



JP Morgan Healthcare Conference

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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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, or increases in the price of, ethylene oxide (“EO”) or cobalt-60 (“Co-60”), including geopolitical risks related to the supply of Co-60 from Russia; foreign currency exchange rates and changes in those rates; 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; satisfaction of conditions to completing the settlement Illinois litigation, including the participation by substantially all Illinois plaintiffs in the settlement; adverse judgments against two of our subsidiaries in the EO tort litigation that may require an appellate bond or alternative form of security to appeal if a settlement is not completed, and plaintiff efforts to enforce judgments against us, any one of which may have an adverse impact on our liquidity or may cause the need for us to increase our borrowings and, consequently, increase our interest expense; capital market and other risks to our ability to raise additional debt financing on reasonable terms or at all, including availability of capital and the impact of future litigation developments on our ability to access capital markets; 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; 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, Adjusted Net Income, 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, 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, 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 EBITDA and Adjusted Net Income, 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.

This presentation refers to, and in other communications with investors the Company may refer to, net sales or revenues or other historical financial information on a “constant currency” basis, which is a non-GAAP financial measure we use to assess performance excluding the impact of foreign currency exchange rate changes. We calculate constant currency net revenues by translating prior year net revenues in local currency at the average exchange rates applicable for the current period. The translated results are then used to determine year-over-year percentage increases or decreases. We generally refer to such amounts calculated on a constant currency basis as excluding the impact of foreign currency exchange rates. These results should be considered in addition to, not as a substitute for, results reported in accordance with GAAP. Results on a constant currency basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with U.S. GAAP.

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, including its Quarterly Reports on Form 10-Q. 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, 2022, unless otherwise stated.

OVERVIEW

We are driven by our mission: Safeguarding Global Health®



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
- **TTM Q3 2022 Adjusted EBITDA margins⁽¹⁾ of >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) For a reconciliation of GAAP to non-GAAP results, please refer to Non-GAAP Financial Measures provided in the Appendix.

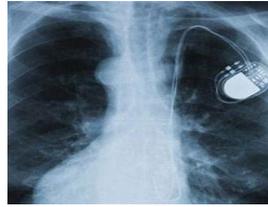
(2) 2019 Management estimated total addressable markets for in-house and outsourced terminal sterilization and outsourced medical device and pharmaceutical lab testing.

