stryker

Fact Sheet

November 2016

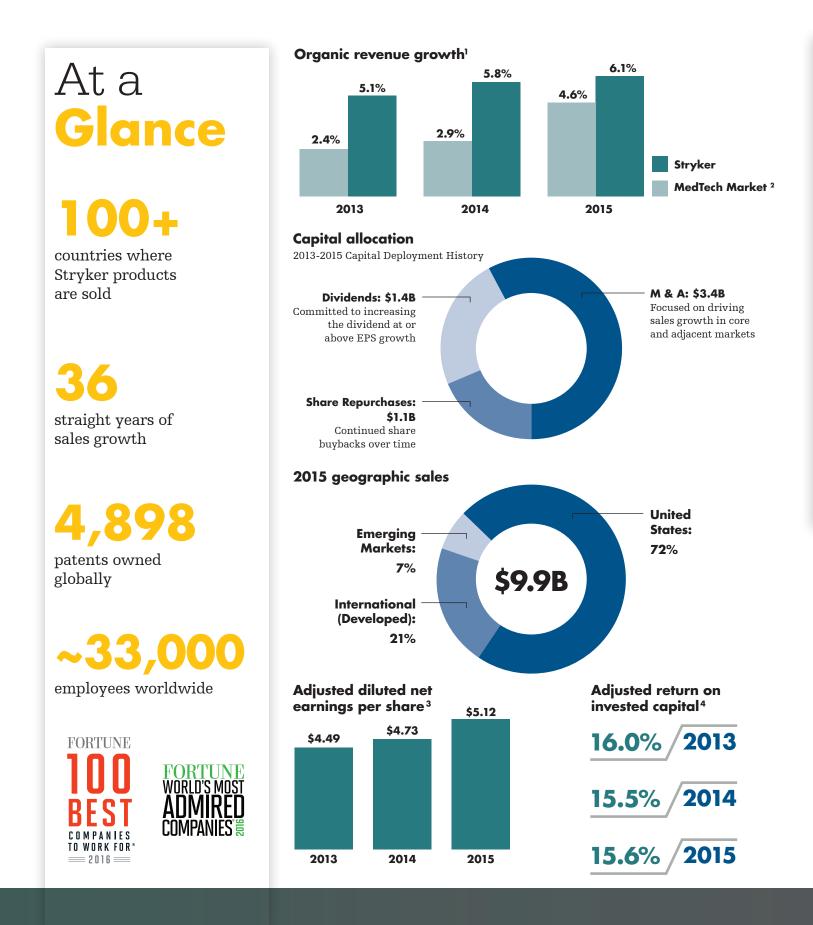
Mission:

Together with our customers, we are driven to make healthcare better.

Stryker is one of the world's leading medical technology companies and, together with our customers, we are driven to make healthcare better. The Company offers a diverse array of innovative products and services in Orthopaedics, Medical and Surgical, and Neurotechnology and Spine that help improve patient and hospital outcomes. Stryker is active in over 100 countries around the world. Please contact us for more information at stryker.com.

Investor Contact

Katherine A. Owen Vice President, Strategy and Investor Relations katherine.owen@stryker.com 269 385 2600 Charles DeCoster IV, MSA Assoc. Manager, Investor Relations and Strategy charles.decoster@stryker.com 269 389 7421 Media Contact Yin C. Becker Vice President, Communications and Public Affairs yin.becker@stryker.com 269 385 2600

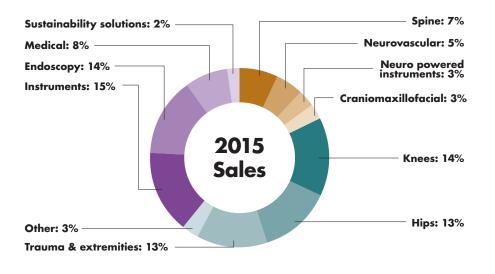


- 1 Organic revenue growth removes the impact of changes in foreign currency exchange rates and the first twelve months of acquisition sales that affect the comparability and trend of sales.
- 2
- Data Source: Company analysis of 16 peer companies. Non-GAAP financial measure. These measures exclude intangible amortization from earnings in all periods (reference the reconciliation of 3 GAAP to non-GAAP in the Financial Summary).
- 4 Return on Invested Capital: adjusted net earnings less interest expenses net of tax / (average total debt and total equity)

Stryker's core strategies

Leading player in medtech

Stryker is a broadly diversified medical technology company with no single business in any segment representing more than 15 percent of total Stryker revenue. This balanced diversity provides steady growth and enables the Company to pursue market opportunities in many promising areas.



