
Adj EPS	\$0.78 to \$0.86	+86% to +105%
Weighted Avg. Diluted Shares	281M to 283M	+18% to +19%
Capital Expenditures	\$100M - \$110M	+87% to +106%
Net Leverage	Approximately $\frac{3}{4}$ turn ⁽²⁾ of deleveraging	

(1) The outlook provided above contains a number of assumptions, including, among others, the Company's current expectations regarding the impact of the COVID-19 pandemic, including the rate of recoveries of elective procedures and new product development testing, and exchange rates. The information presented here is forward-looking and reflects expectations as of May 13, 2021. Sotera Health assumes no obligation to update this statement. Results may be materially different and are affected by many factors detailed in the Company's Form 10-K for the year ended December 31, 2020, and in the Company's other SEC filings.

(2) One turn is equivalent to trailing 12-months of Adjusted EBITDA.

Appendix

Non-GAAP Financial Measures⁽¹⁾

<i>(unaudited)</i> <i>(\$'s in thousands, except per share amounts)</i>	Three Months Ended March 31,	
	2021	2020
Net income (loss)	\$ 11,065	\$ (1,986)
Amortization of intangibles	22,282	19,913
Share-based compensation ^(a)	3,449	1,725
(Gain) loss on foreign currency and embedded derivatives ^(b)	(336)	4,267
Acquisition and divestiture related charges, net ^(c)	(185)	994
Business optimization project expenses ^(d)	261	1,049
Plant closure expenses ^(e)	542	771
Loss on extinguishment of debt ^(f)	14,312	—
Professional services relating to EO sterilization facilities ^(g)	13,399	4,146
Accretion of asset retirement obligation ^(h)	551	490
COVID-19 expenses ⁽ⁱ⁾	299	76
Income tax benefit associated with pre-tax adjustments ^(j)	(14,133)	(7,707)
Adjusted Net Income	51,506	23,738
Interest expense, net	21,282	56,562
Depreciation ^(k)	15,379	16,110
Income tax provision applicable to Adjusted Net Income ^(l)	17,150	(4,527)
Adjusted EBITDA	\$ 105,317	\$ 91,883
Net Revenues	\$ 212,148	\$ 188,200
Adjusted EBITDA Margin	49.6 %	48.8 %
Weighted average number of shares outstanding		
Basic	278,827	232,400
Diluted	278,968	232,400
Earnings (loss) per share:		
Basic	\$ 0.04	\$ (0.01)
Diluted	0.04	(0.01)
Adjusted earnings per share:		
Basic	\$ 0.18	\$ 0.10
Diluted	0.18	0.10

(1) See accompanying footnote for this table on next slide

Non-GAAP Financial Measures

- (a) Represents non-cash share-based compensation expense.
- (b) 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.
- (c) Represents (i) certain direct and incremental costs related to the acquisitions of BioScience Laboratories in 2021, Iotron Industries in July 2020 and 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.
- (d) 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 Nelson Labs, the Sotera Health rebranding, 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 expenses incurred in connection with the repricing of our Term Loan in January 2021 including accelerated amortization of prior debt issuance and discount costs.
- (g) Represents professional fees related to litigation associated with our EO sterilization facilities and other related professional fees.
- (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 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.
- (k) Includes depreciation of Co-60 held at gamma irradiation sites.
- (l) 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 (j).

Non-GAAP Financial Measures

<i>(unaudited)</i> <i>(\$'s in thousands)</i>	<u>As of March 31,</u>	<u>As of December 31,</u>
	2021	2020
Long-term debt	\$ 1,837,580	\$ 1,824,789
Current portion of finance leases	1,108	1,173
Finance leases less current portion	33,432	34,939
Total Debt	1,872,120	1,860,901
Add: unamortized debt issuance costs and debt discounts	26,579	38,761
Less: cash and cash equivalents	(108,016)	(102,454)
Total Net Debt	\$ 1,790,683	\$ 1,797,208
Adjusted EBITDA⁽¹⁾	\$ 433,294	\$ 419,859
Net Leverage	4.1x	4.3

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

Non-GAAP Financial Measures⁽¹⁾

<i>(unaudited)</i> <i>(\$'s in thousands)</i>	Twelve Months Ended March 31,	Twelve Months Ended December 31,
	2021	2020
Net loss	\$ (24,440)	\$ (37,491)
Amortization of intangibles	82,624	80,255
Share-based compensation ^(a)	12,711	10,987
Capital restructuring bonuses ^(b)	2,702	2,702
(Gain) loss on foreign currency and embedded derivatives ^(c)	(13,057)	(8,454)
Acquisition and divestiture related charges, net ^(d)	2,753	3,932
Business optimization project expenses ^(e)	1,736	2,524
Plant closure expenses ^(f)	2,420	2,649
Loss on extinguishment of debt ^(g)	58,574	44,262
Professional services relating to EO sterilization facilities ^(h)	45,924	36,671
Accretion of asset retirement obligation ⁽ⁱ⁾	2,007	1,946
COVID-19 expenses ^(j)	2,900	2,677
Income tax benefit associated with pre-tax adjustments ^(k)	(49,962)	(43,536)
Adjusted Net Income	126,892	99,124
Interest expense, net	179,979	215,259
Depreciation ^(l)	62,578	63,309
Income tax provision applicable to Adjusted Net Income ^(m)	63,845	42,167
Adjusted EBITDA	\$ 433,294	\$ 419,859

(1) See accompanying footnote for this table on next slide

Non-GAAP Financial Measures

- (a) Includes non-cash share-based compensation expense.
- (b) Represents cash bonuses for members of management primarily relating to the November 2020 IPO.
- (c) 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.
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- (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 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.
- (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 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.
- (k) Represents the tax benefit or provision associated with the reconciling items between net 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.
- (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).