STERIS plc (NYSE: STE) - Q1 FY2027 Results, Guidance & Valuation

Fiscal first quarter ended June 30, 2026. STERIS is an infection-prevention and sterilization company (Dublin-domiciled) with three segments: Healthcare products and services, Applied Sterilization Technologies (AST, outsourced sterilization for medical devices), and Life Sciences. Its fiscal year ends March 31, so this quarter is Q1 of fiscal 2027.

A factual snapshot built from STERIS's public filings and verified market data. It contains no Blackspear forecast, price target, or recommendation.

REVENUE (Q1 FY27)	ADJUSTED EPS	INCOME FROM OPERATIONS	DIVIDEND
$1.49B	**$2.59**	**$285.8M**	**$2.76**
▲ **7%** vs $1.39B organic cc ▲ **6%**	▲ **11%** vs $2.34 GAAP $2.04 (▲ 14%)	▲ **16%** vs $246.0M op. margin 19.1%	raised to $0.69/qtr 15th straight year

SEGMENT RESULTS - Q1 FY2027 ($ MILLIONS)

SEGMENT	REVENUE	% TOT.	YOY	SEG. OP. INC.	MARGIN
Healthcare (products & services)	$1,048.4	70%	**+8%**	$260.2	24.8%
Applied Sterilization Tech. (AST)	$297.6	20%	**+6%**	$142.9	48.0%
Life Sciences	$146.7	10%	**+9%**	$61.8	42.1%
Total revenue	**$1,492.7**	**100%**	**+7%**		

AST, the outsourced-sterilization business (the direct peer to Sotera Health's Sterigenics), carries the highest segment margin (~48%). Overall constant-currency organic growth was +6%. Segment operating income is before corporate costs and intangible amortization; consolidated income from operations was $285.8M.

GROWTH & CASH - Q1 FY2027

Organic cc growth: Healthcare	+6%
Organic cc growth: AST	+5%
Organic cc growth: Life Sciences	+8%
Gross margin	45.8%
Operating cash flow	$367.1M
Free cash flow	$279.6M
Capex (Q1) / share buybacks (Q1)	**$87.5M / $115.5M**

Recurring consumables and service drive the model: service alone was 51% of revenue and consumables add more, so the bulk of revenue recurs and is relatively non-cyclical.

HOW TO READ THE NUMBERS

- The fiscal year ends March 31, so the quarter ended June 30, 2026 is the first quarter of fiscal 2027.
- Adjusted EPS excludes intangible amortization, acquisition/divestiture items, and restructuring charges; GAAP diluted EPS was $2.04.
- "Constant-currency organic" strips out FX and acquisitions/divestitures; overall organic growth was +6%.
- The dividend was recently raised to $0.69/quarter (from $0.63); the filing shows $0.63 declared for the June quarter, before the increase.

FY2027 OUTLOOK - REITERATED WITH THE AUGUST 5, 2026 RELEASE

COMPANY FY2027 OUTLOOK

Adjusted-EPS guidance unchanged

REVENUE GROWTH	ADJUSTED EPS	CAPITAL EXPENDITURES	FREE CASH FLOW
7-8%	**$11.10-11.30**	**~$450M**	**~$800M**
as reported; organic cc 6-7%	unchanged; ~+9-11%	raised from ~$375M	lowered from ~$850M

Capex was raised and free-cash-flow guidance trimmed to fund a new Formulated Chemistries Center of Excellence in North Carolina, consolidating facilities in St. Louis, Missouri and Plymouth, Minnesota. Related pre-tax restructuring charges of ~$55M to $70M are expected through fiscal 2030 and are excluded from adjusted earnings.

