UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______ to _______

Commission File Number 001-38848

STERIS plc

(Exact name of registrant as specified in its charter)

Ireland	**98-1455064**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
70 Sir John Rogerson's Quay, Dublin 2, Ireland	**D02 R296**
(Address of principal executive offices)	**(Zip code)**

353 1 232 2000
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of each class	Trading symbol(s)	Name of Exchange on Which Registered
Ordinary Shares, $0.001 par value	STE	New York Stock Exchange
2.700% Senior Notes due 2031	STE/31	New York Stock Exchange
3.750% Senior Notes due 2051	STE/51	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company," in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of ordinary shares outstanding as of August 4, 2025: 98,490,606

STERIS plc and Subsidiaries

Form 10-Q
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PART 1—FINANCIAL INFORMATION

As used in this Quarterly Report on Form 10-Q, STERIS plc and its consolidated subsidiaries together are called "STERIS," the "Company," "we," "us," or "our," unless otherwise noted.

ITEM 1. FINANCIAL STATEMENTS

STERIS PLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in millions, except par value)

	June 30, 2025	March 31, 2025
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	**$ 279.7**	$ 171.7
Accounts receivable (net of allowances of $25.6 and $24.4 respectively)	**947.1**	1,044.0
Inventories, net	**641.2**	581.3
Prepaid expenses and other current assets	**189.8**	203.8
Total current assets	**2,057.8**	2,000.8
Property, plant, and equipment, net	**2,054.8**	1,956.5
Lease right-of-use assets, net	**163.5**	156.4
Goodwill	**4,223.1**	4,095.7
Intangibles, net	**1,817.2**	1,854.4
Other assets	**88.6**	83.0
Total assets	**$ 10,405.0**	$ 10,146.8
Liabilities and equity		
Current liabilities:		
Accounts payable	**$ 300.9**	$ 280.8
Accrued income taxes	**64.7**	21.4
Accrued payroll and other related liabilities	**154.7**	192.7
Short-term lease obligations	**35.3**	34.2
Short-term indebtedness	**—**	125.0
Accrued expenses and other	**371.0**	368.1
Total current liabilities	**926.6**	1,022.2
Long-term indebtedness	**1,903.1**	1,918.7
Deferred income taxes, net	**411.4**	403.6
Long-term lease obligations	**130.4**	124.6
Other liabilities	**63.6**	61.9
Total liabilities	**$ 3,435.1**	$ 3,531.0
Commitments and contingencies (see Note 10)		
Ordinary shares, with $0.001 par value; 500.0 shares authorized; 98.5 and 98.3 ordinary shares issued and outstanding, respectively	**4,431.0**	4,420.4
Retained earnings	**2,596.5**	2,475.3
Accumulated other comprehensive loss	**(70.5)**	(292.3)
Total shareholders' equity	**6,957.0**	6,603.4
Noncontrolling interests	**12.9**	12.4
Total equity	**6,969.9**	6,615.8
Total liabilities and equity	**$ 10,405.0**	$ 10,146.8

See notes to consolidated financial statements.

STERIS PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30,	
	2025	**2024**
Revenues:		
Product	**$ 690.5**	$ 656.3
Service	**700.6**	623.2
Total revenues	**1,391.1**	1,279.5
Cost of revenues:		
Product	**359.7**	340.4
Service	**403.4**	366.7
Total cost of revenues	**763.1**	707.1
Gross profit	**628.0**	572.4
Operating expenses:		
Selling, general, and administrative	**353.8**	335.6
Research and development	**26.4**	25.6
Restructuring expenses	**1.8**	25.7
Total operating expenses	**382.0**	386.9
Income from operations	**246.0**	185.5
Non-operating expenses, net:		
Interest expense	**15.9**	30.4
Interest and miscellaneous income	**(1.8)**	(1.3)
Gain on sale of business	**—**	(18.8)
Total non-operating expenses, net	**14.1**	10.3
Income from continuing operations before income tax expense	**231.9**	175.2
Income tax expense	**53.9**	35.3
Income from continuing operations, net of income tax	**178.0**	139.9
Income from discontinued operations, net of income tax	**—**	5.6
Net income	**178.0**	145.5
Less: Net income attributable to noncontrolling interests	**0.6**	0.1
Net income attributable to shareholders	**$ 177.4**	$ 145.4
Net income per share attributable to shareholders - Basic:		
Continuing Operations	**$ 1.80**	$ 1.41
Discontinued Operations	**$ —**	$ 0.06
Total	**$ 1.80**	$ 1.47
Net income per share attributable to shareholders - Diluted:		
Continuing Operations	**$ 1.79**	$ 1.41
Discontinued Operations	**$ —**	$ 0.06
Total	**$ 1.79**	$ 1.46
Cash dividends declared per share ordinary outstanding	**$ 0.57**	$ 0.52

See notes to consolidated financial statements.

STERIS PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)
(Unaudited)

	Three Months Ended June 30,	
	2025	**2024**
Net income	**$ 178.0**	$ 145.5
Less: Net income attributable to noncontrolling interests	**0.6**	0.1
Net income attributable to shareholders	**177.4**	145.4
Other comprehensive income (loss)		
Defined benefit plan changes, net of taxes	**—**	(0.2)
Change in cumulative foreign currency translation adjustment	**221.8**	5.8
Total other comprehensive income	**221.8**	5.6
Comprehensive income	**$ 399.2**	$ 151.0

See notes to consolidated financial statements.

STERIS PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(Unaudited)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
Operating activities:		
Net income	**$ 178.0**	$ 145.5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion, and amortization	**119.4**	112.7
Deferred income taxes	**—**	(22.1)
Share-based compensation expense	**11.9**	11.5
Loss (gain) on the disposal of property, plant, equipment, and intangibles, net	**—**	2.2
Gain on sale of businesses, net	**—**	(11.0)
Other items	**14.5**	(2.5)
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Accounts receivable, net	**119.2**	107.7
Inventories, net	**(42.5)**	(34.1)
Other current assets	**18.9**	9.4
Accounts payable	**9.8**	(17.1)
Accruals and other, net	**(9.2)**	1.5
Net cash provided by operating activities	**420.0**	303.7
Investing activities:		
Purchases of property, plant, equipment, and intangibles, net	**(93.6)**	(108.1)
Proceeds from the sale of property, plant, equipment, and intangibles	**0.1**	—
Proceeds from the sale of businesses	**—**	809.6
Acquisition of businesses, net of cash acquired	**(15.0)**	(13.7)
Net cash (used in) provided by investing activities	**(108.5)**	687.8
Financing activities:		
Payments on Private Placement Senior Notes	**(125.0)**	—
Payments on term loans	**—**	(638.1)
Payments under credit facilities, net	**(30.5)**	(253.2)
Acquisition related deferred or contingent consideration	**(0.1)**	(0.1)
Repurchases of ordinary shares	**(10.6)**	(64.2)
Cash dividends paid to ordinary shareholders	**(56.2)**	(51.4)
Contributions from noncontrolling interest holders	**—**	2.5
Stock option and other equity transactions, net	**9.3**	5.6
Net cash used in financing activities	**(213.1)**	(998.9)
Effect of exchange rate changes on cash and cash equivalents	**9.6**	(1.3)
Increase (decrease) in cash and cash equivalents	**108.0**	(8.7)
Cash and cash equivalents at beginning of period	**171.7**	207.0
Cash and cash equivalents at end of period	**$ 279.7**	$ 198.3

See notes to consolidated financial statements.

STERIS PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30, 2025					
	Ordinary Shares		Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total Equity
	Number	Amount				
Balance at March 31, 2025	**98.3**	**$ 4,420.4**	**$ 2,475.3**	**$ (292.3)**	**$ 12.4**	**$ 6,615.8**
Comprehensive income:						
Net income	**—**	**—**	**177.4**	**—**	**0.6**	**178.0**
Other comprehensive loss	**—**	**—**	**—**	**221.8**	**—**	**221.8**
Repurchases of ordinary shares	**(0.1)**	**(10.6)**	**—**	**—**	**—**	**(10.6)**
Equity compensation programs and other	**0.2**	**21.2**	**—**	**—**	**—**	**21.2**
Cash dividends – $0.57 per ordinary share	**—**	**—**	**(56.2)**	**—**	**—**	**(56.2)**
Other changes in noncontrolling interest	**—**	**—**	**—**	**—**	**(0.1)**	**(0.1)**
Balance at June 30, 2025	**98.4**	**4,431.0**	**2,596.5**	**(70.5)**	**12.9**	**$ 6,969.9**

	Three Months Ended June 30, 2024					
	Ordinary Shares		Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total Equity
	Number	Amount				
Balance at March 31, 2024	98.9	$ 4,543.2	$ 2,087.6	$ (328.7)	$ 13.2	$ 6,315.3
Comprehensive income:						
Net income	—	—	145.4	—	0.1	145.5
Other comprehensive income	—	—	—	5.6	—	5.6
Repurchases of ordinary shares	(0.3)	(60.7)	(3.5)	—	—	(64.2)
Equity compensation programs and other	0.2	17.1	—	—	—	17.1
Cash dividends – $0.52 per ordinary share	—	—	(51.4)	—	—	(51.4)
Contributions from noncontrolling interest	—	—	—	—	2.5	2.5
Balance at June 30, 2024	98.8	4,499.6	2,178.1	(323.1)	15.8	$ 6,370.4

See notes to consolidated financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies

STERIS is a leading global provider of products and services that support patient care with an emphasis on infection prevention. WE HELP OUR CUSTOMERS CREATE A HEALTHIER AND SAFER WORLD by providing innovative healthcare and life science products and services around the globe. We offer our Customers a unique mix of innovative products and services. These include: consumable products, such as detergents, endoscopy accessories, barrier products, instruments and tools; services, including equipment installation and maintenance, microbial reduction of medical devices, instrument and scope repair, laboratory testing, and outsourced reprocessing; capital equipment, such as sterilizers, surgical tables, and automated endoscope reprocessors; and connectivity solutions such as operating room (“OR”) integration.

We operate and report our financial information in three reportable business segments: Healthcare, Applied Sterilization Technologies ("AST"), and Life Sciences. Previously, we had four reportable business segments, however, as a result of the divestiture of our Dental segment, Dental is presented as discontinued operations. Historical information has been retrospectively adjusted to reflect these changes for comparability purposes, as required. We describe our business segments in Note 11 titled "Business Segment Information."

Our fiscal year ends on March 31. References in this Quarterly Report to a particular "year," "fiscal," "fiscal year," or "year-end" mean our fiscal year. The significant accounting policies applied in preparing the accompanying consolidated financial statements of the Company are summarized below.

A detailed description of our significant and critical accounting policies, estimates, and assumptions is included in our consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025. Our significant and critical accounting policies, estimates, and assumptions have not changed materially from March 31, 2025.

Interim Financial Statements

We prepared the accompanying unaudited consolidated financial statements of the Company according to accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and the instructions to the Quarterly Report on Form 10-Q and Rule 10-01 of Regulation S-X. This means that they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Our unaudited interim consolidated financial statements contain all material adjustments (including normal recurring accruals and adjustments) management believes are necessary to fairly state our financial condition, results of operations, and cash flows for the periods presented.

These interim consolidated financial statements should be read together with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the Securities and Exchange Commission ("SEC") on May 29, 2025. The Consolidated Balance Sheet at March 31, 2025 was derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

Principles of Consolidation

We use the consolidation method to report our investment in our subsidiaries. Therefore, the accompanying consolidated financial statements include the financial statements of the Company and its wholly-owned and majority-owned subsidiaries. We eliminate intercompany accounts and transactions when we consolidate these financial statements. Investments in equity of unconsolidated affiliates, over which the Company has significant influence, but not control, over the financial and operating polices, are accounted for primarily using the equity method. These investments are immaterial to the Company's consolidated financial statements. Our reporting currency is United States Dollars (USD). Columns and rows within tables may not add due to rounding. Percentages have been calculated using actual, non-rounded figures.

Discontinued Operations

On April 11, 2024, the Company announced its plan to sell substantially all of the net assets of its Dental segment for total cash consideration of $787.5 million, subject to customary adjustments, and up to an additional $12.5 million in contingent payment should the Dental business achieve certain revenue targets in fiscal 2025. The transaction was structured as an equity sale and closed on May 31, 2024. A component of an entity is reported in discontinued operations after meeting the criteria for held for sale classification if the disposition represents a strategic shift that has (or will have) a major effect on the entity's operations and financial results. We analyzed the quantitative and qualitative factors relevant to the divestiture of our Dental segment and determined that those conditions for discontinued operations presentation had been met prior to March 31, 2024. The Dental segment results of operations have been reclassified as income (loss) from discontinued operations in the

Consolidated Statements of Income for all periods presented. Our Consolidated Statements of Cash Flows include the financial results of the Dental segment through the date of sale on May 31, 2024. For additional information regarding this transaction and its effect on our financial reporting, refer to Note 4 titled, "Discontinued Operations" and Note 11 titled, "Business Segment Information."

Use of Estimates

We make certain estimates and assumptions when preparing financial statements according to U.S. GAAP that affect the reported amounts of assets and liabilities at the financial statement dates and the reported amounts of revenues and expenses during the periods presented. These estimates and assumptions involve judgments with respect to many factors that are difficult to predict and are beyond our control. Actual results could be materially different from these estimates. We revise the estimates and assumptions as new information becomes available. This means that operating results for the three month period ended June 30, 2025 are not necessarily indicative of results that may be expected for future quarters or for the full fiscal year ending March 31, 2026.

Contract Liabilities

Payments received from Customers are based on invoices or billing schedules as established in contracts with Customers. Deferred revenue is recorded when payment is received in advance of performance under the contract. Deferred revenue is recognized as revenue upon completion of the performance obligation, which generally occurs within one year. During the first three months of fiscal 2026, $38.5 million of the March 31, 2025 deferred revenue balance was recorded as revenue. During the first three months of fiscal 2025, $46.0 million of the March 31, 2024 deferred revenue balance was recorded as revenue.

