STERIS plc (STE)

Updated April 8th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$223	**5 Year Annual Expected Total Return:**	9.0%	**Market Cap:**	$21.5 B
Fair Value Price:	$255	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	06/10/26[1]
% Fair Value:	87%	**5 Year Valuation Multiple Estimate:**	2.7%	**Dividend Payment Date:**	06/26/26[2]
Dividend Yield:	1.1%	**5 Year Price Target**	$326	**Years Of Dividend Growth:**	15
Dividend Risk Score:	B	**Sector:**	Health Care	**Rating:**	Hold

Overview & Current Events

STERIS plc (STE) is a global leader in infection prevention and other procedural products and services. Founded as Innovative Medical Technologies in Ohio in 1985, the company was later renamed STERIS in 1987. STERIS operates through four segments: Healthcare, Applied Sterilization Technologies, Life Sciences, and Dental. The company has a strong history of acquisitions, including American Sterilizer Company in 1987 and Amsco International in 1996, which expanded its product line for healthcare and sterilization. STERIS has a market capitalization of $21.5 billion and a solid history of paying dividends.

On February 4th, 2026, the company announced financial results for the third quarter of fiscal year 2026. STE reported Q3 non-GAAP EPS of $2.53, in-line with market estimates and revenue of $1.50 billion.

STERIS reported a solid quarter, with revenue climbing 9% year-over-year to $1.5 billion, modestly beating expectations. Organic growth held firm at 8%, reflecting consistent demand across its diversified healthcare portfolio. Adjusted earnings reached $249.4 million, while reported net income rose to $192.9 million from $173.6 million a year ago. Management pointed to disciplined execution and pricing strength as key drivers, even as tariffs and inflation continued to weigh on margins. The Healthcare segment remained the backbone of performance, benefiting from gains across services, consumables, and capital equipment.

Segment-wise, Applied Sterilization Technologies stood out with 11% revenue growth, while Life Sciences posted a more measured 7% increase. Profitability improved across all divisions, though cost pressures, particularly labor, energy, and tariffs, tempered some of the upside. Still, cash generation was a bright spot, with free cash flow reaching $737.6 million year-to-date, supported by higher earnings and reduced capital spending. Looking ahead, STERIS maintained its full-year outlook, projecting 8% to 9% revenue growth. While tariff impacts are now expected to be slightly higher than previously forecast, the company appears confident in its ability to sustain momentum through pricing, productivity, and operational discipline.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	**2026**	**2031**
EPS	$1.56	$1.28	$3.39	$3.55	$4.76	$4.63	$2.48	$1.07	$3.81	$6.21	***$10.21***	***$13.02***
DPS	$0.98	$1.09	$1.21	$1.33	$1.45	$1.57	$1.69	$1.84	$2.03	$2.23	***$2.52***	***$4.06***
Shares[3]	70.7	85.5	85.0	84.6	84.8	85.2	97.5	99.7	98.8	98.6	***100.0***	***121.8***

STERIS plc operates in a growing healthcare industry that will positively influence its revenues over the long term. In addition, it has a strong track record of growth through acquisitions that helped expand its product offerings and geographical reach. For example, the acquisition of Cantel Medical expanded its product portfolio in infection prevention.

[1] Estimated ex-dividend date
[2] Estimated dividend payment date
[3] In millions.

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The most significant development for STERIS plc in 2023 was the completion of several tuck-in acquisitions. These acquisitions expanded their product and service offerings in the AST and Healthcare segments. The total aggregate consideration for these acquisitions was approximately $49.8 million, including a potential contingent consideration of $7.3 million. This development allowed STERIS to enhance its capabilities and further strengthen its position in the market.

STERIS plc has reported strong growth in the past 10 years with an EPS CAGR of 16.6%. For the EPS forecast for 2026, we are using the midpoint of the analysts' estimate at $10.21. Thus, with a forecasted annual growth of 5.0% the projected EPS in 2031 is $13.02. STE has consistently increased its DPS, but at a slower growth for the last two years. However, we expect the DPS to remain on a rising trajectory through 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	20.1	18.5	20.5	22.6	25.7	27.8	27.6	194.8	55.4	36.9	***21.9***	***25.0***
Avg. Yld.	1.4%	1.3%	1.2%	1.0%	0.9%	0.8%	0.8%	0.9%	0.9%	1.0%	***1.1%***	***1.2%***

STERIS plc trades at a forward P/E of 21.9, below its normalized long-term average P/E of around 28.0. STERIS trades below its historical valuation multiples, but we consider a P/E of 25.0 as a fair reflection of the stock's valuation, suggesting a target price of $326 by 2031.