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



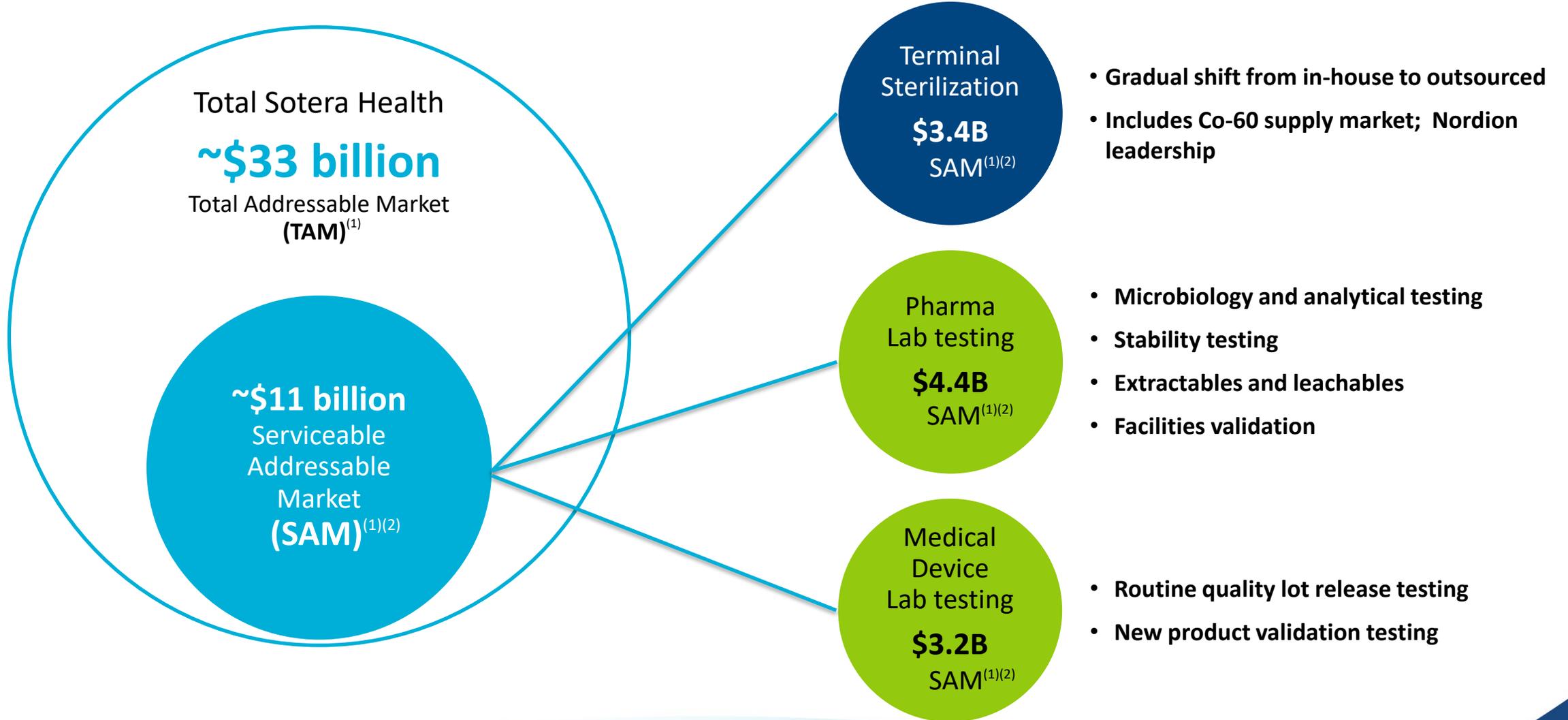
Pharma packaging



Non-injectable sterile fluids

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

Total and Serviceable Addressable Markets (TAM & SAM)