Refer to Note 8 titled, "Additional Consolidated Balance Sheet Information" for deferred revenue balances.

Remaining Performance Obligations

Remaining performance obligations reflect only the performance obligations related to agreements for which we have a firm commitment from a Customer to purchase, and exclude variable consideration related to unsatisfied performance obligations. With regard to products, these remaining performance obligations include orders for capital equipment and consumables where control of the products has not passed to the Customer. With regard to service, these remaining performance obligations primarily include installation, certification, and outsourced reprocessing services. As of June 30, 2025, the transaction price allocated to remaining performance obligations was approximately $1,824.0 million. We expect to recognize approximately 53% of the transaction price within one year and approximately 39% beyond one year. The remainder has yet to be scheduled for delivery.

Recently Issued Accounting Standards Impacting the Company

Recently Issued Accounting Standards impacting the Company are presented in the following table:

Standard	Date of Issuance	Description	Date of Adoption	Effect on the financial statements or other significant matters
Standards that have not yet been adopted.				
ASU 2023-09 "Income Taxes (Topic 740) Improvements to Income Tax Disclosures."	December 2023	The standard provides guidance to enhance disclosures related to income taxes paid (net of refunds), requiring disaggregation by federal, state, and foreign, and disclosure of income taxes paid (net of refunds received) by individual jurisdictions that represent greater than 5% of the total. The standard also requires disclosure of income (loss) from continuing operations before income taxes, disaggregated between domestic and foreign, and income tax expense (or benefit) disaggregated by federal, state, and foreign. Finally, the standard removes the requirement for certain disclosures related to changes in unrecognized tax benefits and certain amounts of temporary differences. The amendments in this standard are effective for annual periods beginning after December 15, 2024.	NA	We are currently assessing the impact of this standard update on our disclosures in the notes to the consolidated financial statements.
ASU 2024-03 "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40) Disaggregation of Income Statement Expenses."	November 2024	The standard provides guidance to enhance disclosures related to the disaggregation of income statement expenses. The standard requires, in the notes to the financial statements, disclosure of specified information about certain costs and expenses which includes purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense caption. The standard also requires amounts that are already required to be disclosed under U.S. GAAP in the same disclosure as the other disaggregation requirements, disclosure of a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and disclosure of the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The amendments in this standard are effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027.	NA	We are currently assessing the impact of this standard update on our disclosures in the notes to the consolidated financial statements.
ASU 2025-05 "Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses for Accounts Receivable and Contract Assets."	July 2025	The standard introduces a practical expedient allowing entities to assume current economic conditions, as of the balance sheet date, remain unchanged when estimating expected credit losses for current trade receivables and contract assets. The guidance is effective for fiscal years beginning after December 15, 2025, including interim periods, with early adoption permitted.	NA	We are currently assessing the impact of this standard update on our disclosures in the notes to the consolidated financial statements.

2. Restructuring

In May 2024, we adopted and announced a targeted restructuring plan (the "Restructuring Plan"). This plan includes a strategic shift in our approach to the Healthcare surgical business in Europe, as well as other actions including the impairment of an internally developed X-ray accelerator, product rationalizations and facility consolidations. Approximately 300 positions have been eliminated. These restructuring actions were designed to enhance profitability and improve efficiency.

The following table summarizes our total pre-tax restructuring expenses recorded during the first three months ended June 30, 2025 and 2024 related to the Restructuring Plan:

(in millions)	Three Months Ended June 30,	
Restructuring Plan	**2025**	**2024**
Severance and other compensation related costs	**$ 1.7**	$ 21.5
Lease and other contract termination and other costs	**—**	3.0
Product rationalization (1)	**—**	2.4
Accelerated depreciation and amortization	**0.1**	1.3
Total Restructuring Expense	**$ 1.8**	$ 28.1

(1) Recorded in Cost of revenues on the Consolidated Statements of Income.

The Restructuring Plan expenses incurred during the first three months ended June 30, 2025 and 2024 primarily related to actions taken within our Healthcare segment. Total pre-tax restructuring expense of $108.4 million has been recorded relating to the Restructuring Plan since inception, of which $34.6 million has been recorded in Cost of revenues. Additional costs with respect to our Restructuring Plan are not expected to be significant during fiscal 2026.

Liabilities related to restructuring activities are recorded as current liabilities in the accompanying Consolidated Balance Sheets within "Accrued payroll and other related liabilities" and "Accrued expenses and other." The following table summarizes our restructuring liability balances:

(in millions)	Restructuring Plan
Balance at March 31, 2025	$ 18.4
Fiscal 2026 Charges	**1.7**
Payments	**(3.8)**
Balance at June 30, 2025	**$ 16.2**

3. Business Acquisitions and Divestitures

Acquisitions

During the first three months of fiscal 2026, we completed a tuck-in acquisition which continued to expand our product and service offerings in the Healthcare segment. Total aggregate consideration was approximately $15.0 million.

During the first three months of fiscal 2025, we completed several tuck-in acquisitions, which continued to expand our product and service offerings in the Healthcare and AST segments. Total aggregate consideration was approximately $13.7 million.

Acquisition and integration expenses totaled $0.5 million and $2.3 million for the three months ended June 30, 2025 and 2024, respectively. Acquisition and integration expenses are reported in the Selling, general and administrative expenses line of our Consolidated Statements of Income and include, but are not limited to, investment banker, advisory, legal and other professional fees, and certain employee-related expenses.

Divestitures

On April 11, 2024, the Company announced its plan to sell its Dental segment for total cash consideration of $787.5 million, subject to customary adjustments, and up to an additional $12.5 million in contingent payment should the Dental business achieve certain revenue targets in fiscal 2025. The transaction was structured as an equity sale and closed on May 31, 2024. The disposal of the Dental segment met the criteria to be presented as a discontinued operation. For more information refer to Note 4 titled "Discontinued Operations."

On April 1, 2024, we completed the sale of the Controlled Environment Certification Services business. We recorded net proceeds of $41.5 million and recognized a pre-tax gain on the sale of $18.8 million in the first three months of fiscal 2025.

4. Discontinued Operations

On April 11, 2024, the Company announced its plan to sell substantially all of the net assets of its Dental segment for total cash consideration of $787.5 million, subject to customary adjustments, and up to an additional $12.5 million in contingent payment should the Dental business achieve certain revenue targets in fiscal 2025. The transaction was structured as an equity sale and closed on May 31, 2024. A component of an entity is reported in discontinued operations after meeting the criteria for held for sale classification if the disposition represents a strategic shift that has (or will have) a major effect on the entity's operations and financial results. We analyzed the quantitative and qualitative factors relevant to the divestiture of our Dental segment and determined that those conditions for discontinued operations presentation had been met prior to March 31, 2024. The Dental segment results of operations have been reclassified as income (loss) from discontinued operations in the Consolidated Statements of Income for all periods presented. Our Consolidated Statements of Cash Flows include the financial results of the Dental segment through the date of sale on May 31, 2024. A majority of the proceeds received from the sale were utilized to pay off existing debt.

The following table summarizes the major line items constituting pre-tax income of discontinued operations associated with the Dental segment for the three months ending June 30, 2024:

	Three Months Ended June 30,
(in millions)	2024
Revenues:	
Product	$ 63.9
Cost of revenues:	
Product	35.1
Gross profit:	28.8
Operating expenses:	
Selling, general, and administrative	13.5
Research and development	0.4
Income from operations [(1)]	15.0
Pre-tax loss on sale	(7.8)
Income before income tax expense	7.1
Income tax expense	1.5
Income from discontinued operations, net of income tax	5.6

[(1)] Income from operations for the three month period ended June 30, 2024 includes two months of operating results prior to the transaction close on May 31, 2024 and excludes depreciation and amortization of property, plant, equipment, and intangible assets subsequent to the held for sale classification as of March 2, 2024.

The effective income tax rate for the three month period ending June 30, 2024 from discontinued operations was 21.4%.

Significant non-cash operating items and capital expenditures related to discontinued operations are reflected in the statement of cash flows as follows:

	Three Months Ended June 30,
(in millions)	2024
Investing activities of discontinued operations:	
Purchases of property, plant, equipment, and intangibles, net	$ (0.4)

5. Inventories, Net

Inventories are stated at the lower of their cost and net realizable value determined by the first-in, first-out ("FIFO") cost method. Inventory costs include material, labor, and overhead. Inventories, net consisted of the following:

(in millions)	June 30, 2025	March 31, 2025
Raw materials	**$ 223.2**	$ 213.1
Work in process	**89.5**	83.1
Finished goods	**373.6**	334.9
Reserve for excess and obsolete inventory	**(45.1)**	(49.8)
Inventories, net	**$ 641.2**	$ 581.3

6. Property, Plant, and Equipment

Information related to the major categories of our depreciable assets is as follows:

(in millions)	June 30, 2025	March 31, 2025
Land and land improvements [1]	**$ 111.3**	$ 106.1
Buildings and leasehold improvements	**876.4**	832.1
Machinery and equipment	**1,252.6**	1,205.4
Information systems	**288.1**	282.1
Radioisotope	**780.8**	749.8
Construction in progress [1]	**560.9**	512.1
Total property, plant, and equipment	**3,870.0**	3,687.7
Less: accumulated depreciation and depletion	**(1,815.3)**	(1,731.1)
Property, plant, and equipment, net	**$ 2,054.8**	$ 1,956.5

[1] Land is not depreciated. Construction in progress is not depreciated until placed in service.

7. Debt

Indebtedness was as follows:

(in millions)	June 30, 2025	March 31, 2025
Short-term debt		
Private Placement Senior Notes	**$ —**	$ 125.0
Total short-term debt	**$ —**	$ 125.0
Long-term debt		
Private Placement Senior Notes	**$ 563.9**	$ 549.2
Revolving Credit Facility	**4.2**	34.8
Deferred financing costs	**(14.9)**	(15.3)
Senior Public Notes	**1,350.0**	1,350.0
Total long-term debt	**$ 1,903.1**	$ 1,918.7
Total debt	**$ 1,903.1**	$ 2,043.7

On October 7, 2024, STERIS plc ("Parent"), STERIS Corporation, STERIS Limited, and STERIS Irish FinCo Unlimited Company, each as a borrower and guarantor, entered into a credit agreement with various financial institutions as lenders, and

JPMorgan Chase Bank, N.A., as administrative agent (the “Revolving Credit Agreement”) providing for a $1,100.0 million revolving credit facility (the “Revolving Credit Facility”), which replaced a prior credit agreement, dated as of March 19, 2021.

The Revolving Credit Agreement provides for revolving credit borrowings, swing line borrowings and letters of credit, with sublimits for swing line borrowings and letters of credit. The Revolving Credit Agreement may be increased in specified circumstances by up to $625.0 million in the discretion of the lenders. The Revolving Credit Agreement matures on the date that is five years after October 7, 2024, and all unpaid borrowings, together with accrued and unpaid interest thereon, are repayable on that date. The Revolving Credit Facility bears interest from time to time, at either the Base Rate or the Relevant Rate, as defined in and calculated under and as in effect from time to time under the Revolving Credit Agreement, plus the Applicable Margin, as defined in the Revolving Credit Agreement. The Applicable Margin is determined based on the Debt Rating of Parent, as defined in the Revolving Credit Agreement. Base Rate Advances are payable quarterly in arrears and Term Benchmark Advances are payable at the end of the relevant interest period therefor, but in no event less frequently than every three months. Swingline borrowings bear interest at a rate to be agreed by the applicable swingline lender and the applicable borrower, subject to a cap in the case of swingline borrowings denominated in U.S. Dollars equal to the Base Rate plus the Applicable Margin for Base Rate Advances plus the Facility Fee. There is no premium or penalty for prepayment of Base Rate Advances, but prepayments of Term Benchmark Advances are generally subject to a breakage fee. Advances may be extended in U.S. Dollars or in specified alternative currencies (“Alternative Currency Advances”). Alternative Currency Advances are limited in the aggregate to the equivalent of $625.0 million.

Additional information regarding our indebtedness is included in the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025.

8. Additional Consolidated Balance Sheet Information

Additional information related to our Consolidated Balance Sheets is as follows:

(in millions)	June 30, 2025	March 31, 2025
Accrued payroll and other related liabilities:		
Compensation and related items	**$ 90.2**	$ 69.8
Accrued vacation/paid time off	**17.4**	16.2
Accrued bonuses	**24.7**	66.5
Accrued employee commissions	**19.3**	37.4
Other postretirement benefit obligations-current portion	**1.0**	1.0
Other employee benefit plans obligations-current portion	**2.1**	1.8
Total accrued payroll and other related liabilities	**$ 154.7**	$ 192.7
Accrued expenses and other:		
Deferred revenues	**$ 51.8**	$ 57.5
Service liabilities	**114.7**	107.8
Self-insured risk reserves-current portion	**15.6**	15.1
Illinois EO litigation settlement	**43.2**	48.2
Accrued dealer commissions	**32.8**	32.1
Accrued warranty	**16.1**	16.3
Asset retirement obligation-current portion	**0.6**	0.6
Accrued interest	**17.1**	7.8
Other	**79.1**	82.8
Total accrued expenses and other	**$ 371.0**	$ 368.1
Other liabilities:		
Self-insured risk reserves-long-term portion	**$ 24.0**	$ 24.0
Other postretirement benefit obligations-long-term portion	**4.8**	4.8
Defined benefit pension plans obligations-long-term portion	**3.7**	3.3
Other employee benefit plans obligations-long-term portion	**1.5**	1.3
Accrued long-term income taxes	**1.9**	1.9
Asset retirement obligation-long-term portion	**14.6**	13.8
Other	**13.2**	12.7
Total other liabilities	**$ 63.6**	$ 61.9

9. Income Taxes

On July 4, 2025, the U.S. enacted the One Big Beautiful Bill Act ("OBBBA") which contains substantial changes to its tax policies. Business provisions in the OBBBA, some of which were extensions of those established in the Tax Cuts and Jobs Act, include favorable cost recovery allowances, changes to U.S. international tax rules, and changes to energy and environmental related incentives. The law has multiple effective dates, with certain provisions applicable to years beginning after fiscal 2026. We are currently assessing its impact on our consolidated financial statements.