Business unit specialization

Styker's business units contain dedicated sales, business development, marketing and research & development functions. These critical links and proximity to the specialized customer allow rapid identification of customer needs and the agility to address those needs.

This organizational structure is the key to driving market share gains and category leadership. Above market R&D spending and the specialized focus of that spending results in healthy product pipelines across all business, which will allow for the consistency of future growth.

Acquisitions

The 40+ acquisitions that Stryker has closed on over the last 5 years bolster its ability to consistenly grow at the high end of medtech. While Stryker has continued to diversify its portfolio, it remains focused on three key hosptial service lines: Orthopaedics, Neurotechnology and Specialty Surgery. In the "win big, lose big" environment created by continued hospital consolidation, category leadership will become increasingly important. That said, Stryker does not believe that hospitals are likely to purchase across service lines, even in the long term.

Even with the high volume of activity over the recent years, Stryker remains well positioned to continue to add to its portfolio through acquisitions. The target identification approach continues to be driven by the specialized business units, and the size of the deals are likely to be similar to what has been seen by Stryker historically. That is, a regular volume of smaller tuck-in deals, puctuated with some larger acquisitions.

International growth

Stryker has a significant opportunity to grow international market share through all of its current business offerings. Stryker will accomplish this by leveraging its broad product portfolio and services, by continuing to capture market share in key developed markets and building scale in emerging markets.

Stryker has shown success in Europe, with a growth rate that now exceeds the market. This shift in execution was driven primarily by initiation of the Trans Atlantic Operating model and the creation of the European regional headquarters. This growth is sustainable, due to the underpenetration relative to US share, in a similar customer environment against the same competitors.

Emerging markets continues to represent a significant opportunity. Stryker is diversifying its offering in these geographies by adding a value segment offering along with its premium products. These markets have shown some macro level softness, but Stryker remains committed to investing there for the longterm.

Cost transformation

Stryker sees significant opportunities to drive meaningful operating leverage through its Cost Transformation for Growth (CTG) initiative. This includes: product line rationalization, indirect procurement, a common ERP platform, expansion of shared services and continued plant network optimization. These initiatives, in combination with our continued peer leading growth, will deliver sustainable shareholder value into the forseeable future.

Orthopaedics

43% of total company sales

Financial and market information reflects 2015 results

Hip replacements

Market	Market	Market
size	position	share
\$5.8B	#3	22%

Stryker offers a comprehensive portfolio of solutions for primary and revision hip arthroplasty. The Hip business continues to drive the innovation in clinically successful product lines including Accolade, Exeter and X3. Stryker utilizes SOMA, a proprietary analytics system to design and validate implants for optimized fit and performance. Stryker's hips are designed to accommodate the wide variety of surgical approaches used in today's evolving industry.

Knee replacements

Market	Market	Market
size	position	share
\$7.2B	#3	20%

Stryker offers a complete portfolio of implants and systems designed to provide surgeons with multiple options to treat patients with osteoarthritis. Since its launch in 2004, the Triathlon single-radius design has helped restore function and relieve pain for over 1 million patients. Stryker's knees are designed to work with the body to promote a natural-like circular motion. The Company's Triathlon Primary and Revision Knee implants and instruments allow orthopaedic surgeons to address a wide variety of clinical situations that may arise during complex knee surgeries.

Trauma & extremities

Market	Market	Market
size	position	share
\$8.2B	#2	16%

Stryker is a leading supplier of trauma and extremities products for the surgical treatment of bone fractures, abnormalities and diseases. The portfolio features a comprehensive array of intramedullary nails, external fixation, locking plates, bone substitutes and joint solutions. Its commitment to innovation, dedication and education benefits orthopaedic trauma surgery by helping surgeons to enhance surgical treatment and serve individual patient needs.