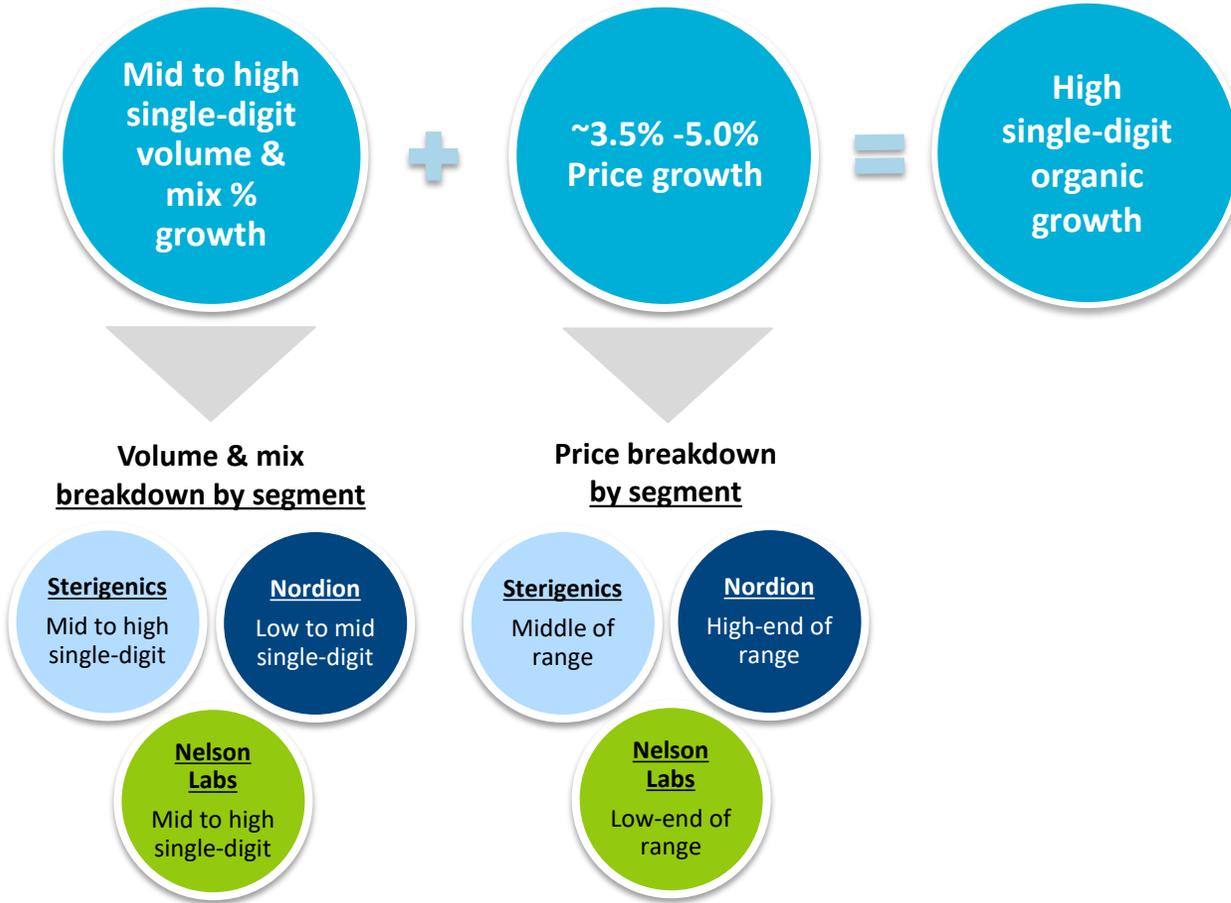


(1) 2019 Management estimated total and serviceable addressable markets for in-house and outsourced terminal sterilization and outsourced