Our effective tax rate is affected by (i) the tax rates in Ireland (our country of domicile), the United States, and other jurisdictions in which we operate, and (ii) the relative amount of income before income taxes by geography.

The effective income tax rates for the three month periods ended June 30, 2025 and 2024 from continuing operations were 23.3% and 20.1%, respectively. The fiscal 2026 effective tax rates increased when compared to fiscal 2025, primarily due to changes in geographic mix of projected profits and unfavorable changes in discrete items.

Income tax expense is provided on an interim basis based upon our estimate of the annual effective income tax rate, adjusted each quarter for discrete items. In determining the estimated annual effective income tax rate, we analyze various factors, including projections of our annual earnings and taxing jurisdictions in which the earnings will be generated, the impact of state and local income taxes, our ability to use tax credits and net operating loss carry forwards, and available tax planning alternatives.

We operate in numerous taxing jurisdictions and are subject to regular examinations by various United States federal, state and local, as well as foreign jurisdictions. We are no longer subject to United States federal examinations for years before fiscal 2018 and, with limited exceptions, we are no longer subject to United States state and local, or non-United States, income tax examinations by tax authorities for years before fiscal 2018. We remain subject to tax authority audits in various jurisdictions wherever we do business.

In the fourth quarter of fiscal 2021, we completed an appeals process with the U.S. Internal Revenue Service (the “IRS”) regarding proposed audit adjustments related to deductibility of interest paid on intercompany debt for fiscal years 2016 through 2017. An agreement was reached on final interest rates, which also impacted subsequent years through 2020. The total federal, state, and local tax impact of the settlement including interest is approximately $12.0 million for the fiscal years 2016 through 2020, materially all of which has been paid through June 30, 2025.

In November 2023, we received two Notices of Deficiency from the IRS regarding the previously disclosed deemed dividend inclusions and associated withholding tax matter. The notices relate to the fiscal and calendar year 2018. The IRS adjustments would result in a cumulative tax liability of approximately $50.0 million. We are contesting the IRS’s assertions and have filed petitions with the U.S. Tax Court. We have not established reserves related to these notices. An unfavorable outcome is not expected to have a material adverse impact on our consolidated financial position but could be material to our consolidated results of operations and cash flows for any one period.

10. Commitments and Contingencies

We are, and will likely continue to be, involved in a number of legal proceedings, government investigations, and claims, which we believe generally arise in the course of our business, given our size, history, complexity, and the nature of our business, products, Customers, regulatory environment, and industries in which we participate. These legal proceedings, investigations and claims generally involve a variety of legal theories and allegations, including, without limitation, personal injury (e.g., slip and falls, burns, vehicle accidents), product liability or regulation (e.g., based on product operation or claimed malfunction, failure to warn, failure to meet specification, or failure to comply with regulatory requirements), product exposure (e.g., claimed exposure to chemicals, gases, asbestos, contaminants, radiation), property damage (e.g., claimed damage due to leaking equipment, fire, vehicles, chemicals), commercial claims (e.g., breach of contract, economic loss, warranty, misrepresentation), financial (e.g., taxes, reporting), employment (e.g., wrongful termination, discrimination, benefits matters), and other claims for damage and relief.

We record a liability for such contingencies to the extent we conclude that their occurrence is both probable and estimable and believe we have adequately reserved for our current litigation and claims that are probable and estimable. In the event that the estimate of a probable loss is a range and no amount within the range is more likely, we accrue the minimum amount of the range. We consider many factors in making these assessments, including the professional judgment of experienced members of management and our legal counsel. We have made estimates as to the likelihood of unfavorable outcomes and the amounts of such potential losses. Further, we believe that the ultimate outcome of pending lawsuits and claims will not have a material adverse effect on our consolidated financial position or results of operations taken as a whole. Due to their inherent uncertainty, however, there can be no assurance of the ultimate outcome or effect of current or future litigation, investigations, claims or other proceedings. For certain types of claims, we presently maintain insurance coverage for bodily injury and third party property damage and other liability coverages in amounts and with retentions and deductibles that we believe are prudent, and we may also have contractual indemnification rights against certain liabilities, but there can be no assurance that either will be applicable or adequate to cover adverse outcomes of claims or legal proceedings against us. We record expected recoveries under applicable contracts when we are assured of recovery.

Civil, criminal, regulatory or other proceedings involving our products or services, including the matters discussed herein, could possibly result in judgments, settlements or administrative or judicial decrees requiring us, among other actions, to pay damages or fines or effect recalls, or be subject to other governmental, Customer or other third party claims or remedies, which could materially affect our business, performance, prospects, value, financial condition, and results of operations. Further, the Company may incur material defense costs as a result of such proceedings, which may also divert management attention from other priorities.

From time to time, STERIS is also involved in legal proceedings as a plaintiff involving contract, patent protection, and other claims asserted by us. Gains, if any, from these proceedings are recognized when they are realized.

Illinois EO Litigation Settlement

A subsidiary of the Company has been sued in Illinois state court by individual plaintiffs who work or reside near a facility in Lake County, Illinois, where the subsidiary provided sterilization services using ethylene oxide (“EO”) from January 2005 to September 2008. The plaintiffs have filed separate suits in which each alleges that they have been diagnosed with one or more types of cancer, allegedly resulting from exposure to EO emissions from the facility into the ambient air.

On March 3, 2025, the Company entered into binding confidential term sheets ("Term Sheets") with plaintiffs’ counsel, as well as settlement agreements with several plaintiffs which were at the time scheduled for trial in fiscal 2026. The Term Sheets and the settlement agreements are expected to lead to resolution of substantially all of the claims for personal injury related to EO that are currently pending in the Circuit Court of Cook County, Illinois.

Pursuant to the Term Sheets, the Company has entered into and expects to enter into additional settlement agreements to pay up to $48.2 million to settle claims. We recorded a charge for this amount in fiscal 2025, and the remaining liability is included in the "Accrued expenses and other" line within our Consolidated Balance Sheets. None of the Term Sheets nor any such settlement agreements are an admission of liability or that emissions from the Waukegan, Illinois facility ever posed a safety hazard to the people who live or work in the surrounding areas. The Term Sheets call for establishment of a claims administration process that includes guidelines and procedures for administering individual settlements, which process is expected to continue through the fourth quarter of fiscal 2026. The Company anticipates dismissal of all pending EO-related claims brought by the covered plaintiffs upon completion of the claims administration process and approval by the court.

The Company may exercise walkaway rights with respect to the claims covered by the Term Sheets if certain agreed terms are not fulfilled, including if a substantial majority of plaintiffs in such cases do not agree to settle or are disqualified under the applicable terms or the resulting settlements are ultimately not approved by the court. In the event it exercises its walkaway rights, the Company is prepared to continue to defend itself in the litigation and reserves all legal and factual defenses against such claims.

Additional Information

For additional information, see the following portions of our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025, Item 1 titled "Business - Information with respect to our Business in General - Government Regulation" and the "Risk Factors" in Item 1A titled "Product and service related regulations and claims."

We are subject to taxation from United States federal, state and local, and foreign jurisdictions. Tax positions are settled primarily through the completion of audits within each individual jurisdiction or the closing of statutes of limitation. Changes in applicable tax law or other events may also require us to revise past estimates. We describe income taxes further in Note 9 to our consolidated financial statements titled, “Income Taxes” in this Quarterly Report on Form 10-Q.

11. Business Segment Information

We operate and report our financial information in three reportable business segments: Healthcare, AST, and Life Sciences. Previously, we had four reportable business segments, however, as a result of the divestiture of our Dental segment, Dental is presented as discontinued operations. Historical information has been retrospectively adjusted to reflect these changes for comparability, as required. For more information, refer to Note 4 titled, "Discontinued Operations." Non-allocated operating costs that support the entire Company and items not indicative of operating trends are excluded from segment operating income.

Our Healthcare segment provides a comprehensive offering for healthcare providers worldwide, focused on sterile processing departments and procedural centers, such as operating rooms and endoscopy suites. Our products and services range from infection prevention consumables and capital equipment, as well as services to maintain that equipment; to the repair of re-usable procedural instruments; to outsourced instrument reprocessing services. In addition, our procedural products also include endoscopy accessories, instruments, and capital equipment infrastructure used primarily in operating rooms, ambulatory surgery centers, endoscopy suites, and other procedural areas.

Our AST segment supports medical device and pharmaceutical manufacturers through a global network of contract sterilization and laboratory testing facilities, and integrated sterilization equipment and control systems. Our technology-neutral offering supports Customers every step of the way, from testing through sterilization.

Our Life Sciences segment provides a comprehensive offering of products and services designed to support biopharmaceutical and medical device research and manufacturing facilities, in particular those focused on aseptic manufacturing. Our portfolio includes a full suite of capital equipment, consumable products, equipment maintenance and specialty services.

Our chief operating decision maker ("CODM") is our President and Chief Executive Officer ("CEO"). The CEO is responsible for performance assessment and resource allocation. The CEO regularly receives discrete financial information about each reportable segment and uses this information to assess performance and allocate resources. This information includes Revenues and Cost of revenues; Selling, general, and administrative expenses; and Research and development expenses for each reportable segment.

We disclose a measure of segment income that is consistent with the way management operates and views the business. The accounting policies for reportable segments are the same as those for the consolidated Company.

For the three months ended June 30, 2025 and 2024, revenues from a single Customer did not represent ten percent or more of the Healthcare, AST or Life Sciences segment revenues.

Additional information regarding our segments is included in our consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025.

The following table compares business segment revenues and business segment and Corporate operating income for the three months ended June 30, 2025 and 2024:

	Three Months Ended June 30, 2025				
(in millions)	Healthcare	AST	Life Sciences	Corporate	Company
Revenues	**$ 974.7**	**$ 281.2**	**$ 135.2**	**$ —**	**$ 1,391.1**
Segment expenses					
Cost of revenues	**557.4**	**129.9**	**58.0**		
Selling, general, and administrative	**159.1**	**13.7**	**16.0**		
Research and development	**22.7**	**0.9**	**2.4**		
Total income from operations before adjustments	**$ 235.5**	**$ 136.7**	**$ 58.7**	**$ (114.0)**	**$ 316.9**
Less: Adjustments					
Amortization of acquired intangible assets [(1)]					**67.1**
Acquisition and integration related charges [(2)]					**0.5**
Tax restructuring costs [(3)]					**0.2**
Amortization of inventory and property "step up" to fair value [(1)]					**1.4**
Restructuring charges [(4)]					**1.8**
Total income from operations					**$ 246.0**

	Three Months Ended June 30, 2024				
(in millions)	Healthcare	AST	Life Sciences	Corporate	Company
Revenues	$ 901.2	$ 249.8	$ 128.5	$ —	$ 1,279.5
Segment expenses					
Cost of revenues	511.0	115.9	58.9		
Selling, general, and administrative	150.9	15.4	14.8		
Research and development	22.4	0.7	2.2		
Total income from operations before adjustments	$ 216.9	$ 117.7	$ 52.6	$ (101.8)	$ 285.4
Less: Adjustments					
Amortization of acquired intangible assets (1)					67.7
Acquisition and integration related charges (2)					2.3
Tax restructuring costs (3)					0.5
Amortization of inventory and property "step up" to fair value (1)					1.4
Restructuring charges (4)					28.1
Total income from operations					$ 185.5

(1) For more information regarding our recent acquisitions and divestitures, refer to Note 3 titled, "Business Acquisitions and Divestitures."
(2) Acquisition and integration related charges include transaction costs and integration expenses associated with acquisitions.
(3) Costs incurred in tax restructuring.
(4) For more information regarding our restructuring efforts, refer to Note 2 titled, "Restructuring."

Assets include the current and long-lived assets directly attributable to the segment based on the management of the location or on utilization. Certain corporate assets were allocated to the reportable segments based on revenues. Assets attributed to sales and distribution locations are only allocated to the Healthcare and Life Sciences segments.

Individual facilities, equipment, and intellectual properties are utilized by both the Healthcare and Life Sciences segments at varying levels over time. As a result, an allocation of total assets, capital expenditures, and depreciation and amortization is not meaningful to the individual performance of the Healthcare and Life Sciences segments. Therefore, their respective amounts are reported together.

(in millions)	June 30, 2025	March 31, 2025
Assets		
Healthcare and Life Sciences	**$ 6,857.8**	$ 6,806.4
AST	**3,547.2**	3,340.4
Total assets	**$ 10,405.0**	$ 10,146.8

	Three Months Ended June 30,	
(in millions)	2025	2024
Capital Expenditures		
Healthcare and Life Sciences	**$ 44.4**	$ 44.6
AST	**49.2**	63.4
Total Capital Expenditures	**$ 93.6**	$ 108.1
Depreciation, Depletion, and Amortization		
Healthcare and Life Sciences	**$ 83.1**	$ 80.2
AST	**36.3**	32.5
Total Depreciation, Depletion, and Amortization	**$ 119.4**	$ 112.7

Financial information for each of our United States and international geographic areas is presented in the following table. Revenues are based on the location of these operations and their Customers. Property, plant, and equipment, net are those assets that are identified within the operations in each geographic area.