MDM Hip System

Gamma3 Trochanteric Nail

Foot & ankle

Market	Market	Market
size	position	share
\$1.2B	#2	18%

Stryker offers a comprehensive portfolio of products for foot and ankle surgical treatment of bone fractures, deformities and diseases. The product line consists of plating systems, screw systems, nitinol implants, external fixation, soft tissue, total ankle replacement and biologics. Always striving for innovation, the foot and ankle business offers products such as SonicAnchor, STAR total ankle, VariAx 2 and Fixos 2. The team consists of highly trained professionals who advise surgeons allowing them to implant with confidence to achieve excellent clinical outcomes.



Foot & Ankle

Other joint replacement

Robotic-arm assisted technology

The Mako platform brings value to joint replacement surgery through procedural advancements and an enhanced patient experience focused on clinical outcomes. Mako's Robotic-Arm Assisted Technology enables 3D preoperative planning and provides surgeons intra-operative stereotactic feedback for bone preparation and implant placement. Surgeoncontrolled intra-operative adjustments can be made to optimize implant placement during surgery.

Bone cement

With over 50 years of clinical history, more than 600 published studies and currently the top-selling bone cement in the world,² the Simplex family of bone cements continue to provide clinically-backed fixation.

Performance Solutions

Other

Sales \$4.2B

Hips

Trauma & extremities

Stryker's Performance Solutions partners with hospitals and physician groups to create exceptional patient experiences, proven quality outcomes and sustainable profitability. It provides customers the performance intelligence they need to understand and benchmark their orthopaedic services and physician practices. With this intelligence the business helps them plan for alignment strategies that will enable them to turn reform into opportunity and build customized implementation programs that help deliver patient-centric care and quality outcomes.

² Global Markets for Bone Cement and Accessories 2012 - US, Europe (France, Germany, Italy, UK), Japan, Brazil, India, China. Millennium Research Group, December 2011.



Mako Robotic-Arm Assisted Technology



JointCoach

MedSurg

39% of total company sales

Financial and market information reflects 2015 results

Instruments

Market	Market	Market
size	position	share
\$5.5B	#1	35%

Stryker is a leader in creating products that make surgery more efficient, reduce trauma and improve techniques. The Company is known for a wide range of innovative operating room products, from leading surgical power tools to personal protection and waste/ fluid management. Stryker's goal is to improve the surgical and patient experience by developing products that are more reliable and less complicated to use.

Stryker's computer assisted surgery technology focuses on procedural simplification and workflow flexibility, and enables surgeons to accurately track, analyze and monitor instrumentation relative to a patient's anatomy during surgical procedures to enhance patient outcomes.

Medical

Market	Market	Market
size	position	share
\$7.0B	#2	12%

Stryker Medical partners with healthcare providers by providing holistic solutions that focus on improving caregiver and patient outcomes. Stryker Medical is dedicated to innovation and thoughtful design, offering a broad portfolio of products including but not limited to: hospital beds and stretchers. surfaces, powered ambulance cots and fasteners, temperature management solutions, interconnected technologies, and hospital room furniture. The Medical division of Stryker strives to improve caregiver and patient safety, prevention, and efficiency, delivering proven clinical/financial outcomes and confident care.

Sustainability Solutions

Market	Market	Market
size	position	share
\$0.3B	#1	61%

Medical device reprocessing and remanufacturing is good for the environment and a hospital's bottom line. Stryker's Sustainability Solutions provides custom solutions to optimize both of these goals.

As the trusted supplier of choice for roughly 3,000 U.S. Hospitals, including nearly all of US News & World Report's "Best Hospitals," our approach is simple: grow a hospital's financial and environmental sustainability. In 2015, Sustainability Solutions' reprocessing programs helped customers save \$262 million in supply costs and divert 12.3 million pounds of waste from landfills. Together with our customers, we can enhance patient care without compromising quality or safety.



Stryker NAV3i Platform

Stryker S3 Med/Surg Bed Reprocessed LigaSure LF1637

Endoscopy

Endoscopy

Market	Market	Market
size	position	share
\$4.0B	#2	21%

As a technology leader in minimally invasive surgery, Stryker offers comprehensive solutions to meet the changing needs of the high-tech operating room. These solutions combine voice activation, infrared imaging and high-definition video technology with a market leading data management system to offer a surgical environment designed to improve patient outcomes.