medical device and pharmaceutical lab testing.

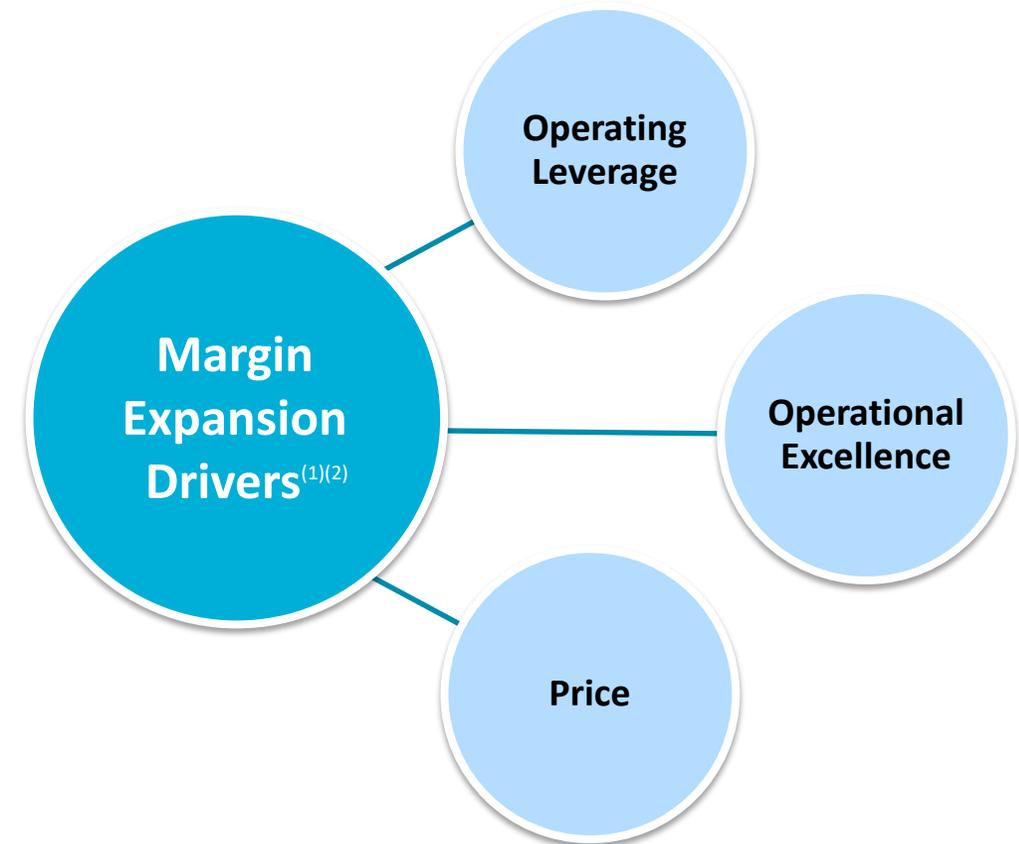
(2) We define SAM as markets in which we have core or adjacent service capabilities.