(in millions)	June 30, 2025	March 31, 2025
Property, Plant, and Equipment, Net		
Ireland	**$ 82.4**	$ 74.9
United States	**1,044.3**	1,008.7
Other locations	**928.1**	872.9
Property, Plant, and Equipment, Net	**$ 2,054.8**	$ 1,956.5

	Three Months Ended June 30,	
(in millions)	2025	2024
Revenues:		
Ireland	**$ 22.5**	$ 22.2
United States	**1,025.6**	946.9
Other locations	**342.9**	310.4
Total Revenues	**$ 1,391.1**	$ 1,279.5

Additional information regarding our fiscal 2026 and fiscal 2025 revenue is disclosed in the following table:

	Three Months Ended June 30,	
(in millions)	2025	2024
Healthcare:		
Capital equipment	**$ 227.3**	$ 214.6
Consumables	**358.9**	343.4
Service	**388.5**	343.2
Total Healthcare Revenues	**$ 974.7**	$ 901.2
AST:		
Capital equipment	**$ 1.6**	$ 1.1
Service	**279.6**	248.7
Total AST Revenues	**$ 281.2**	$ 249.8
Life Sciences:		
Capital equipment	**$ 26.6**	$ 26.5
Consumables	**75.3**	69.8
Service	**33.3**	32.2
Total Life Sciences Revenues	**$ 135.2**	$ 128.5
Total Revenues	**$ 1,391.1**	$ 1,279.5

12. Shares and Preferred Shares

Ordinary shares

We calculate basic earnings per share based upon the weighted average number of shares outstanding. We calculate diluted earnings per share based upon the weighted average number of shares outstanding plus the dilutive effect of share equivalents calculated using the treasury stock method. Income from continuing operations is used as the benchmark to determine whether share equivalents are dilutive or anti-dilutive. Earnings per share is calculated independently for earnings per share from continuing operations and earnings per share from discontinued operations. The sum of earnings per share from continuing operations and earnings per share from discontinued operations may not equal total company earnings per share due to rounding. The following is a summary of shares and share equivalents outstanding used in the calculations of basic and diluted earnings per share:

	Three Months Ended June 30,	
Denominator (shares in millions):	2025	2024
Weighted average shares outstanding—basic	**98.4**	98.9
Dilutive effect of share equivalents	**0.5**	0.5
Weighted average shares outstanding and share equivalents—diluted	**98.8**	99.4

Options to purchase the following number of shares were outstanding but excluded from the computation of diluted earnings per share because the combined exercise prices, unamortized fair values, and assumed tax benefits upon exercise were greater than the average market price for the shares during the periods, so including these options would be anti-dilutive:

	Three Months Ended June 30,	
(shares in millions)	2025	2024
Number of share options	**0.6**	0.7

Additional Authorized Shares

The Company has an additional authorized share capital of 50,000,000 preferred shares of $0.001 par value each, plus 25,000 deferred ordinary shares of €1.00 par value each, in order to satisfy minimum statutory capital requirements for all Irish public limited companies.

13. Repurchases of Ordinary Shares

On May 3, 2023 our Board of Directors terminated the previous share repurchase program and authorized a new share repurchase program for the purchase of up to $500.0 million (exclusive of fees, commissions, and other charges). As of June 30, 2025, there was $300.0 million (exclusive of fees, commissions, and other charges) of remaining availability under the Board authorized share repurchase program. The share repurchase program has no specified expiration date.

Under the authorization, the Company may repurchase its shares from time to time through open market purchases, including 10b5-1 plans. Any share repurchases may be activated, suspended or discontinued at any time.

During the first three months of fiscal 2026, we had no share repurchase activity pursuant to share repurchase program authorizations. During the first three months of fiscal 2025, we repurchased 0.3 million of our ordinary shares for the aggregate amount of $56.1 million (exclusive of fees, commissions, and other charges) pursuant to authorizations, under the share repurchase program.

During the first three months of fiscal 2026, we obtained 0.1 million of our ordinary shares in the aggregate amount of $10.6 million in connection with share-based compensation award programs. During the first three months of fiscal 2025, we obtained 0.1 million of our ordinary shares in the aggregate amount of $10.3 million in connection with share-based compensation award programs.

14. Share-Based Compensation

We maintain a long-term incentive plan that makes available shares for grants, at the discretion of the Board of Directors or Compensation and Organizational Development Committee of the Board of Directors, to officers, directors, and key employees in the form of stock options, restricted shares, restricted share units, stock appreciation rights and share grants. We satisfy share award incentives through the issuance of new ordinary shares. In recent years, grants have been limited to stock options, restricted shares, and restricted share units.

Stock option awards to employees generally vest and become nonforfeitable in increments of 25% per year over a four-year period, with full vesting four years after the date of grant. Historically, restricted stock awards to employee recipients generally cliff vested on the fourth anniversary of the grant date if the recipient remained in continuous employment through that date. Beginning with fiscal 2024 grants, Company restricted stock (and restricted stock units) generally cliff vest over a three year period after the grant date. However, employees who are grantees of restricted stock and have attained age 55 and been employed for at least five years at the time of the grant or meet these criteria during the term of the grant and are employed in the U.S. or in a few other foreign jurisdictions, or employees who have 25 years of service at the time of grant or meet that criterion during the term of the grant, will be subject to installment vesting rules over the applicable vesting period. Awards to certain employees in the U.S. or a few other jurisdictions may provide for continued vesting after “retirement,” if certain conditions are met. As of June 30, 2025, 1.7 million ordinary shares remained available for grant under the long-term incentive plan.

The fair value of share-based stock option compensation awards was estimated at their grant date using the Black-Scholes-Merton option pricing model. This model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable, characteristics that are not present in our option grants. If the model permitted consideration of the unique characteristics of employee stock options, the resulting estimate of the fair value of the stock options could be different. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in our Consolidated Statements of Income. The expense is classified as Cost of revenues or Selling, general, and administrative expenses in a manner consistent with the employee’s compensation and benefits.

The following weighted average assumptions were used for options granted during the first three months of fiscal 2026 and 2025:

	Fiscal 2026	Fiscal 2025
Risk-free interest rate	**4.03 %**	4.20 %
Expected life of options	**6.0 years**	6.0 years
Expected dividend yield of stock	**1.11 %**	0.94 %
Expected volatility of stock	**28.19 %**	28.47 %

The risk-free interest rate is based upon the U.S. Treasury yield curve. The expected life of options is reflective of historical experience, vesting schedules and contractual terms. The expected dividend yield of stock represents our best estimate of the expected future dividend yield. The expected volatility of stock is derived by referring to our historical stock prices over a time frame similar to that of the expected life of the grant. An estimated forfeiture rate of 2.21% and 2.07% was applied in fiscal 2026 and 2025, respectively. This rate is calculated based upon historical activity and represents an estimate of the granted options not expected to vest. If actual forfeitures differ from this calculated rate, we may be required to make additional adjustments to compensation expense in future periods. The assumptions used above are reviewed at the time of each significant option grant, or at least annually.

A summary of share option activity is as follows:

	Number of Options	Weighted Average Exercise Price Per Share	Average Remaining Contractual Term	Aggregate Intrinsic Value (in millions)
Outstanding at March 31, 2025	1,823,883	$ 185.51		
Granted	**169,144**	**267.66**		
Exercised	**(74,120)**	**117.97**		
Outstanding at June 30, 2025	**1,918,907**	**$ 195.36**	**6.0 years**	**$ 95.1**
Exercisable at June 30, 2025	**1,411,885**	**$ 176.20**	**5.0 years**	**$ 92.6**

We estimate that 0.5 million of the non-vested stock options outstanding at June 30, 2025 will ultimately vest.

The aggregate intrinsic value in the table above represents the total pre-tax difference between the $240.22 closing price of our ordinary shares on June 30, 2025 over the exercise prices of the stock options, multiplied by the number of options outstanding or outstanding and exercisable, as applicable. The aggregate intrinsic value is not recorded for financial accounting purposes and the value changes daily based on the daily changes in the fair market value of our ordinary shares.

The total intrinsic value of stock options exercised during the first three months of fiscal 2026 and fiscal 2025 was $9.4 million and $12.4 million, respectively. Net cash proceeds from the exercise of stock options were $9.3 million and $5.6 million for the first three months of fiscal 2026 and fiscal 2025, respectively.

The weighted average grant date fair value of stock option grants was $68.44 and $66.87 for the first three months of fiscal 2026 and fiscal 2025, respectively.

A summary of the non-vested restricted share and share unit activity is presented below:

	Number of Restricted Shares	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Non-vested at March 31, 2025	449,131	29,555	$ 214.21
Granted	**158,235**	**10,791**	**241.24**
Vested	**(119,707)**	**(5,736)**	**204.79**
Forfeited	**(7,459)**	**(1,007)**	**214.44**
Non-vested at June 30, 2025	**480,200**	**33,603**	**$ 225.48**

Restricted shares and restricted share unit grants are valued based on the closing stock price at the grant date. The value of restricted shares and units that vested during the first three months of fiscal 2026 at the time of grant was $25.8 million.

As of June 30, 2025, there was a total of $88.4 million in unrecognized compensation cost related to non-vested share-based compensation granted under our share-based compensation plans. We expect to recognize the cost over a weighted average period of 1.7 years.

15. Financial and Other Guarantees

We generally offer a limited parts and labor warranty on capital equipment. The specific terms and conditions of those warranties vary depending on the product sold and the countries where we conduct business. We record a liability for the estimated cost of product warranties at the time Product revenues are recognized. The amounts we expect to incur on behalf of our Customers for the future estimated cost of these warranties are recorded as a current liability on the accompanying Consolidated Balance Sheets. Factors that affect the amount of our warranty liability include the number and type of installed units, historical and anticipated rates of product failures, and material and service costs per claim. We periodically assess the adequacy of our recorded warranty liabilities and adjust the amounts as necessary.

Changes in our warranty liability during the first three months of fiscal 2026 were as follows:

(in millions)	Warranties
Balance at March 31, 2025	$ 16.3
Warranties issued during the period	4.9
Settlements made during the period	(5.1)
Balance at June 30, 2025	**$ 16.1**

16. Derivatives and Hedging

We utilize foreign currency forward contracts to hedge a portion of our monetary assets and liabilities denominated in foreign currencies, including intercompany transactions. Within each fiscal year, we also utilize foreign currency forward contracts to hedge a portion of our expected non-U.S. dollar-denominated earnings against our reporting currency, the U.S. dollar. Further, we utilize commodity swap contracts to hedge price changes in nickel that impact raw materials included in our Cost of revenues.

These contracts are not designated as hedging instruments and do not receive hedge accounting treatment; therefore, changes in their fair value are not deferred but are recognized immediately in the Consolidated Statements of Income. We do not use derivative financial instruments for speculative purposes.

At June 30, 2025, we held net foreign currency forward contracts to buy 38.0 million British pounds sterling; and to sell 13.0 million Australian dollars, 12.3 million euros, and 9.0 million New Zealand dollars. At June 30, 2025, we held commodity swap contracts to buy 0.4 million pounds of nickel.

(in millions)	Asset Derivatives		Liability Derivatives	
Balance sheet location	Fair Value at June 30, 2025	Fair Value at March 31, 2025	Fair Value at June 30, 2025	Fair Value at March 31, 2025
Prepaid & other	**$ 0.9**	$ 0.1	**$ —**	**$ —**
Accrued expenses and other	$ —	$ —	**$ 3.0**	$ 0.6

The following table presents the impact of derivative instruments and their location within the Consolidated Statements of Income:

(in millions)	Location of gain (loss) recognized in income	Amount of gain (loss) recognized in income	
		Three Months Ended June 30,	
		2025	2024
Foreign currency forward contracts	Selling, general and administrative	**$ 1.1**	$ 0.4
Commodity swap contracts	Cost of revenues	**$ (0.2)**	$ 0.2

17. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. We estimate the fair value of financial assets and liabilities using available market information and generally accepted valuation methodologies. The inputs used to measure fair value are classified into three tiers. These tiers include Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring the entity to develop its own assumptions.

The following table shows the fair value of our financial assets and liabilities at June 30, 2025 and March 31, 2025:

			Fair Value Measurements					
	Carrying Value		Quoted Prices in Active Markets for Identical Assets		Significant Other Observable Inputs		Significant Unobservable Inputs	
			Level 1		Level 2		Level 3	
(in millions)	June 30,	March 31,	June 30,	March 31,	June 30,	March 31,	June 30,	March 31,
Assets:								
Cash and cash equivalents	**$ 279.7**	$ 171.7	**$ 279.7**	$ 171.7	**$ —**	$ —	**$ —**	$ —
Forward and swap contracts [1]	**0.9**	0.1	**—**	—	**0.9**	0.1	**—**	—
Equity investments [2]	**1.2**	1.1	**1.2**	1.1	**—**	—	**—**	—
Other investments	**3.2**	3.0	**3.2**	3.0	**—**	—	**—**	—
Liabilities:								
Forward and swap contracts [1]	**$ 3.0**	$ 0.6	**$ —**	$ —	**$ 3.0**	$ 0.6	**$ —**	$ —
Deferred compensation plans [2]	**1.3**	1.2	**1.3**	1.2	**—**	—	**—**	—
Debt [3]	**1,903.1**	2,043.7	**—**	—	**1,631.2**	1,756.5	**—**	—
Contingent consideration obligations [4]	**3.2**	3.2	**—**	—	**—**	—	**3.2**	3.2

(1) The fair values of forward and swap contracts are based on period-end forward rates and reflect the value of the amount that we would pay or receive for the contracts involving the same notional amounts and maturity dates.

(2) We maintain a frozen domestic non-qualified deferred compensation plan covering certain employees, which allowed for the deferral of payment of previously earned compensation for an employee-specified term or until retirement or termination. Amounts deferred can be allocated to various hypothetical investment options (compensation deferrals have been frozen under the plan). We hold investments to satisfy the future obligations of the plan. Employees who made deferrals are entitled to receive distributions of their hypothetical account balances (amounts deferred, together with earnings (losses)). Changes in the fair value of these investments are recorded in the Interest income and miscellaneous (income) expense line of the Consolidated Statements of Income. During each of the first three months of fiscal 2026 and 2025, we recorded gains of $0.1 million related to these investments.

