



STERIS Announces Financial Results for Fiscal 2026 First Quarter

08/06/25

- Total revenue from continuing operations increased 9%; constant currency organic revenue grew 8%
- As reported EPS from continuing operations increased to \$1.79; adjusted EPS increased to \$2.34
- Fiscal 2026 revenue and free cash flow outlook updated

DUBLIN, IRELAND, Aug. 06, 2025 (GLOBE NEWSWIRE) -- STERIS plc (NYSE: STE) ("STERIS" or the "Company") today announced financial results for its fiscal 2026 first quarter ended June 30, 2025. Total revenue from continuing operations for the first quarter of fiscal 2026 increased 9% to \$1.4 billion compared with \$1.3 billion in the first quarter of fiscal 2025. Constant currency organic revenue growth from continuing operations for the first quarter was 8%.

"We are pleased with a strong start to fiscal 2026," said Dan Carestio, President and CEO of STERIS. "Our performance exceeded expectations and margins improved nicely, despite tariff headwinds. Revenue also benefited from favorable foreign currency during the quarter, which we anticipate will continue throughout the fiscal year."

Total Company First Quarter Results from Continuing Operations

As reported, net income from continuing operations for the first quarter was \$177.4 million or \$1.79 per diluted share, compared with \$139.8 million or \$1.41 per diluted share in the first quarter of fiscal 2025. Adjusted net income for the first quarter of fiscal 2026 was \$231.2 million or \$2.34 per diluted share, compared with the previous year's first quarter of \$201.7 million or \$2.03 per diluted share.

First Quarter Segment Results from Continuing Operations

Healthcare revenue as reported grew 8% in the first quarter to \$974.7 million compared with \$901.2 million in the first quarter of fiscal 2025. This performance reflected 13% improvement in service revenue, 6% growth in capital equipment revenue and 5% growth in consumable revenue. Constant currency organic revenue growth was 8% compared to last year's first quarter. Healthcare operating income was \$235.5 million compared with \$216.9 million in last year's first quarter. The increase in operating income was primarily due to improved volume, price, productivity and the benefit of prior restructuring efforts, which was partially offset by tariffs and inflation.

Fiscal 2026 first quarter revenue for **Applied Sterilization Technologies (AST)** increased 13% as reported to \$281.2 million compared with \$249.8 million in the same period last year. This performance reflected 12% growth in service revenue and a 46% increase in capital equipment revenue. Constant currency organic revenue growth was 10% compared to last year's first quarter. Segment operating income was \$136.7 million in the first quarter of fiscal 2026, compared with operating income of \$117.7 million in the same period last year. The operating income increase compared with the prior year primarily reflects improved price and volume, which more than offset increased energy costs and labor inflation.

Life Sciences first quarter revenue as reported increased 5% to \$135.2 million compared with \$128.5 million in the first quarter of fiscal 2025. This performance reflected 8% growth in consumable revenue, 3% growth in service revenue, and 1% growth in capital equipment revenue. Constant currency organic revenue increased 4% compared to last year's first quarter. Reflecting improvement in mix, price, and productivity, operating income increased to \$58.7 million in the first quarter of fiscal 2026 compared with \$52.6 million in the prior year's first quarter.

Cash Flow

Net cash provided by operations for the first quarter of fiscal 2026 was \$420.0 million, compared with \$303.7 million in the first quarter of fiscal 2025. Free cash flow for the first quarter of fiscal 2026 was \$326.5 million compared with \$195.7 million in the prior year period. The increase in free cash flow during the period was driven primarily by the growth in earnings and improved working capital.

Board Announcements

As of STERIS's annual meeting, held July 31, 2025, the Company has announced three changes to the Board. Dr. Jaqueline Kosecoff and Dr. Richard Steeves have retired from the Board. Louis Shapiro, retired President and CEO of the Hospital for Specialty Surgery (HSS) has been elected to the Board.