Long-Term Organic Growth Roadmap

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



Margin Expansion Algorithm



(1) Long-term revenue growth and margin expansion are forward-looking and reflects expectations as of January 9, 2023. Sotera Health assumes no obligation to update these statements. Results may be materially different and are affected by many factors detailed in Sotera Health's SEC filings, including Sotera Health's 10-K and 2022 Form 10-Qs.

(2) Acquisitions are typically margin dilutive during the integration phase.

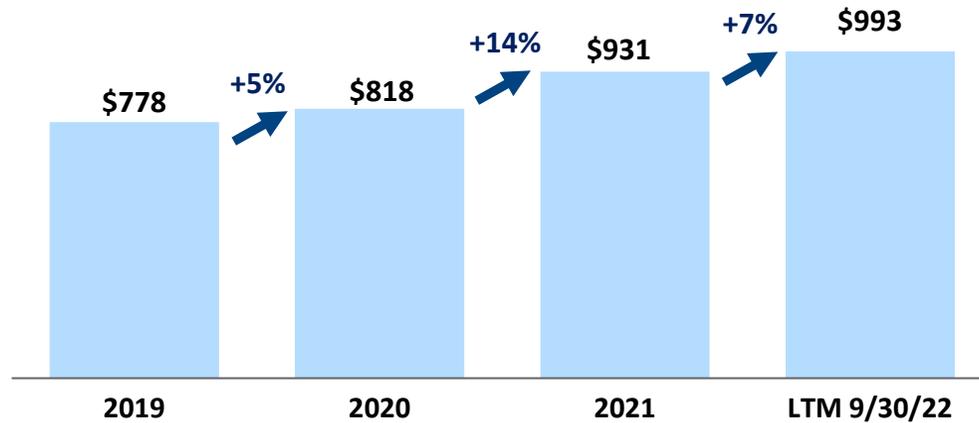
FINANCIAL OVERVIEW

Growth drivers translate to long-term value creation

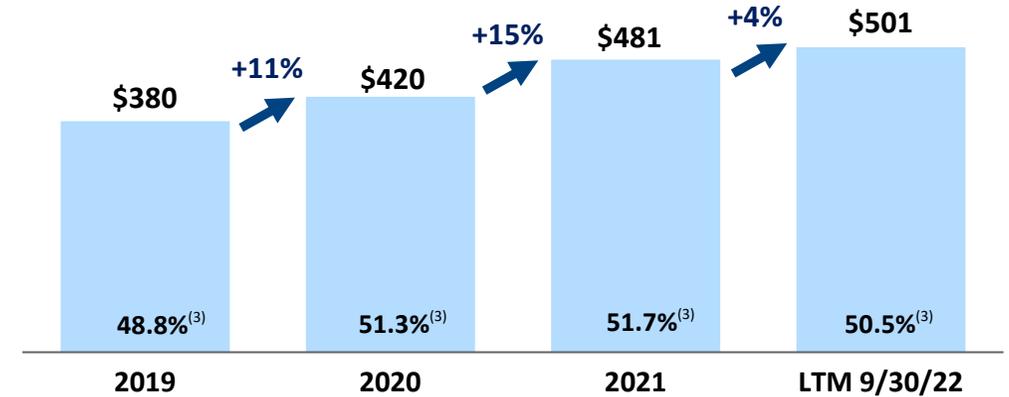
Consolidated 2019 – YTD Q3 2022 Fiscal Year Financial Results

\$ In millions

Revenue



Adjusted EBITDA ⁽¹⁾⁽²⁾⁽³⁾



- Customers include the majority of the largest global medical device and pharma companies ⁽⁴⁾⁽⁵⁾
- Top 25 customers' tenure averages over 10+ years ⁽⁵⁾
- >90% of sterilization services sales (>\$660M) under multi-year contracts ⁽⁵⁾
- Many contracts include annual price escalators, often with inflation protection

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

(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, net, and mark-to-market of derivatives not accounted for as hedges, depreciation (including depreciation of Co-60 used in our operations) and income tax provision applicable to Adjusted Net Income. Please refer to Non-GAAP Financial Measures provided in the Appendix.

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

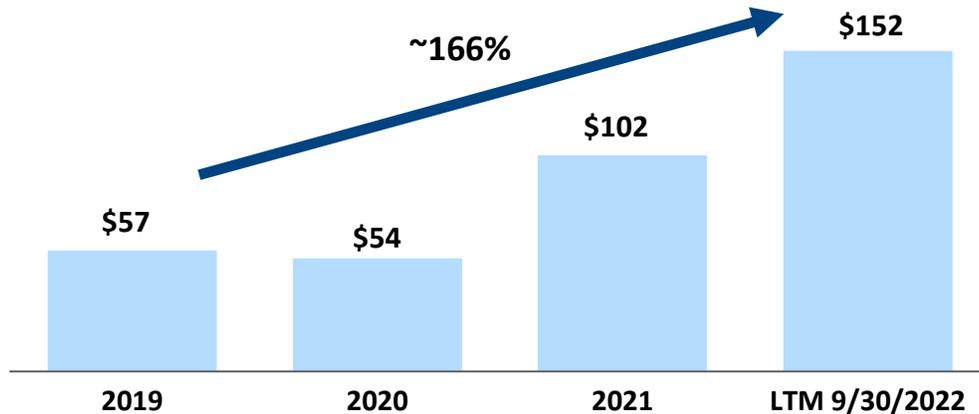
(4) Based on revenue.

(5) Based on 2021 data.