(3) We estimate the fair value of our debt using discounted cash flow analyses, based on estimated current incremental borrowing rates for similar types of borrowing arrangements.

(4) Contingent consideration obligations arise from prior business acquisitions. The fair values are based on discounted cash flow analyses reflecting the possible achievement of specified performance measures or events and captures the contractual nature of the contingencies, commercial risk, and the time value of money. Contingent consideration obligations are classified in the consolidated balance sheets as accrued expense (short-term) and other liabilities (long-term), as appropriate based on the contractual payment dates.

As of both June 30, 2025 and March 31, 2025, we also held $14.3 million of other investments without readily determinable fair values measured at cost and classified as level 3. These investments are included in Other assets on the Consolidated Balance Sheets.

18. Reclassifications Out of Accumulated Other Comprehensive Income (Loss)

Amounts in Accumulated Other Comprehensive Income (Loss) are presented net of the related tax. Currency Translation is not adjusted for income taxes. Changes in our Accumulated Other Comprehensive Income (Loss) balances, net of tax, for the three months ended June 30, 2025 and 2024 were as follows:

(in millions)	Defined Benefit Plans [1]	Currency Translation	Total Accumulated Other Comprehensive Loss
Beginning Balance	$ (0.6)	$ (291.8)	$ (292.3)
Other Comprehensive Income before reclassifications	**0.1**	**221.8**	**222.0**
Amounts reclassified from Accumulated Other Comprehensive Loss	**(0.1)**	**—**	**(0.1)**
Net current-period Other Comprehensive Income	**—**	**221.8**	**221.8**
Balance at June 30, 2025	**$ (0.6)**	**$ (69.9)**	**$ (70.5)**

(in millions)	Defined Benefit Plans [1]	Currency Translation	Total Accumulated Other Comprehensive Loss
Beginning Balance	$ (0.7)	$ (327.9)	$ (328.7)
Other Comprehensive (Loss) Income before reclassifications	(0.1)	5.8	5.7
Amounts reclassified from Accumulated Other Comprehensive Loss	(0.1)	—	(0.1)
Net current-period Other Comprehensive (Loss) Income	(0.2)	5.8	5.6
Balance at June 30, 2024	$ (0.9)	$ (322.2)	$ (323.1)

[1] The amortization (gain) of defined benefit pension items is reported in the Interest and miscellaneous (income) expense line of our Consolidated Statements of Income.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of STERIS plc:

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated balance sheet of STERIS plc and subsidiaries (the Company) as of June 30, 2025, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for the three-month periods ended June 30, 2025 and 2024, and the related notes (collectively referred to as the "consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of March 31, 2025, the related consolidated statements of income, comprehensive income (loss), shareholders' equity and cash flows for the year then ended, and the related notes and schedule (not presented herein); and in our report dated May 29, 2025, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of March 31, 2025, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Cleveland, Ohio
August 7, 2025

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

In Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), we explain the general financial condition and the results of operations for STERIS and its subsidiaries including:

- what factors affect our business;
- what our earnings and costs were in each period presented;
- why those earnings and costs were different from prior periods;
- where our earnings came from;
- how this affects our overall financial condition;
- what our expenditures for capital projects were; and
- where cash is expected to come from to fund future debt principal repayments, growth outside of core operations, repurchases of shares, cash dividends and future working capital needs.

As you read the MD&A, it may be helpful to refer to information in our consolidated financial statements contained herein, which present the results of our operations for the first three months of fiscal 2026 and fiscal 2025. It may also be helpful to refer to our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the Securities and Exchange Commission ("SEC") on May 29, 2025, including information in Item 1, "Business," Part I, Item 1A, "Risk Factors," and Note 12 to our consolidated financial statements titled, "Commitments and Contingencies," and Part II, Item 1A, "Risk Factors" of this Quarterly Report, for a discussion of some of the matters that can adversely affect our business and results of operations.

In the MD&A, we analyze and explain the period-over-period changes in the specific line items in the Consolidated Statements of Income. This information, discussion, and analysis may be important to you in making decisions about your investments in STERIS.

Financial Measures

In the following sections of the MD&A, we may, at times, refer to financial measures that are not required to be presented in the consolidated financial statements under accounting principles generally accepted in the United States ("U.S. GAAP"). We sometimes use the following financial measures in the context of this report: backlog; debt-to-total capital; and days sales outstanding. We define these financial measures as follows:

- Backlog – We define backlog as the amount of unfilled capital equipment purchase orders at a point in time. We use this figure as a measure to assist in the projection of short-term financial results and inventory requirements.
- Debt-to-total capital – We define debt-to-total capital as total debt divided by the sum of total debt and shareholders' equity. We use this figure as a financial liquidity measure to gauge our ability to borrow and fund growth.
- Days sales outstanding ("DSO") – We define DSO as the average collection period for accounts receivable. It is calculated as net accounts receivable divided by the trailing four quarters' revenues, multiplied by 365 days. We use this figure to help gauge the quality of accounts receivable and expected time to collect.

We, at times, may also refer to financial measures which are considered to be "non-GAAP financial measures" under SEC rules. We have presented these financial measures because we believe that meaningful analysis of our financial performance is enhanced by an understanding of certain additional factors underlying that performance. These financial measures should not be considered an alternative to measures required by accounting principles generally accepted in the United States. Our calculations of these measures may differ from calculations of similar measures used by other companies, and you should be careful when comparing these financial measures to those of other companies. Additional information regarding these financial measures, including reconciliations of each non-GAAP financial measure, is available in the subsection of MD&A titled, "Non-GAAP Financial Measures."

Revenues – Defined

As required by Regulation S-X, we separately present revenues generated as either Product revenues or Service revenues on our Consolidated Statements of Income for each period presented. When we discuss revenues, we may, at times, refer to revenues summarized differently than the Regulation S-X requirements. The terminology, definitions, and applications of terms that we use to describe revenues may be different from terms used by other companies. We use the following terms to describe revenues:

- Revenues – Our revenues are presented net of sales returns and allowances.
- Product Revenues – We define Product revenues as revenues generated from sales of consumable and capital equipment products.

- Service Revenues – We define Service revenues as revenues generated from parts and labor associated with the maintenance, repair, and installation of our capital equipment. Service revenues also include outsourced reprocessing services and instrument and scope repairs, as well as revenues generated from contract sterilization and laboratory services offered through our Applied Sterilization Technologies ("AST") segment.
- Capital Equipment Revenues – We define capital equipment revenues as revenues generated from sales of capital equipment, which includes steam and gas sterilizers, low temperature liquid chemical sterilant processing systems, automated endoscope reprocessors, pure steam/water systems, surgical lights and tables, and integrated operating rooms ("OR").
- Consumable Revenues – We define consumable revenues as revenues generated from sales of the consumable family of products, which includes dedicated consumables used in our capital equipment, gastrointestinal endoscopy accessories, instruments and tools, sterility assurance products, barrier protection solutions, and cleaning consumables.
- Recurring Revenues – We define recurring revenues as revenues generated from sales of consumable products and Service revenues.

General Company Overview and Executive Summary

STERIS is a leading global provider of products and services that support patient care with an emphasis on infection prevention. WE HELP OUR CUSTOMERS CREATE A HEALTHIER AND SAFER WORLD by providing innovative healthcare and life science products and services around the globe. We offer our Customers a unique mix of innovative products and services. These include: consumable products, such as detergents, endoscopy accessories, barrier products, instruments and tools; services, including equipment installation and maintenance, microbial reduction of medical devices, instrument and scope repair, laboratory testing, and outsourced reprocessing; capital equipment, such as sterilizers, surgical tables, and automated endoscope reprocessors; and connectivity solutions such as OR integration.

We operate and report our financial information in three reportable business segments: Healthcare, AST, and Life Sciences. Previously, we had four reportable business segments; however, as a result of the divestiture of our Dental segment, Dental is presented as discontinued operations. Historical information has been retrospectively adjusted to exclude discontinued operations for comparability, as required. For more information, refer to Note 4 to our consolidated financial statements titled, "Discontinued Operations." Non-allocated operating costs that support the entire Company and items not indicative of operating trends are excluded from segment operating income. We describe our business segments in Note 11 to our consolidated financial statements titled, "Business Segment Information."

The bulk of our revenues are derived from healthcare, medical device and pharmaceutical Customers. Much of the growth in these industries is driven by the aging of the population throughout the world, as an increasing number of individuals are entering their prime healthcare consumption years, and is dependent upon advancement in healthcare delivery, acceptance of new technologies, government policies, and general economic conditions.

In addition, there is increased demand for medical procedures, including preventive screenings such as endoscopies and colonoscopies; and a desire by our Customers to operate more efficiently, all of which are driving increased demand for many of our products and services.

Acquisitions and Divestitures. During the first three months of fiscal 2026, we completed a tuck-in acquisition which continued to expand our product and service offerings in the Healthcare segment. Total aggregate consideration was approximately $15.0 million.

During the first three months of fiscal 2025, we completed several tuck-in acquisitions, which continued to expand our product and service offerings in the Healthcare and AST segments. Total aggregate consideration was approximately $13.7 million.

Acquisition and integration expenses totaled $0.5 million and $2.3 million for the three months ended June 30, 2025 and 2024, respectively. Acquisition and integration expenses are reported in the Selling, general and administrative expenses line of our Consolidated Statements of Income and include, but are not limited to, investment banker, advisory, legal and other professional fees, and certain employee-related expenses.

On April 1, 2024, we completed the sale of the Controlled Environment Certification Services ("CECS") business. We recorded net proceeds of $41.5 million and recognized a pre-tax gain on the sale of $18.8 million in the first three months of fiscal 2025.

For more information regarding our recent acquisitions, see Note 3 to our consolidated financial statements titled, "Business Acquisitions and Divestitures."

Discontinued Operations. On April 11, 2024, the Company announced its plan to sell substantially all of the net assets of its Dental segment for total cash consideration of $787.5 million, subject to customary adjustments, and up to an additional $12.5 million in contingent payment should the Dental business achieve certain revenue targets in fiscal 2025. The transaction was structured as an equity sale and closed on May 31, 2024. A component of an entity is reported in discontinued operations after meeting the criteria for held for sale classification if the disposition represents a strategic shift that has (or will have) a major effect on the entity's operations and financial results. We analyzed the quantitative and qualitative factors relevant to the divestiture of our Dental segment and determined that those conditions for discontinued operations presentation had been met prior to March 31, 2024. The Dental segment results of operations have been reclassified as income (loss) from discontinued operations in the Consolidated Statements of Income for all periods presented. Our Consolidated Statements of Cash Flows include the financial results of the Dental segment through the date of sale on May 31, 2024. A majority of the proceeds received from the sale were utilized to pay off existing debt.

For more information, see Note 4 to our consolidated financial statements titled, "Discontinued Operations."

U.S. Tax Reform. On July 4, 2025, the U.S. enacted the One Big Beautiful Bill Act ("OBBBA") which contains substantial changes to its tax policies. Business provisions in the OBBBA, some of which were extensions of those established in the Tax Cuts and Jobs Act, include favorable cost recovery allowances, changes to U.S. international tax rules, and changes to energy and environmental related incentives. The law has multiple effective dates, with certain provisions applicable to years beginning after fiscal 2026. We are currently assessing its impact on our consolidated financial statements.

Highlights. Revenues increased 8.7% to $1,391.1 million for the three months ended June 30, 2025, as compared to $1,279.5 million for the same period in the prior year. The increase reflects the benefits of higher volume and pricing, with all three segments contributing to growth.

Gross profit percentage for the first three months of fiscal 2026 was 45.1% compared to the gross profit percentage for the first three months of fiscal 2025 of 44.7%. The increase in gross profit percentage for the three month period reflects favorable impacts from pricing, productivity, and other cost reductions that were partially offset by unfavorable impacts from inflation, tariff costs, mix, and material costs.

Income from operations for the first three months of fiscal 2026 was $246.0 million, compared to income from operations of $185.5 million for the first three months of fiscal 2025. The increase in income from operations for the three month period is primarily due to increased volume and pricing and lower restructuring expenses, which was partially offset by increased labor costs.

Cash flows from operations were $420.0 million and free cash flow was $326.5 million for the first three months of fiscal 2026 compared to cash flows from operations of $303.7 million and free cash flow of $195.7 million for the first three months of fiscal 2025 (see the subsection below titled "Non-GAAP Financial Measures" for additional information and related reconciliation of cash flows from operations to free cash flow). The fiscal 2026 increase in cash flows from operations and free cash flow resulted from an increase in earnings and from the increase in cash provided by working capital, primarily driven by a higher accounts payable balance due to timing of disbursements when compared to the same prior year period. Free cash flow was also impacted by a decrease in capital expenditures when compared to the same prior year period.

Our debt-to-total capital ratio was 21.5% at June 30, 2025 and 23.6% at March 31, 2025. During the first three months of fiscal 2026, we declared and paid cash dividends totaling $0.57 per ordinary share.

Additional information regarding our financial performance during the first quarter of fiscal 2026 is included in the subsection below titled “Results of Operations.”

NON-GAAP FINANCIAL MEASURES

We, at times, refer to financial measures which are considered to be “non-GAAP financial measures” under the Securities and Exchange Commission rules. We, at times, also refer to our results of operations excluding certain transactions or amounts that are non-recurring or are not indicative of future results, in order to provide meaningful comparisons between the periods presented.

These non-GAAP financial measures are not intended to be, and should not be, considered separately from or as an alternative to the most directly comparable U.S. GAAP financial measures.