"We are grateful to have benefitted from the counsel and expertise brought to the Board by Dr. Kosecoff and Dr. Steeves for many years," said Carestio. "We wish them well in their future endeavors and thank them for their dedication to STERIS. We are excited to welcome Mr. Shapiro to our Board, as he adds additional perspective from the healthcare industry from his many years in leadership at HSS."

Fiscal 2026 Outlook Updated

For fiscal 2026, the Company now expects as reported revenue from continuing operations to increase 8-9% compared with prior expectations of 6-7%. This change reflects a significant shift in foreign currency outlook, as we now anticipate approximately 200 basis points of favorability to revenue for fiscal 2026, based on forward rates through March 31, 2026. Expectations for constant currency organic revenue growth from continuing operations are unchanged at 6-7%. Adjusted earnings per diluted share from continuing operations is also unchanged in the range of \$9.90 to \$10.15, as favorable foreign currency changes will be offset by increased tariffs and higher employee healthcare benefit costs. Included in this outlook is the negative impact of tariffs, estimated to reduce pre-tax profit by approximately \$45 million, compared with prior expectations of \$30 million.

Capital expenditures are anticipated to be approximately \$375 million. Free cash flow is now expected to be approximately \$820 million, an increase from prior expectations of \$770 million due to improvements in working capital.

Conference Call

As previously announced, STERIS management will host a conference call tomorrow, August 7, 2025, at 9:00 a.m. ET. The conference call can be heard at www.steris-ir.com or via phone by dialing 1-833-535-2199 in the United States or 1-412-902-6776 internationally, then asking to join the

conference call for STERIS plc.

For those unable to listen to the conference call live, a replay will be available beginning at 12:00 p.m. ET tomorrow either at www.steris-ir.com or via phone. To access the replay of the call, please use the access code 2889488 and dial 1-877-344-7529 in the United States or 1-412-317-0088 internationally.

About STERIS

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. For more information, visit www.steris.com.

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Non-GAAP Financial Measures

Adjusted net income, adjusted income from operations, free cash flow, adjusted EPS and constant currency organic revenue are non-GAAP measures that may be used from time to time and should not be considered replacements for U.S. GAAP results. Non-GAAP financial measures are presented in this release 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. The Company believes that the presentation of these non-GAAP financial measures, when considered along with our U.S. GAAP financial measures, provides a more complete understanding of the factors and trends affecting our business than could be obtained absent this disclosure.

Adjusted net income, adjusted EPS and adjusted income from operations exclude the amortization of intangible assets acquired in business combinations, acquisition and divestiture related transaction costs and gains or losses, integration costs related to acquisitions, tax restructuring costs, and certain other unusual or non-recurring items. STERIS believes this measure is useful because it excludes items that may not be indicative of or are unrelated to our core operating results and provides a baseline for analyzing trends in our underlying businesses.

The Company defines free cash flow as cash flows from operating activities less purchases of property, plant, equipment and intangibles, plus proceeds from the sale of property, plant, equipment, and intangibles. STERIS believes that free cash flow is a useful measure of the Company's ability to fund future principal debt repayments and growth outside of core operations, pay cash dividends, and repurchase ordinary shares.

To measure the percentage organic revenue growth, the Company removes the impact of significant acquisitions and divestitures that affect the comparability and trends in revenue. To measure the percentage constant currency organic revenue growth, the impact of changes in currency exchange rates and acquisitions and divestitures that affect the comparability and trends in revenue are removed. The impact of changes in currency exchange rates is calculated by translating current year results at prior year average currency exchange rates.

Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. These adjusted financial measures should not be considered in isolation or as a substitute for reported sales, gross profit, operating income, net earnings and net earnings per diluted share, the most directly comparable U.S. GAAP financial measures. These non-GAAP financial measures are an additional way of viewing aspects of the Company's operations that, when viewed with U.S. GAAP results and the reconciliations to corresponding U.S. GAAP financial measures below, provide a more complete understanding of the business. The Company strongly encourages investors and shareholders to review its financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This release 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 STERIS's recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. 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 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.

Attachment

- [STERIS 1Q26 Financial Tables 8.6.25](#)



Source: STERIS plc