Communications

Market	Market	Market
size	position	share
\$1.4B	#2	19%

Stryker focuses on optimizing efficiency in operating rooms and surrounding care environments. We leverage our highly capable sales and service teams, our configurable product portfolio, and a wide range of connectivity options to help our customers design, equip, and connect their ideal work spaces. OR integration systems, surgical video, equipment management systems, surgical lights, and surgical tables are the foundational elements of our iSuite solution.

Sports medicine

Endoscopy

Sustainability solutions

Sales \$3.9B Instruments

Medical

Market	Market	Market
size	position	share
\$4.2B	#4	7%

Stryker offers a wide range of innovative sports medicine implants, instrumentation, resection and biologic solutions. Our solutions focus on minimally invasive and open approaches to the shoulder, hip, knee and small joints. From our flexible technology and small peek implants to our "tie-able" tape suture and optimal cutters and burs, Stryker's Sports Medicine business delivers a comprehensive and innovative portfolio of products and business solutions to help our customers excel, both clinically and operationally.

1588AIM Platform

iSuite

ICONIX

CinchLock

Neurotechnology & Spine 18[%] of total company sales

Financial and market information reflects 2015 results

Neurovascular

Market	Market	Market
size	position	share
\$1.7B	#1	31%

Stryker is focused on advancing the practice of less invasive stroke therapies through its Complete Stroke Care solutions. Stryker is dedicated to providing innovative stroke products and services for ischemic and hemorrhagic stroke, and committed to providing clinical education and support to help physicians deliver better patient outcomes. Products include: stent retriever, detachable coils, stents, balloons, guidewires and microcatheters.

Neuro powered instruments

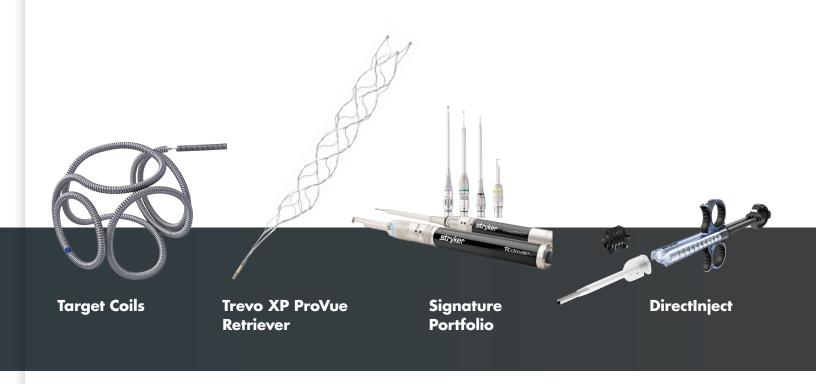
Market	Market	Market
size	position	share
\$1.4B	#2	24%

Stryker's neuro, spine and ENT portfolio includes a comprehensive suite of products developed for the fine tolerances required by these surgical specialties. Continued product innovation allows these specialty care providers to improve their existing surgical procedures, while exploring new techniques to further advance the clinical outcomes of their patients. Products include electric and pneumatic drill systems and accessories, an ultrasonic aspiration device for soft tissue removal and bone cutting, nonstick bipolar forceps, bone mill and bioresorbable nasal and ear dressings.

Craniomaxillofacial

Market	Market	Market
size	position	share
\$1.1B	#2	23%

Stryker is a market leader in products used in maxillofacial, craniofacial and neurosurgical procedures. Its comprehensive product portfolio is designed to provide innovative solutions to healthcare providers with the goal of improved surgical outcomes. The craniomaxillofacial product line features bone fixation systems, biomaterials, porous polyethylene implants, microdissection needles and surgical instrumentation to address a wide variety of surgical specialties and procedures.