These non-GAAP financial measures are presented with the intent of providing greater transparency to supplemental financial information used by management and the Board of Directors in their financial analysis and operational decision-making. These amounts are disclosed so that the reader has the same financial data that management uses with the belief that it will assist investors and other readers in making comparisons to our historical operating results and analyzing the underlying performance of our operations for the periods presented.

We believe that the presentation of these non-GAAP financial measures, when considered along with our U.S. GAAP financial measures and the reconciliation to the corresponding U.S. GAAP financial measures, provides the reader with a more complete understanding of the factors and trends affecting our business than could be obtained absent this disclosure. It is important for the reader to note that the non-GAAP financial measures used may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

Organic revenue growth and constant currency organic revenue growth are non-GAAP financial measures of revenue performance. Organic revenue growth is calculated by removing the impact of acquisitions and divestitures for one year following the respective transaction from the GAAP revenue growth. Constant currency organic revenue growth is subject to a further adjustment to eliminate the impact of foreign currency movements. See the section below "Business Segment Results of Operations" for a reconciliation of organic revenue growth and constant currency organic revenue growth to U.S. GAAP revenue.

We define free cash flow as net cash provided by operating activities as presented in the Consolidated Statements of Cash Flows less purchases of property, plant, equipment, and intangibles (capital expenditures) plus proceeds from the sale of property, plant, equipment, and intangibles, which are also presented within investing activities in the Consolidated Statements of Cash Flows. We use this as a measure to gauge our ability to pay cash dividends, fund growth outside of core operations, fund future debt principal repayments, and repurchase shares.

The following table summarizes the calculation of our free cash flow for the three months ended June 30, 2025 and 2024:

	Three Months Ended June 30,	
(in millions)	**2025**	**2024**
Net cash provided by operating activities	**$ 420.0**	$ 303.7
Purchases of property, plant, equipment, and intangibles, net	**(93.6)**	(108.1)
Proceeds from the sale of property, plant, equipment, and intangibles	**0.1**	—
Free cash flow	**$ 326.5**	$ 195.7

Results of Operations

In the following subsections, we discuss our earnings and the factors affecting earnings for the first three months of fiscal 2026 compared to the same fiscal 2025 periods. We begin with a general overview of our operating results and then separately discuss earnings for our operating segments.

Revenues. The following table compares our revenues for the three months ended June 30, 2025 to the revenues for the three months ended June 30, 2024:

	Three Months Ended June 30,			
(dollars in millions)	**2025**	**2024**	**Change**	**Percent Change**
Total revenues	**$ 1,391.1**	$ 1,279.5	$ 111.6	8.7 %
Revenues by type:				
Service revenues	**700.6**	623.2	77.4	12.4 %
Consumable revenues	**435.0**	414.1	20.9	5.0 %
Capital equipment revenues	**255.5**	242.2	13.3	5.5 %
Revenues by geography:				
Ireland revenues	**22.5**	22.2	0.3	1.4 %
United States revenues	**1,025.6**	946.9	78.7	8.3 %
Other foreign revenues	**342.9**	310.4	32.5	10.5 %

Revenues increased 8.7% to $1,391.1 million for the three months ended June 30, 2025, as compared to $1,279.5 million for the same period in the prior year. The increase reflects the benefits of higher volume and pricing, with all three segments contributing to growth.

Service revenues increased 12.4% for the three months ended June 30, 2025, as compared to the same period in the prior year, reflecting growth in all three segments. Consumable revenues increased by 5.0% for the three months ended June 30, 2025, as compared to the same period in the prior year, reflecting growth in the Healthcare and Life Sciences segments. Capital equipment revenues increased 5.5% for the three months ended June 30, 2025, as compared to the same period in the prior year, driven primarily by growth in the Healthcare segment.

Ireland revenues increased 1.4% to $22.5 million for the three months ended June 30, 2025, as compared to $22.2 million for the same period in the prior year, reflecting growth in service revenues, which was partially offset by a decline in consumable and capital equipment revenues.

United States revenues increased 8.3% to $1,025.6 million for the three months ended June 30, 2025, as compared to $946.9 million for the same period in the prior year, reflecting growth in service, consumable, and capital equipment revenues.

Revenues from other foreign locations increased 10.5% to $342.9 million for the three months ended June 30, 2025, as compared to $310.4 million for the same period in the prior year. The increase reflects growth within Europe, Middle East & Africa, Asia Pacific, Latin America, and Canada.

Gross Profit. Our gross profit is affected by the volume, pricing, and mix of sales of our products and services, as well as the costs associated with the products and services that are sold. The following table compares our gross profit for the three months ended June 30, 2025 to the three months ended June 30, 2024:

(dollars in millions)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Change	Percent Change
Gross profit:				
Product	$ **330.8**	$ 315.9	$ 14.9	4.7 %
Service	**297.2**	256.6	40.6	15.8 %
Total gross profit	$ **628.0**	$ 572.4	$ 55.6	9.7 %
Gross profit percentage:				
Product	**47.9 %**	48.1 %		
Service	**42.4 %**	41.2 %		
Total gross profit percentage	**45.1 %**	44.7 %		

Gross profit percentage for the first three months of fiscal 2026 was 45.1% compared to gross profit percentage for the first three months of fiscal of 2025 of 44.7%. Favorable impacts from pricing (130 basis points), productivity (70 basis points), and other cost reductions (40 basis points) were partially offset by unfavorable impacts from inflation (80 basis points), tariff costs (70 basis points), mix (30 basis points), and material costs (20 basis points).

Operating Expenses. The following table compares our operating expenses for the three months ended June 30, 2025 to the three months ended June 30, 2024:

(dollars in millions)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Change	Percent Change
Operating expenses:				
Selling, general, and administrative	$ **353.8**	$ 335.6	$ 18.2	5.4 %
Research and development	**26.4**	25.6	0.8	3.1 %
Restructuring expenses	**1.8**	25.7	(23.9)	nm
Total operating expenses	$ **382.0**	$ 386.9	$ (4.9)	(1.3)%

nm - not meaningful

Selling, General, and Administrative Expenses. Significant components of total selling, general, and administrative expenses ("SG&A") are compensation and benefit costs, fees for professional services, travel and entertainment expenses, facility costs, and other general and administrative expenses. SG&A increased 5.4% in the three month period ended June 30, 2025 compared to the same prior year period. The fiscal 2026 increase is primarily attributable to increased compensation and benefit costs, as well as unfavorable foreign currency movements and increased bad debt expense.

Research and Development. Research and development expenses increased 3.1% in the three month period ended June 30, 2025 compared to the same prior year period. Research and development expenses are influenced by the number and timing of in-process projects and labor hours and other costs associated with these projects. Our research and development initiatives continue to emphasize new product development, product improvements, and the development of new technological platform innovations. During fiscal 2026, our investments in research and development have continued to be focused on, but were not limited to, enhancing capabilities of sterile processing technologies, procedural products and accessories, and devices and support accessories used in gastrointestinal endoscopy procedures.

Restructuring Expenses. In May 2024, we adopted and announced a targeted restructuring plan (the "Restructuring Plan"). This plan includes a strategic shift in our approach to the Healthcare surgical business in Europe, as well as other actions including the impairment of an internally developed X-ray accelerator, product rationalizations and facility consolidations. Approximately 300 positions have been eliminated. These restructuring actions were designed to enhance profitability and improve efficiency, and are expected to improve income from operations by approximately $25.0 million per year in fiscal 2026 and beyond.

The following table summarizes our total pre-tax restructuring expenses recorded during the first three months ended June 30, 2025 and 2024 related to the Restructuring Plan:

(in millions)	Three Months Ended June 30,			
Restructuring Plan	**2025**		**2024**	
Severance and other compensation related costs	**$**	**1.7**	$	21.5
Lease and other contract termination and other costs		**—**		3.0
Product rationalization [(1)]		**—**		2.4
Accelerated depreciation and amortization		**0.1**		1.3
Total Restructuring Expense	**$**	**1.8**	$	28.1

[(1)] Recorded in Cost of revenues on the Consolidated Statements of Income.

The Restructuring Plan expenses incurred during the first three months ended June 30, 2025 and 2024 primarily related to actions taken within our Healthcare segment. Total pre-tax restructuring expense of $108.4 million has been recorded relating to the Restructuring Plan since inception, of which $34.6 million has been recorded in Cost of revenues. Additional costs with respect to our Restructuring Plan are not expected to be significant during fiscal 2026.

Liabilities related to restructuring activities are recorded as current liabilities in the accompanying Consolidated Balance Sheets within "Accrued payroll and other related liabilities" and "Accrued expenses and other." The following table summarizes our restructuring liability balances:

(in millions)	**Restructuring Plan**	
Balance at March 31, 2025	$	18.4
Fiscal 2026 Charges		**1.7**
Payments		**(3.8)**
Balance at June 30, 2025	**$**	**16.2**

Non-Operating Expenses, Net. The following table compares our net non-operating expenses for the three months ended June 30, 2025 and 2024:

(in millions)	Three Months Ended June 30,					
	2025		**2024**		**Change**	
Non-operating expenses, net:						
Interest expense	**$**	**15.9**	$	30.4	$	(14.5)
Interest and miscellaneous income		**(1.8)**		(1.3)		(0.5)
Gain on sale of business		**—**	$	(18.8)		18.8
Non-operating expenses, net	**$**	**14.1**	$	10.3	$	3.8

Non-operating expenses, net consists of interest expense on debt, offset by interest earned on cash, cash equivalents, short-term investment balances, and other miscellaneous (income) expense.

Interest expense decreased $14.5 million during the first three months of fiscal 2026 when compared to the same prior year period, primarily due to the lower principal amount of debt outstanding. For more information, refer to Note 7 to our consolidated financial statements titled, "Debt."

Interest and miscellaneous income increased $0.5 million during the first three months of fiscal 2026 when compared to the same prior year period.

Gain on sale of business was $18.8 million during the first three months of fiscal 2025 and relates to the sale of our CECS business during fiscal 2025. For more information on our divestiture activity, refer to Note 3 to our consolidated financial statements titled, "Business Acquisitions and Divestitures."

Income Taxes. The following table compares our tax expense and effective income tax rates for the three months ended June 30, 2025 and 2024:

(dollars in millions)	Three Months Ended June 30, 2025	2024	Change	Percent Change
Income tax expense	**$ 53.9**	$ 35.3	$ 18.6	52.7%
Effective income tax rate	**23.3 %**	20.1 %		

We record income tax expense during interim periods based on our estimate of the annual effective income tax rate, adjusted each quarter for discrete items. We analyze various factors to determine the estimated annual effective income tax rate, including projections of our annual earnings and taxing jurisdictions in which the earnings will be generated, the impact of state and local income taxes, our ability to use tax credits and net operating loss carryforwards, and available tax planning alternatives.

The effective income tax rates from continuing operations for the three month periods ended June 30, 2025 and 2024 were 23.3% and 20.1%, respectively. The fiscal 2026 effective tax rates increased when compared to fiscal 2025, primarily due to changes in geographic mix of projected profits and unfavorable changes in discrete items.

Business Segment Results of Operations.

We operate and report our financial information in three reportable business segments: Healthcare, AST, and Life Sciences. Previously, we had four reportable business segments; however, as a result of the divestiture of our Dental segment, Dental is presented as discontinued operations. Historical information has been retrospectively adjusted to reflect these changes for comparability, as required.

Our Healthcare segment provides a comprehensive offering for healthcare providers worldwide, focused on sterile processing departments and procedural centers, such as operating rooms and endoscopy suites. Our products and services range from infection prevention consumables and capital equipment, as well as services to maintain that equipment; to the repair of re-usable procedural instruments; to outsourced instrument reprocessing services. In addition, our procedural products also include endoscopy accessories, instruments, and capital equipment infrastructure used primarily in operating rooms, ambulatory surgery centers, endoscopy suites, and other procedural areas.

Our AST segment supports medical device and pharmaceutical manufacturers through a global network of contract sterilization and laboratory testing facilities, and integrated sterilization equipment and control systems. Our technology-neutral offering supports Customers every step of the way, from testing through sterilization.

Our Life Sciences segment provides a comprehensive offering of products and services designed to support biopharmaceutical and medical device research and manufacturing facilities, in particular those focused on aseptic manufacturing. Our portfolio includes a full suite of capital equipment, consumable products, equipment maintenance and specialty services.

We disclose a measure of segment income that is consistent with the way management operates and views the business. The accounting policies for reportable segments are the same as those for the consolidated Company.

For the three months ended June 30, 2025 and 2024, revenues from a single Customer did not represent ten percent or more of the Healthcare, AST or Life Sciences segment revenues.

Additional information regarding our segments is included in our consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025.

The following table compares business segment revenues as well as impacts from acquisitions, divestitures, and foreign currency movements for the three months ended June 30, 2025 and 2024.

	Three Months Ended June 30, (unaudited)							
	As reported, U.S. GAAP		Impact of Acquisitions	Impact of Divestitures	Impact of Foreign Currency Movements	U.S. GAAP Growth	Organic Growth	Constant Currency Organic Growth
(dollars in millions)	2025	2024	2025	2024	2025	2025	2025	2025
Segment revenues:								
Healthcare	**$ 974.7**	$ 901.2	**$ —**	$ —	**$ 4.6**	**8.2 %**	**8.2 %**	**7.6 %**
AST	**281.2**	249.8	**—**	—	**5.9**	**12.6 %**	**12.6 %**	**10.2 %**
Life Sciences	**135.2**	128.5	**—**	—	**1.3**	**5.2 %**	**5.2 %**	**4.2 %**
Total	**$ 1,391.1**	$ 1,279.5	**$ —**	$ —	**$ 11.8**	**8.7 %**	**8.7 %**	**7.8 %**

Organic revenue growth and constant currency organic revenue growth are non-GAAP financial measures of revenue performance. See "Non-GAAP Financial Measures" for more information.