Safety, Quality, Competitive Advantage, & Recession Resiliency

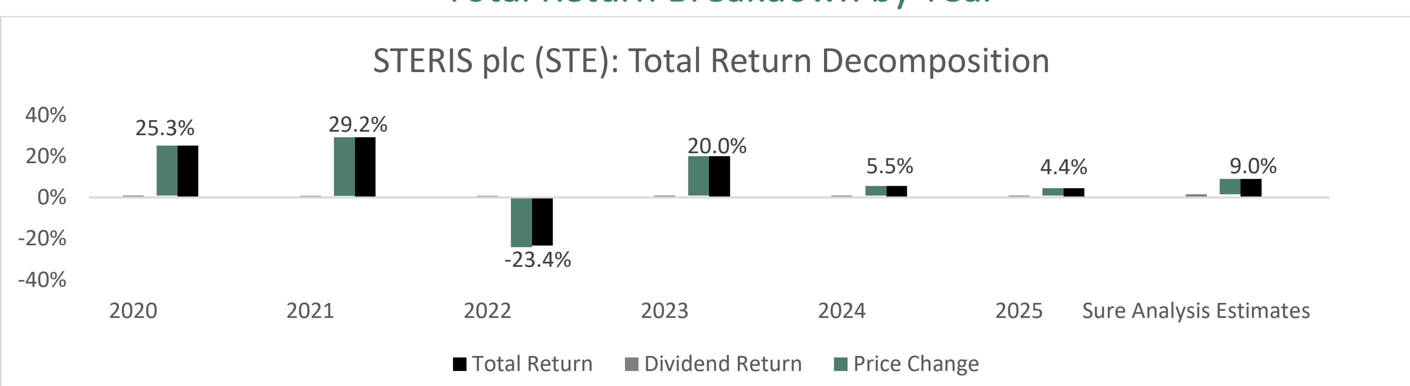
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	**2026**	**2031**
Payout	63%	85%	36%	37%	30%	34%	68%	172%	53%	36%	***25%***	***31%***

STERIS plc is a leading provider of infection prevention and other healthcare solutions. Its competitive advantage lies in its ability to offer a comprehensive range of products and services that enable healthcare facilities to improve patient outcomes while reducing costs. STERIS plc has also demonstrated resilience during recessions, supported by its steady EPS performance during the 2007 recession. The company has a manageable debt-to-equity ratio of around 30%, indicating a healthy balance sheet. This financial stability and competitive edge position STERIS plc for long-term success in the healthcare industry.

Final Thoughts & Recommendation

STERIS' stock has increased since our last report. We remain confident that the acquisition synergies will materialize and be reflected in the company's financials in the following years. Thus, our hold rating is premised upon the 9.0% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, a 1.1% starting dividend yield, and a valuation tailwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,239	2,613	2,620	2,782	3,031	3,108	4,585	4,958	5,139	5,460
Gross Profit	895	1,026	1,093	1,175	1,320	1,343	2,016	2,160	2,218	2,419
Gross Margin	40.0%	39.3%	41.7%	42.2%	43.6%	43.2%	44.0%	43.6%	43.2%	44.3%
SG&A Exp.	627	682	632	670	717	731	1,503	1,299	1,252	1,334
Operating Profit	212	285	400	442	538	545	426	759	862	987
Op. Margin	9.5%	10.9%	15.3%	15.9%	17.7%	17.6%	9.3%	15.3%	16.8%	18.1%
Net Profit	111	110	291	304	408	397	244	107	378	612
Net Margin	4.9%	4.2%	11.1%	10.9%	13.5%	12.8%	5.3%	2.2%	7.4%	11.2%
Free Cash Flow	128	251	292	350	376	450	397	395	613	776
Income Tax	60	74	63	64	91	121	72	52	150	185

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	5,346	4,924	5,200	5,073	5,441	6,574	11,424	10,820	11,060	10,150
Cash & Equivalents	249	283	202	221	320	221	348	209	207	172
Acc. Receivable	472	483	528	565	586	609	799	928	1,008	1,044
Inventories	193	198	206	208	264	315	575	695	675	581
Goodwill & Int.	3,280	2,956	3,161	2,928	2,922	3,924	7,733	6,835	6,190	5,950
Total Liabilities	2,308	2,114	1,983	1,887	2,023	2,683	4,879	4,735	4,748	3,531
Accounts Payable	140	133	136	153	149	157	226	280	252	281
Long-Term Debt	1,568	1,478	1,316	1,183	1,151	1,651	3,088	3,079	3,206	2,168
Total Equity	3,023	2,799	3,206	3,178	3,405	3,881	6,532	6,077	6,302	6,603
D/E Ratio	0.52	0.53	0.41	0.37	0.34	0.43	0.47	0.51	0.51	0.33

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.0%	2.1%	5.7%	5.9%	7.8%	6.6%	2.7%	1.0%	3.5%	5.8%
Return on Equity	5.4%	3.8%	9.7%	9.5%	12.4%	10.9%	4.7%	1.7%	6.1%	9.5%
ROIC	3.5%	2.5%	6.6%	6.8%	9.1%	7.9%	3.2%	1.1%	4.1%	6.6%
Shares Out.	85.0	84.8	84.5	84.9	85.4	100.1	100.0	100.3	99.4	99.1
Revenue/Share	31.45	30.35	30.57	32.55	35.39	36.18	46.63	49.46	51.72	55.11
FCF/Share	1.80	2.92	3.41	4.09	4.39	5.24	4.04	3.94	6.17	

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.