Spine

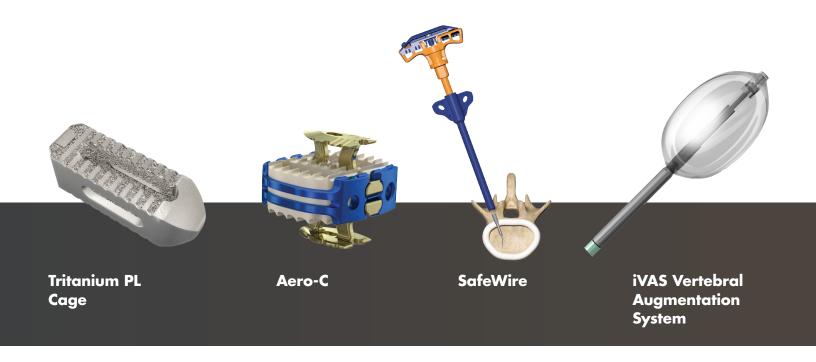
Market	Market	Market
size	position	share
\$9.0B	#4	8%

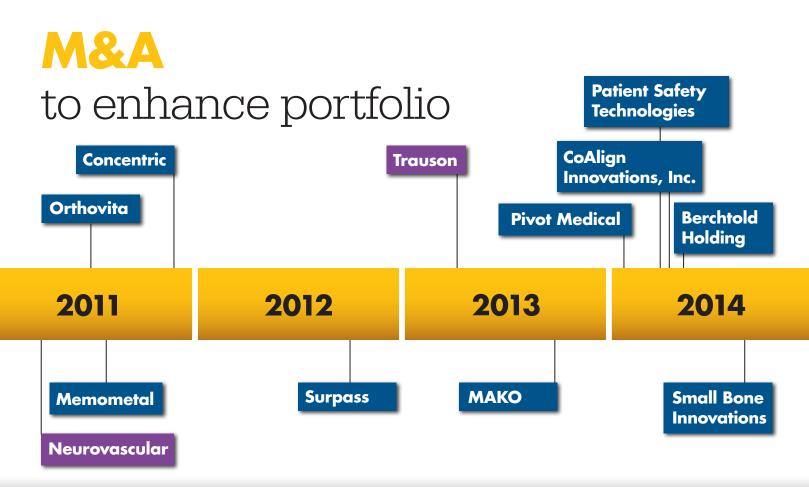
Spinal implants

Stryker offers one of the most comprehensive and diverse product portfolios for the treatment of degenerative and complex spinal disorders. The Company is committed to developing technologies for traditional and minimally invasive surgical techniques, enabling surgeons to help their patients return to a more active lifestyle. Products include implants, instruments and biologics solutions for the cervical, thoracic and lumbar spine.

Interventional spine

The Interventional Spine business focuses on providing an extensive and innovative product portfolio for vertebral augmentation, vertebroplasty and radiofrequency ablation procedures, along with a diagnostic tool and decompression treatment advances for contained disc herniations.





Recent acquisition highlights

Muka Metal, A.S.

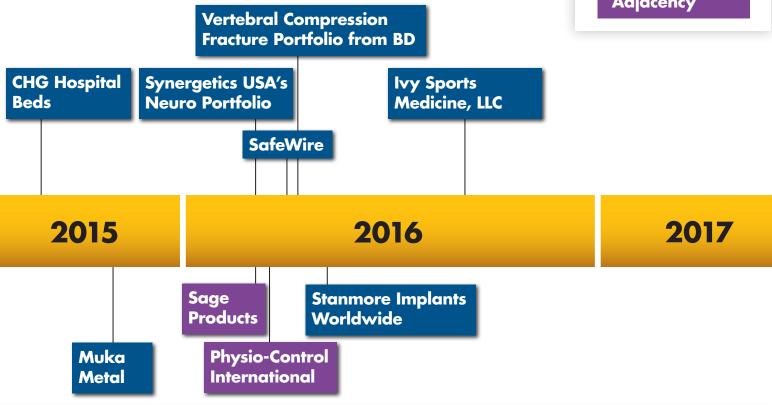
Muka sells hospital beds, stretchers and related patient room furniture and accessories that serve markets across Turkey and other regions globally. Since launching its first hospital bed in 2002, Muka has established itself as a leading manufacturer and marketer of hospital beds, stretchers and related patient room furniture and accessories. Muka aligns with Stryker's strategy to expand our global presence through existing channels with an established and trusted brand which will bolster Stryker Medical's bed and stretcher offerings, and is a compelling opportunity to drive growth in Turkey and other regions around the world.