Healthcare revenues increased 8.2% to $974.7 million for the three months ended June 30, 2025, as compared to $901.2 million for the same prior year period. This increase reflects growth in service, consumable, and capital equipment revenues of 13.2%, 4.5%, and 5.9%, respectively. The constant currency organic growth of 7.6% is primarily due to increased volume, impacting revenues by a mid-single digit percentage, as well as increased pricing, impacting revenues by a low-single digit percentage.

The Healthcare segment's backlog at June 30, 2025 was $403.5 million. The Healthcare segment's backlog at June 30, 2024 was $362.0 million. The increase is primarily due to an increase in orders and timing of shipments.

AST revenues increased 12.6% to $281.2 million for the three months ended June 30, 2025, as compared to $249.8 million for the same prior year period. The constant currency organic growth of 10.2% is primarily due to increased pricing and volume, each impacting revenues by a mid-single digit percentage.

Life Sciences revenues increased 5.2% to $135.2 million for the three months ended June 30, 2025, as compared to $128.5 million for the same prior year period. This increase reflects growth in consumable, service, and capital equipment revenues of 7.8%, 3.3%, and 0.5%, respectively. The constant currency organic growth of 4.2% is primarily due to increased volume and pricing, each impacting revenues by a low-single digit percentage.

The Life Sciences backlog at June 30, 2025 was $111.0 million. The Life Sciences backlog at June 30, 2024 was $72.2 million. The increase is primarily due to an increase in orders and timing of shipments.

The following table compares business segment and Corporate operating income for the three months ended June 30, 2025 and 2024.

	Three Months Ended June 30,	
(in millions)	**2025**	**2024**
Income (loss) from operations before adjustments:		
Healthcare	**$ 235.5**	$ 216.9
AST	**136.7**	117.7
Life Sciences	**58.7**	52.6
Corporate	**(114.0)**	(101.8)
Total income from operations before adjustments	**$ 316.9**	$ 285.4
Less: Adjustments		
Amortization of acquired intangible assets [(1)]	**$ 67.1**	$ 67.7
Acquisition and integration related charges [(2)]	**0.5**	2.3
Tax restructuring costs [(3)]	**0.2**	0.5
Amortization of inventory and property "step up" to fair value [(1)]	**1.4**	1.4
Restructuring charges [(4)]	**1.8**	28.1
Total income from operations	**$ 246.0**	$ 185.5

(1) For more information regarding our recent acquisitions and divestitures, refer to Note 3 titled, "Business Acquisitions and Divestitures."
(2) Acquisition and integration related charges include transaction costs and integration expenses associated with acquisitions.
(3) Costs incurred in tax restructuring.
(4) For more information regarding our restructuring efforts, refer to Note 2 titled, "Restructuring."

The Healthcare segment's operating income increased 8.6% to $235.5 million for the three months ended June 30, 2025, as compared to $216.9 million in the same prior year period. The segment's operating margins were 24.2% and 24.1% for the first three months of fiscal 2026 and 2025, respectively. The increase in operating income for the three month period ended June 30, 2025 is primarily due to the benefits of higher volume, pricing, and productivity which were partially offset by increased labor inflation and tariff costs.

The AST segment's operating income increased 16.1% to $136.7 million for the three months ended June 30, 2025, as compared to $117.7 million during the same prior year period. The segment's operating margins were 48.6% and 47.1% for the first three months of fiscal 2026 and 2025, respectively. The increase in operating income and margin for the three month period ended June 30, 2025 is primarily due to increased pricing and volume which were partially offset by increased energy and labor inflation costs.

The Life Sciences segment's operating income increased 11.7% to $58.7 million for the three months ended June 30, 2025, as compared to $52.6 million for the same prior year period. The segment's operating margins were 43.5% and 40.9% for the first three months of fiscal 2026 and 2025, respectively. The increases in segment operating income and margin for the three month periods ended June 30, 2025 is primarily due to favorable mix, pricing, and productivity which were partially offset by increased labor and material costs.

Liquidity and Capital Resources

The following table summarizes significant components of our cash flows for the three months ended June 30, 2025 and 2024:

(dollars in millions)	Three Months Ended June 30, 2025	2024
Net cash provided by operating activities	**$ 420.0**	$ 303.7
Net cash (used in) provided by investing activities	**$ (108.5)**	$ 687.8
Net cash used in financing activities	**$ (213.1)**	$ (998.9)
Debt-to-total capital ratio	**21.5 %**	26.7 %
Free cash flow	**$ 326.5**	$ 195.7

Net Cash Provided by Operating Activities – The net cash provided by our operating activities was $420.0 million for the first three months of fiscal 2026 and $303.7 million for the first three months of fiscal 2025. The fiscal 2026 increase in cash flows from operations resulted from an increase in earnings and from the increase in cash provided by working capital, primarily driven by a higher accounts payable balance due to timing of disbursements when compared to the same prior year period.

Net Cash Used In/Provided by Investing Activities – The net cash used in investing activities totaled $108.5 million for the first three months of fiscal 2026 and net cash provided by investing activities totaled $687.8 million for the first three months of fiscal 2025. The following discussion summarizes the significant changes in our investing cash flows for the first three months of fiscal 2026 and fiscal 2025:

- Purchases of property, plant, equipment, and intangibles, net – Capital expenditures totaled $93.6 million for the first three months of fiscal 2026 and $108.1 million during the same prior year period. The fiscal 2026 decrease is due to the timing of capital spending.
- Proceeds from the sale of businesses – During the first three months of fiscal 2025, we received proceeds of $809.6 million primarily from the sale of our Dental segment and the sale of our CECS business. For more information, refer to Note 3 to our consolidated financial statements titled "Business Acquisitions and Divestitures" and Note 4 to our consolidated financial statements titled "Discontinued Operations."
- Acquisition of businesses, net of cash acquired – During the first three months of fiscal 2026 and 2025, we used $15.0 million and $13.7 million, respectively, to acquire businesses. For more information, refer to Note 3 to our consolidated financial statements titled, "Business Acquisitions and Divestitures."

Net Cash Used In Financing Activities – The net cash used in financing activities amounted to $213.1 million for the first three months of fiscal 2026 compared to net cash used in financing activities of $998.9 million for the first three months of fiscal 2025. The following discussion summarizes the significant changes in our financing cash flows for the first three months of fiscal 2026 and fiscal 2025:

- Payments on Private Placement Senior Notes – During the first three months of fiscal 2026 we repaid $125.0 million of Private Placement Senior Notes. For more information on our Private Placement Senior Notes, refer to Note 7 to our consolidated financial statements titled, "Debt" and to our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025.
- Payments on term loans – During the first three months of fiscal 2025, we repaid $638.1 million of our term loans. The fiscal 2025 payment was primarily due to the use of proceeds from the sale of the Dental segment to pay off our outstanding term loans. For more information on our term loans, refer to Note 7 to our consolidated financial statements titled, "Debt" and to our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025. For more information regarding the sale of the Dental segment, refer to Note 4 to our consolidated financial statements titled "Discontinued Operations."
- Payments under credit facilities, net – Net payments under credit facilities totaled $30.5 million and $253.2 million for the first three months of fiscal 2026 and 2025, respectively. The fiscal 2025 payments were primarily due to the use of proceeds from the sale of the Dental segment to pay down balances due under our credit agreement dated as of March 19, 2021. For more information on our indebtedness, refer to Note 7 to our consolidated financial statements titled, "Debt" and to our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025. For more information regarding the sale of the Dental segment, refer to Note 4 to our consolidated financial statements titled "Discontinued Operations."

- Repurchases of ordinary shares – During each of the first three months of fiscal 2026 and 2025, we obtained 0.1 million of our ordinary shares in connection with share-based compensation award programs in the aggregate amount of $10.6 million and $10.3 million, respectively. During the first three months of fiscal 2026, we had no share repurchase activity through our share repurchase program. During the first three months of fiscal 2025, we purchased 0.2 million of our ordinary shares for the aggregate amount of $53.9 million through our share repurchase program. For more information on our share repurchases, refer to Note 13 to our consolidated financial statements titled, "Repurchases of Ordinary Shares" and to our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025.
- Cash dividends paid to ordinary shareholders – During the first three months of fiscal 2026, we paid total cash dividends of $56.2 million, or $0.57 per outstanding share. During the first three months of fiscal 2025, we paid total cash dividends of $51.4 million, or $0.52 per outstanding share.
- Transactions with noncontrolling interest holders – During the first three months of fiscal 2025, we received contributions of $2.5 million from noncontrolling interest holders.
- Stock option and other equity transactions, net – We generally receive cash for issuing shares under our stock option programs. During the first three months of fiscal 2026 and fiscal 2025, we received cash proceeds totaling $9.3 million and $5.6 million, respectively, under these programs.

Cash Flow Measures. The net cash provided by our operating activities was $420.0 million for the first three months of fiscal 2026 and $303.7 million for the first three months of fiscal 2025. Free cash flow was $326.5 million in the first three months of fiscal 2026 compared to $195.7 million in the first three months of fiscal 2025 (see the subsection above titled "Non-GAAP Financial Measures" for additional information and related reconciliation of cash flows from operations to free cash flow). The fiscal 2026 increase in cash flows from operations and free cash flow resulted from an increase in earnings and from the increase in cash provided by working capital, primarily driven by a higher accounts payable balance due to timing of disbursements when compared to the same prior year period. Free cash flow was also impacted by a decrease in capital expenditures when compared to the same prior year period.

Our debt-to-total capital ratio was 21.5% at June 30, 2025 and 26.7% at June 30, 2024.

Material Future Cash Obligations and Commercial Commitments. Information related to our material future cash obligations and commercial commitments is included in our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025. Our commercial commitments were approximately $135.8 million at June 30, 2025, reflecting a net increase of $8.4 million in surety bonds and other commercial commitments from March 31, 2025. Outstanding borrowings under our Revolving Credit Facility as of June 30, 2025 were $4.2 million. We had $17.2 million of letters of credit outstanding under the Revolving Credit Facility at June 30, 2025.

Cash Requirements. We intend to use our existing cash and cash equivalent balances and cash generated from operations for short-term and long-term capital expenditures and our other liquidity needs. Our capital requirements depend on many uncertain factors, including our rate of sales growth, our Customers' acceptance of our products and services, the costs of obtaining adequate manufacturing capacities, the timing and extent of our research and development projects, changes in our expenses and other factors. To the extent that existing and anticipated sources of cash are not sufficient to fund our future activities, we may need to raise additional funds through additional borrowings or the sale of equity securities. There can be no assurance that our existing financing arrangements will provide us with sufficient funds or that we will be able to obtain any additional funds on terms favorable to us or at all.

Supplemental Guarantor Financial Information

STERIS plc ("Parent") and its wholly-owned subsidiaries, STERIS Limited ("Limited") and STERIS Corporation (collectively with Limited "Guarantors" and each a "Guarantor"), each have provided guarantees of the obligations of STERIS Irish FinCo Unlimited Company ("FinCo") a wholly-owned subsidiary issuer, under senior public notes issued by FinCo on April 1, 2021 (the "Senior Public Notes") and of certain other obligations relating to the Senior Public Notes. The Senior Public Notes are guaranteed, jointly and severally, on a senior unsecured basis. The Senior Public Notes and the related guarantees are senior unsecured obligations of FinCo and the Guarantors, respectively, and are equal in priority with all other unsecured and unsubordinated indebtedness of FinCo and the Guarantors, respectively, from time to time outstanding, including, as applicable, under the Private Placement Senior Notes and borrowings under the Revolving Credit Facility.

All of the liabilities of non-guarantor direct and indirect subsidiaries of Parent, other than FinCo, Limited and STERIS Corporation, including any claims of trade creditors, are effectively senior to the Senior Public Notes.

FinCo's main objective and source of revenues and cash flows is the provision of short- and long-term financing for the activities of Parent and its subsidiaries.

The ability of our subsidiaries to pay dividends, interest and other fees to FinCo and ability of FinCo and Guarantors to service the Senior Public Notes may be restricted by, among other things, applicable corporate and other laws and regulations as well as agreements to which our subsidiaries are or may become a party.

The following is a summary of these guarantees:

Guarantees of Senior Notes

- Parent Company Guarantor – STERIS plc
- Subsidiary Issuer – STERIS Irish FinCo Unlimited Company
- Subsidiary Guarantor – STERIS Limited
- Subsidiary Guarantor – STERIS Corporation

The guarantee of a Guarantor will be automatically and unconditionally released and discharged:

- in the case of a subsidiary Guarantor, upon the sale, transfer or other disposition (including by way of consolidation or merger) of such subsidiary Guarantor, other than to the Parent or a subsidiary of the Parent and as permitted by the Indenture;
- in the case of a subsidiary Guarantor, upon the sale, transfer or other disposition of all or substantially all the assets of such subsidiary Guarantor, other than to the Parent or a subsidiary of the Parent and as permitted by the Indenture;
- in the case of a subsidiary Guarantor, at such time as such subsidiary Guarantor is no longer a borrower under or no longer guarantees any material credit facility (subject to reinstatement in specified circumstances);
- upon the legal defeasance or covenant defeasance of the Senior Public Notes or the discharge of FinCo's obligations under the Indenture in accordance with the terms of the Indenture;
- as described in accordance with the terms of the Indenture; or
- in the case of Parent, if FinCo ceases for any reason to be a subsidiary of Parent; provided that all guarantees and other obligations of Parent in respect of all other indebtedness under any material credit facility of FinCo terminate upon FinCo ceasing to be a subsidiary of Parent; and
- upon such Guarantor delivering to the trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent provided for in the Indenture relating to such transaction or release have been complied with.

The obligations of each Guarantor under its guarantee are expressly limited to the maximum amount that such Guarantor could guarantee without such guarantee constituting a fraudulent conveyance. Each Guarantor that makes a payment under its guarantee will be entitled upon payment in full of all guaranteed obligations under the indenture to a contribution from each Guarantor in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with U.S. GAAP.