VALUATION SNAPSHOT - AS OF EARLY AUGUST 2026

Share price (recent)	**~$235.06**	P / E (trailing, GAAP)	**~28.7x**
Market capitalization (~97.5M sh.)	**~$22.9B**	Fwd P / E (FY27E adj. $11.20)	**~21x**
Net debt (debt less cash)	**~$1.4B**	Fwd P / E (FY28E adj. ~$12.3)	**~19x**
Enterprise value	**~$24.3B**	EV / EBITDA (~$1.7B est.)	**~14x**
Dividend ($2.76/yr) & yield	**1.17%**	PEG (fwd P/E / ~10% growth)	**~2.1x**
52-week range	**$195.14-$269.44**	Adj. EPS CAGR (FY24-FY27E)	**~11%**

Multiples move with the share price, refresh before relying on them. The trailing P/E (~28.7x) is on GAAP EPS; the forward multiples are on adjusted EPS (FY27E is the company's own guidance midpoint / consensus $11.16, FY28E is an analyst estimate). EV includes ~$1.4B of net debt (finance and operating leases add a further ~$0.15B); noncontrolling interests are immaterial (~$15M). Share-based comp in EBITDA is small (~$51M/yr, ~3%). At ~21x forward the stock sits below its own recent-history multiple (see page 2).

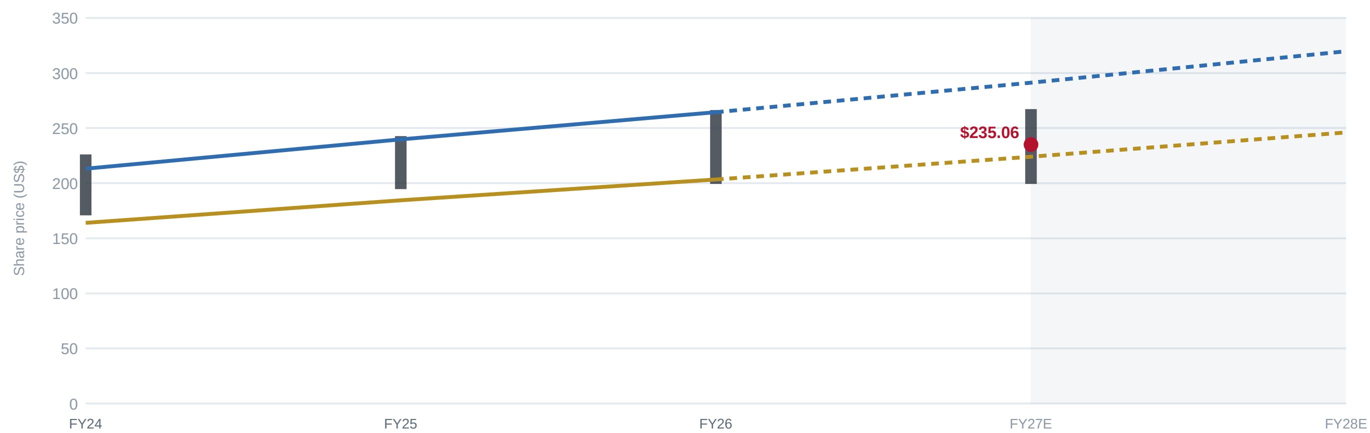
Full Excel model - linked tabs (segment build, guidance bridge, valuation, source tie-outs) - available on request. Email **info@blackspearllc.com** for a copy.

STERIS plc (NYSE: STE) - Valuation, Growth & Key Risks

A steady adjusted-EPS compounder (~11%/yr) with recurring, relatively non-cyclical demand and 15 straight years of dividend growth. At ~21x forward earnings it has de-rated below its recent-years average multiple (mid-20s); whether that is a fairer entry or a sign of lowered expectations is the debate.

History from STERIS disclosures and public market data; forward EPS is guidance and analyst consensus; P/E, PEG and earnings-justified reference lines are Blackspear calculations. Reference lines are mechanical, not a Blackspear price target or recommendation.