Sage Products

Sage Products is a leading developer of innovative prevention products and proprietary solutions designed to improve outcomes for patients and clinicians alike, while maximizing efficiency and profitability for healthcare facilities. Sage's products include solutions for oral care, skin preparation and protection, patient cleansing and hygiene, turning and positioning devices and heel care boots. Sage's disposable products help reduce "Never Events", specifically hospital acquired conditions and healthcare worker injury. Together, Sage and Stryker are now focused on offering products and services that support a mindset of prevention primarily in the intensive care unit and MedSurg hospital unit setting.

Synergetics USA

Stryker's acquisition of Synergetics USA, Inc.'s neuro portfolio includes the Malis generator, Spetzler-Malis disposable forceps and Stryker's existing SONOPET Ultrasonic Aspirator tips and RF generator. Synergetics USA, Inc.'s neuro portfolio is highly complementary to Stryker's Neuro, Spine and ENT business and offers an expanded neurosurgical product offering. Stryker's full portfolio of nonstick bipolar forceps includes Spetzler-Malis and SILVERGlide Bipolar Forceps. Regardless of your preference for single-use Spetzler-Malis or reusable SILVERGlide Bipolar Forceps, you can expect excellent visualization, precision and control.



Physio-Control International

Physio-Control is a leading global provider of professional emergency medical response solutions that predict or intervene in life-threatening emergencies for public access, in hospital and out-of-hospital use. Physio-Control develops, manufactures and markets monitors/ defibrillators, automated external defibrillators(AEDs), CPR-assist devices, data management solutions, accessories and disposables, technical support, and implementation services. More than one million Physio-Control supported units are in use today in enterprise companies, on fire rescue rigs, ambulances and hospital crash carts protecting thousands of communities worldwide. The acquisition expands our global presence into emergency medical care market and offers the opportunity to impact a greater group of patients across the continuum of care.

Vertical Compression Portfolio

This extensive, minimally invasive line of vertebral augmentation solutions includes, but is not limited to, the AVAmax Plus mixing and delivery system, AVAflex vertebral balloon system, and their recent precommercial announced 11G AVAflex curved balloon and 13G AVAmax vertebral balloons.

Stanmore Implants Worldwide

Stanmore Implants is an innovative orthopaedic business focused on serving the needs of surgeons that treat adult and juvenile orthopaedic oncology. Stanmore Implants' portfolio includes both patient specific and off-the-shelf implant systems aimed at limb salvage. The acquisition of Stanmore Implants aligns with our core joint replacement business to provide differentiated technologies designed to provide the most effective solutions for orthopaedic oncology surgeons. This addition expands our presence in the global orthopaedic oncology market and offers the unique opportunity to impact a broader group of surgeons and their patients globally.

SafeWire

The SafeWire portfolio, including the Y-Wire guidewire and Tiger Needle Family, is highly complementary to Stryker's spine product portfolio and is aligned with the strategy of expanding product offerings for minimallyinvasive spine surgery. The Y-Wire is designed to mitigate potential wirebased complications. With reduced surgical steps and technical ease, it also helps optimize workflow and reduce patient and surgeon exposure to fluoroscopy. This acquisition increases Stryker's competitive advantage as we broaden our spine surgery product line and extend our customer base.

Financial

summary

(\$ in millions, except per share amounts)			% of sales			Yr/yr change			
Results of operations	2013	2014	2015	2013	2014	2015	2013	2014	2015
Net sales	\$9,021	\$9,675	\$9,946	100%	100%	100%	4.2%	7.3%	2.8%
Cost of sales	3,002	3,319	3,344	33%	34%	34%	7.0%	10.5%	0.8%
Gross profit	6,019	6,356	6,602	67%	66%	66%	2.9%	5.6%	3.9%
Research, development and engineering expenses	536	614	625	6%	6%	6%	13.8%	14.6%	1.8%
Selling, general and administrative expenses	3,467	3,547	3,610	38%	37%	36%	3.7%	2.3%	1.8%
Recall charges, net of insurance proceeds	622	761	296	7%	8%	3%	-	-	-
Intangible asset amortization	138	188	210	2%	2%	2%	12.2%	36.2%	11.7%
Total operating expenses	4,763	5,110	4,741	53%	53%	48%	15.9%	7.3%	-7.2%
Operating income	1,256	1,246	1,861	14%	13%	19%	-27.9%	-0.8%	49.4%
Other income (expense)	(44)	(86)	(126)	0%	-1%	-1%	22.2%	95.5%	46.5%
Earnings before income taxes	1,212	1,160	1,735	13%	12%	17%	-28.9%	-4.3%	49.6%
Income taxes	206	645	296	2%	7%	3%	-49.4%	213.1%	-54.1%
Reported net earnings	1,006	515	1,439	11%	5%	14%	-22.5%	-48.8%	179.4%
Adjusted net earnings	\$1,714	\$1,810	\$1,949	19%	19%	20%	4.0%	5.6%	7.7%