Capital Investments and Leverage

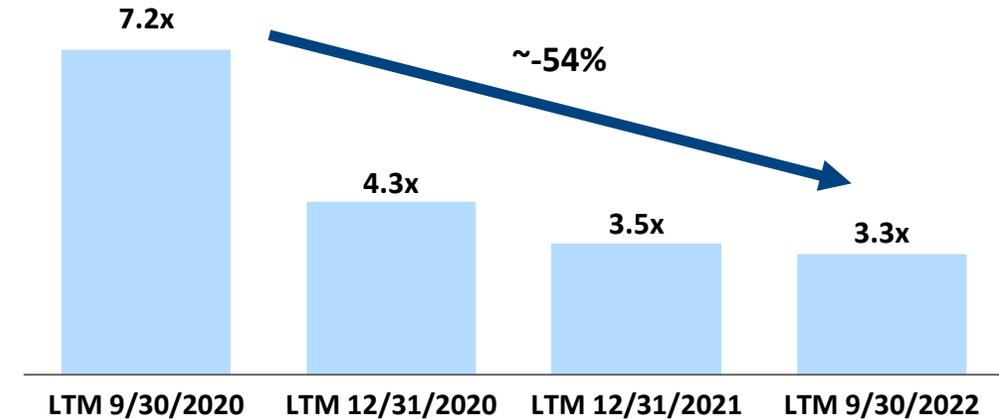
\$ In millions

Capital Expenditures



- 2020 investments depressed by pandemic
- 2022 Sterigenics completed 3 capacity expansions, along with continued progress on EO emission control enhancements
- Nordion Cobalt-60 development investments furthering diversification of supply chain
- Nelson Labs med device and pharma extractables and leachables lab expansions underway

Net Leverage Reduction



- Net leverage reduction by ~54% since IPO in Q4 2020
- Committed to deleveraging, with long-term target net leverage range of 2.0x - 4.0x⁽¹⁾
- Early 2023 debt capital raise expected due to litigation needs, which may increase leverage above target range

(1) Long-term target is forward-looking and reflects expectations as of January 9, 2023 (excluding the expected debt capital raise noted above). Sotera Health assumes no obligation to update this statement. Results may be materially different and are affected by many factors detailed in Sotera Health's SEC filings, including Sotera Health's 2021 Form 10-K and 2022 Form 10-Qs.

Global leader with runway for future growth

	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 global partner at scale	50 sterilization facilities 15 lab and Expert Advisory Services facilities
	Operational excellence	Contributes to industry leading margins
	Platform geared for continued M&A	2 transformational and 9 bolt-on acquisitions ⁽⁴⁾
	Established and experienced management team	M&A execution Capital deployment

(1) Full-year 2021 and last 12 months ended September 30, 2022; (2) 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.; (4) Since 2013.

Appendix



We have a strong track record of driving growth through M&A



Sotera Health Safeguarding Global Health®

Transformational acquisitions



Leading global provider of Co-60

2014



Leader in lab testing and advisory services

2016

Bolt-on acquisitions



2013



2014



2015



2016



2017



2018



2020



BIOSCIENCE
LABORATORIES

2021



We expect to continue to pursue value-creating strategic acquisitions to expand addressable market and enhance global capabilities and footprint

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

ESG is fundamental 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
- Board-level oversight
 - ESG oversight by Nominating & Corporate Governance (“NCG”) Committee and full Board
 - NCG Committee Chair has deep expertise in ESG
 - ESG is a standing Board agenda item
- Internal ESG Committee created with Executive Management Leadership
 - Regular discussions with CEO
 - Multi-year strategy to coordinate, drive and disclose ESG activities and new ESG initiatives that are most meaningful to stakeholders
 - Published first Corporate Responsibility Report in 2022



Non-GAAP Financial Measures

(in thousands)
(unaudited)

