

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) \$1.49B ▲ 7% vs \$1.39B organic cc ▲ 6%	ADJUSTED EPS \$2.59 ▲ 11% vs \$2.34 GAAP \$2.04 (▲ 14%)	INCOME FROM OPERATIONS \$285.8M ▲ 16% vs \$246.0M op. margin 19.1%	DIVIDEND \$2.76 raised to \$0.69/qtr 15th straight year
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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 7-8% as reported; organic cc 6-7%	ADJUSTED EPS \$11.10-11.30 unchanged; ~+9-11%	CAPITAL EXPENDITURES ~\$450M raised from ~\$375M	FREE CASH FLOW ~\$800M 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.

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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



VALUATION & GROWTH

Recent price (early Aug 2026)	~\$235.06
Trailing P/E (GAAP)	~28.7x
Forward P/E (FY27E adj. \$11.20)	~21x
Forward P/E (FY28E adj. ~\$12.3)	~19x
EV / EBITDA (~\$1.7B est.)	~14x
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 ~21x 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 ~21x on ~10% growth is still a PEG of ~2x, 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 (20x and 26x) are mechanical Blackspear calculations; the 26x line approximates STERIS's recent-years average forward P/E and the band is illustrative, not a price target.

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