The following tables present summarized results of operations for the three months ended June 30, 2025 and summarized balance sheet information at June 30, 2025 and March 31, 2025 for the obligor group of the Senior Public Notes. The obligor group consists of the Parent, FinCo, and the other Guarantors. The summarized financial information is presented after elimination of (i) intercompany transactions and balances among the guarantors and issuer and (ii) equity in earnings from and investments in any subsidiary that is a non-guarantor or issuer. Transactions with non-issuer and non-guarantor subsidiaries have been presented separately.

Summarized Results of Operations

(in millions)		**Three Months Ended June 30, 2025**
Revenues	$	**764.5**
Gross profit		**411.3**
Operating costs arising from transactions with non-issuers and non-guarantors, net		**170.6**
Income from operations		**158.3**
Non-operating income (expense) arising from transactions with subsidiaries that are non-issuers and non-guarantors, net		**132.2**
Net income	$	**100.2**

Summarized Balance Sheet Information
(in millions)

	June 30, 2025	March 31, 2025
Receivables due from non-issuers and non-guarantor subsidiaries	**$ 20,430.0**	$ 19,931.5
Other current assets	**785.6**	830.5
Total current assets	**$ 21,215.6**	$ 20,762.0
Non-current receivables due from non-issuers and non-guarantor subsidiaries	**$ 1,283.8**	$ 1,278.4
Goodwill	**298.0**	297.2
Other non-current assets	**618.8**	632.6
Total non-current assets	**$ 2,200.6**	$ 2,208.2
Payables due to non-issuers and non-guarantor subsidiaries	**$ 24,246.8**	$ 23,557.2
Other current liabilities	**267.1**	333.7
Total current liabilities	**$ 24,513.9**	$ 23,890.9
Non-current payables due to non-issuers and non-guarantor subsidiaries	**$ 285.9**	$ 285.6
Other non-current liabilities	**1,917.7**	2,060.8
Total non-current liabilities	**$ 2,203.6**	$ 2,346.4

Intercompany balances and transactions between the obligor group have been eliminated, and amounts due from, amounts due to, and transactions with non-issuer and non-guarantor subsidiaries have been presented separately. Intercompany transactions arise from internal financing and trade activities.

Critical Accounting Estimates and Assumptions

Information related to our critical accounting estimates and assumptions is included in our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025. Our critical accounting policies, estimates, and assumptions have not changed materially from March 31, 2025.

Contingencies

We are, and will likely continue to be, involved in a number of legal proceedings, government investigations, and claims, which we believe generally arise in the course of our business, given our size, history, complexity, and the nature of our business, products, Customers, regulatory environment, and industries in which we participate. These legal proceedings, investigations and claims generally involve a variety of legal theories and allegations, including, without limitation, personal injury (e.g., slip and falls, burns, vehicle accidents), product liability or regulation (e.g., based on product operation or claimed malfunction, failure to warn, failure to meet specification, or failure to comply with regulatory requirements), product exposure (e.g., claimed exposure to chemicals, gases, asbestos, contaminants, radiation), property damage (e.g., claimed damage due to leaking equipment, fire, vehicles, chemicals), commercial claims (e.g., breach of contract, economic loss, warranty, misrepresentation), financial (e.g., taxes, reporting), employment (e.g., wrongful termination, discrimination, benefits matters), and other claims for damage and relief.

We record a liability for such contingencies to the extent we conclude that their occurrence is both probable and estimable and believe we have adequately reserved for our current litigation and claims that are probable and estimable. In the event that the estimate of a probable loss is a range and no amount within the range is more likely, we accrue the minimum amount of the range. We consider many factors in making these assessments, including the professional judgment of experienced members of management and our legal counsel. We have made estimates as to the likelihood of unfavorable outcomes and the amounts of such potential losses. Further, we believe that the ultimate outcome of pending lawsuits and claims will not have a material adverse effect on our consolidated financial position or results of operations taken as a whole. Due to their inherent uncertainty, however, there can be no assurance of the ultimate outcome or effect of current or future litigation, investigations, claims or other proceedings. For certain types of claims, we presently maintain insurance coverage for personal injury and property damage and other liability coverages in amounts and with deductibles that we believe are prudent, and we may also have contractual indemnification rights against certain liabilities, but there can be no assurance that either will be applicable or adequate to cover adverse outcomes of claims or legal proceedings against us. We record expected recoveries under applicable contracts when we are assured of recovery. Refer to Note 10 of our consolidated financial statements titled, "Commitments and Contingencies" for additional information.

We are subject to taxation from United States federal, state and local, and foreign jurisdictions. Tax positions are settled primarily through the completion of audits within each individual jurisdiction or the closing of statutes of limitation. Changes in applicable tax law or other events may also require us to revise past estimates. We describe income taxes further in Note 9 of our consolidated financial statements titled, "Income Taxes" for more information.

Forward-Looking Statements

This quarterly report may contain statements concerning certain trends, expectations, forecasts, estimates, or other forward-looking information affecting or relating to STERIS or its industry, products or activities that are intended to qualify for the protections afforded “forward-looking statements” under the Private Securities Litigation Reform Act of 1995 and other laws and regulations. Forward-looking statements speak only as to the date the statement is made and may be identified by the use of forward-looking terms such as “may,” “will,” “expects,” “believes,” “anticipates,” “plans,” “estimates,” “projects,” “targets,” “forecasts,” “outlook,” “impact,” “potential,” “confidence,” “improve,” “optimistic,” “deliver,” “orders,” “backlog,” “comfortable,” “trend,” and “seeks,” or the negative of such terms or other variations on such terms or comparable terminology. Many factors could cause actual results to differ materially from those in the forward-looking statements including, without limitation, those identified in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K, which was filed with the SEC on May 29, 2025. Other potential risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements include, without limitation: (a) operating costs, pressure on pricing (including, without limitation, as a result of inflation), Customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, Customers, clients or suppliers) being greater than expected and leading to erosion of profit margins; (b) STERIS’s ability to successfully integrate acquired businesses into its existing businesses, including unknown or inestimable liabilities, impairments, or increases in expected integration costs or difficulties in connection with the integration of such businesses; (c) changes in tax laws or interpretations, including changes associated with the OBBBA, or the adoption of certain income tax treaties in jurisdictions where we operate that could increase our consolidated tax liabilities, including changes in tax laws that would result in STERIS being treated as a domestic corporation for United States federal tax purposes, or tariffs and/or other trade barriers; (d) the possibility that compliance with laws, court rulings, certifications, regulations, or other regulatory actions, or the outcome of any pending or threatened litigation, including the ethylene oxide litigation, may delay, limit or prevent new product or service introductions, impact production, supply and/or marketing of existing products or services, result in uncovered costs, or otherwise affect STERIS’s performance, results, prospects or value; (e) the potential of international unrest, including military conflicts, economic downturn and effects of currency fluctuations; (f) the possibility of delays in receipt of orders, order cancellations, or the manufacture or shipment of ordered products; (g) the possibility that anticipated growth, performance or other results may not be achieved, or that timing, execution, impairments, or other issues associated with STERIS’s businesses, industry or initiatives may adversely impact STERIS’s performance, results, prospects or value; (h) the impact on STERIS and its operations of any legislation, regulations or orders, including but not limited to any new trade, regulations or orders, that may be implemented by the U.S. administration or Congress, or of any responses thereto by non-U.S. governments; (i) the possibility that anticipated financial results, anticipated revenue, productivity improvements, cost savings, growth synergies, and other anticipated benefits of acquisitions, restructuring efforts, and divestitures will not be realized or will be less than anticipated; (j) the level of STERIS’s indebtedness limiting financial flexibility or increasing future borrowing costs; (k) the effects of changes in credit availability and pricing, as well as the ability of STERIS and STERIS’s Customers and suppliers to adequately access the credit markets, on favorable terms or at all, when needed; (l) the impacts of increasing competition within our industry, which may exert pressure on our pricing strategy or lead to decreasing demand for our products and services; (m) the effects on our operations resulting from labor-related issues, such as strikes, unsuccessful union negotiations and other workforce disruptions; (n) the possibility of economic downturns and recessions, which could negatively impact our business by reducing consumer and Customer spending.

Unless legally required, STERIS does not undertake to update or revise any forward-looking statements even if events make clear that any projected results, express or implied, will not be realized.

Availability of Securities and Exchange Commission Filings

We make available free of charge on or through our website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports as soon as reasonably practicable after we file such material with, or furnish such material to, the SEC. You may access these documents on the Investor Relations page of our website at *http://www.steris-ir.com*. The information on our website and the SEC's website is not incorporated by reference into this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the ordinary course of business, we are subject to interest rate, currency, and commodity risks. Information related to these risks and our management of these exposures is included in Part II, Item 7A, “Quantitative and Qualitative Disclosures about Market Risk,” in our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025. Our exposures to market risks have not changed materially since March 31, 2025.

Fluctuations in currency rates could affect our revenues, Cost of revenues and income from operations and could result in currency exchange gains and losses. During the first quarter of fiscal 2026, we held forward foreign currency contracts to hedge a portion of our expected non-U.S. dollar-denominated earnings against our reporting currency, the US dollar. These foreign currency exchange contracts will mature during fiscal 2026. We did not elect hedge accounting for these forward currency contracts; however, we may seek to apply hedge accounting in future scenarios. As a result, we may experience volatility due to (i) the timing mismatch of unrealized hedge gains or losses versus recognition of the underlying hedged earnings, and (ii) the impact of unrealized and realized hedge gains or losses being reported in selling, general and administrative expenses, whereas the offsetting economic gains and losses of the underlying hedged earnings are reported in the various line items of our Consolidated Statements of Income.

We also enter into foreign currency forward contracts to hedge monetary assets and liabilities denominated in foreign currencies, including inter-company transactions. We do not use derivative financial instruments for speculative purposes. At June 30, 2025, we held net foreign currency forward contracts to buy 38.0 million British pounds sterling; and to sell 13.0 million Australian dollars, 12.3 million euros, and 9.0 million New Zealand dollars.

We are dependent on basic raw materials, sub-assemblies, components, and other supplies used in our operations. Our financial results could be affected by the availability and changes in prices of these materials. The costs of these materials can rise suddenly and result in significantly higher costs of production. Where appropriate, we enter into long-term supply contracts as a basis to guarantee a reliable supply. We may also enter into commodity swap contracts to hedge price changes in a certain commodity that impacts raw materials included in our Cost of revenues. At June 30, 2025, we held commodity swap contracts to buy 0.4 million pounds of nickel.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision of and with the participation of our management, including the Principal Executive Officer (“PEO”) and Principal Financial Officer (“PFO”), we evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as of the end of the period covered by this Quarterly Report. Based on that evaluation, including the assessment and input of our management, the PEO and PFO concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective.

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934, that occurred during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding our legal proceedings is included in this Form 10-Q in Note 10 to our consolidated financial statements titled, "Commitments and Contingencies" and in Item 7 of Part II, titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations," of our Annual Report on Form 10-K for the year ended March 31, 2025, which was filed with the SEC on May 29, 2025.

ITEM 1A. RISK FACTORS

For a complete discussion of the Company's risk factors, you should carefully review the risk factors included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025, which was filed with the SEC on May 29, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

On May 3, 2023 our Board of Directors terminated the previous share repurchase program and authorized a new share repurchase program for the purchase of up to $500.0 million (exclusive of fees, commissions, and other charges). As of June 30, 2025, there was $300.0 million (exclusive of fees, commissions, and other charges) of remaining availability under the Board authorized share repurchase program. The share repurchase program has no specified expiration date.

Under the May 3, 2023 share repurchase program, the Company may repurchase its shares from time to time through open market purchases, including 10b5-1 plans. Any share repurchases may be activated, suspended or discontinued at any time.

During the first three months of fiscal 2026, we had no share repurchase activity pursuant to share repurchase program authorizations.

During the first three months of fiscal 2026, we obtained 0.1 million of our ordinary shares in the aggregate amount of $10.6 million in connection with share-based compensation award programs.

The following table summarizes the ordinary shares repurchase activity during the first quarter of fiscal 2026 under our ordinary share repurchase program:

(in millions)	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans at Period End
April 1-30	—	$ —	—	$ 300.0
May 1-31	—	—	—	300.0
June 1-30	—	—	—	300.0
Total	— (1)	$ — (1)	—	$ 300.0

(1) Does not include eight shares purchased during the quarter at an average price of $241.06 per share by the STERIS Corporation 401(k) Plan on behalf of an executive officer of the Company who may be deemed to be an affiliated purchaser.

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as such terms are defined under Item 408 of Regulation S-K.

ITEM 6. EXHIBITS

Exhibits required by Item 601 of Regulation S-K

Exhibit Number	Exhibit Description
3.1	STERIS plc Amended Memorandum and Articles of Association (filed as Exhibit 3.1 to STERIS plc Form 10-K for the fiscal year ended March 31, 2019 (Commission File No. 001-38848), and incorporated herein by reference).
15.1	Letter Re: Unaudited Interim Financial Information.
22.1	List of Guarantor Subsidiaries with respect to the 2.700% Notes due 2031 and 3.750% Notes due 2051 issued by STERIS Irish Finco Unlimited Company (filed as Exhibit 22.1 to Form 10-K for the fiscal year ended March 31, 2021 (Commission File No. 001-38848), and incorporated by reference).
31.1	Certification of the Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a).
31.2	Certification of the Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a).
32.1	Certification of the Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.SCH	Inline Schema Document.
101.CAL	Inline Calculation Linkbase Document.
101.DEF	Inline Definition Linkbase Document.
101.LAB	Inline Labels Linkbase Document.
101.PRE	Inline Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

STERIS plc

/s/ KAREN L. BURTON

Karen L. Burton
Vice President, Chief Accounting Officer
August 7, 2025