	Twelve Months Ended				
	December 31, 2019	September 30, 2020	December 31, 2020	December 31, 2021	September 30, 2022
Net income (loss)	\$ (20,425)	\$ (21,851)	\$ (37,491)	\$ 117,121	\$ 122,146
Amortization of intangible assets	80,048	79,829	80,255	86,742	83,039
Impairment of long-lived assets and intangible assets ^(a)	5,792	11	—	—	—
Share-based compensation ^(b)	16,882	5,781	10,987	13,870	18,336
Capital restructuring bonuses ^(c)	2,040	1,510	2,702	—	—
Gain (loss) on foreign currency and derivatives not designated as hedging instruments, net ^(d)	2,662	(10,427)	(8,454)	(58)	(5,731)
Acquisition and divestiture related charges, net ^(e)	(318)	3,356	3,932	(6,018)	(3,037)
Business optimization project expenses ^(f)	4,195	5,194	2,524	948	1,777
Plant closure expenses ^(g)	1,712	2,955	2,649	2,327	4,539
Impairment of investment in unconsolidated affiliate ^(h)	—	—	—	—	9,613
Loss on extinguishment of debt ⁽ⁱ⁾	30,168	30,168	44,262	20,681	4
Professional services relating to EO sterilization facilities ^(j)	11,216	28,798	36,671	45,656	62,402
Accretion of asset retirement obligations ^(k)	2,051	2,070	1,946	2,252	2,145
COVID-19 expenses ^(l)	—	2,363	2,677	761	319
Income tax benefit associated with pre-tax adjustments ^(m)	(35,637)	(40,124)	(43,536)	(38,500)	(31,065)
Adjusted Net Income	100,386	89,633	99,124	245,782	264,487
Interest expense, net ⁽ⁿ⁾	157,729	210,393	215,259	74,192	69,581
Depreciation ^(o)	66,671	63,920	63,309	64,160	64,199
Income tax provision applicable to Adjusted Net Income ^(p)	55,146	37,326	42,167	97,095	103,044
Adjusted EBITDA^(q)	\$ 379,932	\$ 401,272	\$ 419,859	\$ 481,229	\$ 501,311
Net Revenue	\$ 778,327	\$ 794,798	\$ 818,158	\$ 931,478	\$ 993,346
Adjusted EBITDA Margin	48.8%	50.5%	51.3%	51.7%	50.5%

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 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 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 Regulatory Compliance Associates Inc., the noncontrolling interests in our China subsidiaries, 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 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 decommissioning costs, 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 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, premiums paid in connection with early extinguishment and debt issuance and discount costs incurred for the new debt.
- (j) Represents litigation and other professional fees associated with our EO sterilization facilities.
- (k) Represents non-cash accretion of asset retirement obligations related to gamma and EO 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.
- (l) Represents non-recurring costs associated with the COVID-19 pandemic, including incremental costs to implement workplace health and safety measures. For the twelve months ended September 30, 2020 and the year end December 31, 2020 costs also included donations to related charitable causes and special bonuses for front-line personnel working on-site during lockdown periods.
- (m) 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.
- (n) The twelve months ended September 30, 2022 exclude \$6.1 million of unrealized gains on interest rate derivatives not designated as hedging instruments.
- (o) Includes depreciation of Co-60 held at gamma irradiation sites.
- (p) 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 (m).
- (q) \$86.7 million, \$85.2 million, \$82.6 million, \$85.3 million, and \$84.7 million of the adjustments for the twelve months ended December 31, 2019, September 30, 2020, December 31, 2020, December 31, 2021 and September 30, 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)

<i>(in thousands)</i> <i>(unaudited)</i>	Twelve Months Ended			
	September 30, 2020	December 31, 2020	December 31, 2021	September 30, 2022
Current portion of long-term debt	\$ 21,200	\$ —	\$ —	\$ —
Long-term debt less current portion	2,888,780	1,824,789	1,743,534	1,746,555
Current portion of finance leases	1,044	1,173	1,160	1,591
Finance leases less current portion	30,743	34,939	40,877	54,935
Total Debt	2,941,767	1,860,901	1,785,571	1,803,081
Add: unamortized debt issuance costs and debt discounts	69,870	38,761	20,016	16,995
Less: cash and cash equivalents	(108,276)	(102,454)	(106,924)	(164,961)
Total Net Debt	\$ 2,903,361	\$ 1,797,208	\$ 1,698,663	\$ 1,655,115
Adjusted EBITDA^(a)	\$ 401,272	\$ 419,859	\$ 481,229	\$ 501,311
Net Leverage	7.2x	4.3x	3.5x	3.3x

(a) Represents Adjusted EBITDA for the twelve months ended September 30, 2020, December 31, 2020, December 31, 2021, and September 30, 2022, respectively. Refer to the reconciliations of Adjusted EBITDA to net income for additional detail.