PRICE VS. EARNINGS-JUSTIFIED VALUE - STERIS ADJUSTED EPS, FY2024-FY2028E



Annual price range · ● current $235.06 — @ 26× (~mid-20s, recent-yrs avg) — @ 20× adj. EPS dashed = FY27E guidance / FY28E estimate

FORWARD P/E	EV / EBITDA	ADJ. EPS CAGR	DIVIDEND GROWTH
~21×	~14×	+11%	15 yrs
on FY27E adj. $11.20	on ~$1.7B (est.)	FY2024-FY2027E	1.17% yield; ~25% of adj. EPS

VALUATION & GROWTH

Recent price (early Aug 2026)	**~$235.06**
Trailing P/E (GAAP)	**~28.7×**
Forward P/E (FY27E adj. $11.20)	**~21×**
Forward P/E (FY28E adj. ~$12.3)	**~19×**
EV / EBITDA (~$1.7B est.)	**~14×**
Adj. EPS: FY24 → FY27E	**$8.20 → $11.20**
FY27 adj. EPS guidance	**$11.10-11.30**
Dividend / yield (15-yr grower)	**$2.76 · 1.17%**

DOES THE COMPOUNDING JUSTIFY THE PRICE?

A COMPOUNDER THAT HAS DE-RATED

A cheaper multiple that cuts both ways

STERIS has compounded adjusted EPS ~11% (FY24-FY27E) on recurring, relatively non-cyclical demand, with 15 straight years of dividend growth. At ~21× forward it trades below its recent-years average multiple (mid-20s). Bulls read that as a fairer entry into a durable, high-margin AST sterilization franchise; bears note the same move is multiple compression that has weighed on the stock and may signal the market lowering its growth expectations, that ~21× on ~10% growth is still a PEG of ~2×, and that AST carries an EO/regulatory tail alongside tariff, inflation and healthcare capital-spending pressure. This frames both sides; it is not a Blackspear view.

TOP RISK FACTORS - SUMMARIZED FROM THE COMPANY'S FILINGS

- ▲ **EO and sterilization regulation.** AST relies on ethylene oxide and other modalities subject to tightening EPA and health-and-safety rules and potential EO-related litigation (the regulatory tail affecting the outsourced-sterilization industry); regulatory actions could delay, limit, or raise the cost of operations.
- ▲ **Healthcare demand and reimbursement.** Exposure to hospital capital-equipment spending, healthcare-policy changes, and third-party payor reimbursement; softer capital demand or budget pressure would weigh on the Healthcare and Life Sciences segments.
- ▲ **Leverage and capital deployment.** About $1.9B of debt limits flexibility and relies on credit-market access; rising capex (~$450M) and the new North Carolina Center of Excellence carry execution and cost risk, and the restructuring may not deliver its expected benefits on schedule.
- ▲ **Tariffs, inflation and pricing.** STERIS flags tariffs and trade barriers (partly a function of its Irish corporate structure), inflation eroding profit margins, and pricing pressure from industry consolidation; inflation and tariffs were a headwind this quarter.
- ▲ **Tax and domicile.** As an Ireland-domiciled plc, changes in tax law or treaties, including any treatment of STERIS as a U.S. tax resident, could increase its consolidated tax liabilities.
- ▲ **Competition, integration and execution.** Consolidation and competition pressure pricing; acquisitions may not integrate as planned; and litigation, delayed product clearances, or supply disruptions could affect results.

On the numbers. Reported results and segments are from the Q1 FY2027 release and Form 10-Q. Forward adjusted EPS of $11.10-$11.30 (FY2027) is STERIS's own guidance; consensus is ~$11.16 and the FY2028 figure (~$12.3) is an analyst estimate. Adjusted EPS is shown on a continuing-operations basis (STERIS divested its Dental business in 2024, reported as discontinued operations, so pre-FY2024 figures are not comparable and are excluded). P/E, EV/EBITDA, PEG and the earnings-justified reference lines (20× and 26×) are mechanical Blackspear calculations; the 26× line approximates STERIS's recent-years average forward P/E and the band is illustrative, not a price target.