Diluted per share amounts

					•	
Reconciliation of GAAP to Non-GAAP results	2013	2014	2015	2013	2014	2015
Reported Net Earnings	\$1,006	\$515	\$1,439	\$2.63	\$1.34	\$3.78
Acquisition and integration-related charges	72	65	24	0.19	0.17	0.06
Amortization of intangible assets	98	133	147	0.26	0.35	0.39
Restructuring-related charges	46	78	97	0.12	0.20	0.26
Regulatory and legal matters	63	-	(46)	0.17	-	(0.12)
Rejuvenate and other recall matters	460	628	210	1.20	1.65	0.55
Donation	15	-	-	0.04	-	-
Tax matters	(46)	391	78	(0.12)	1.02	0.20
Adjusted Net Earnings	\$1,714	\$1,810	\$1,949	\$4.49	\$4.73	\$5.12

(\$ in millions) **Capital allocation** 2013 2014 2015 3 year total Mergers & acquisitions¹ \$2,320 \$916 \$153 \$3,389 \$1,384 Dividends 401 462 521 Share repurchases \$1,117 317 100 700 Total \$1,374 \$5,890 \$3,038 \$1,478

¹Net of cash acquired

Financial summary

(\$ in millions)

Consolidated condensed balance sheets	2013*	2014*	2015*
Assets			
Cash and cash equivalents	\$1,339	\$1,795	\$3,379
Marketable securities	2,641	3,205	700
Accounts receivable (net)	1,518	1,572	1,662
Inventories	1,422	1,588	1,639
Other current assets	519	503	563
Total current assets	7,439	8,663	7,943
Property, plant and equipment (net)	1,081	1,098	1,199
Goodwill and other intangibles (net)	5,833	6,204	5,930
Other assets	1,030	1,293	1,151
Total assets	\$15,383	\$17,258	\$16,223
Liabilities and shareholders' equity			
Current liabilities	\$2,657	\$4,461	\$3,502
Other liabilities	956	977	980
Long-term debt, excluding current maturities	2,723	3,225	3,230
Shareholders' equity	9,047	8,595	8,511
Total liabilities and shareholders' equity	\$15,383	\$17,258	\$16,223
Consolidated condensed statements of cash flow	2013	2014	2015
Operating activities			
Net earnings	\$1,006	\$515	\$1,439
Depreciation	169	190	187
Amortization of Intangible Assets	138	188	210
Other, net	573	889	(937)
Net cash provided by operating activities	1,886	1,782	899
Investing activities			
Acquisitions, net of cash acquired	(2,320)	(916)	(153)
Change in marketable securities, net	298	(729)	2,379
Purchases of property, plant and equipment	(195)	(233)	(270)
Net cash (used in) provided by investing activities	(2,217)	(1,878)	1,956
Financing activities			
Proceeds from borrowings, net	1,005	1,159	48
Dividends paid	(401)	(462)	(521)
Repurchase of common stock	(317)	(100)	(700)
Other financing	13	32	32
Net cash provided by (used in) financing activities	300	629	(1,141)
	(25)	(77)	(130)
Effect of exchange rate changes on cash and cash equivalents	(20)	(77)	(100)

*Includes retrospective application of ASU 2015-03 Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance costs

Stryker leadership team

Kevin A. Lobo Chairman and Chief Executive Officer

Yin C. Becker Vice President, Communications and Public Affairs

Glenn S. Boehnlein Vice President, Chief Financial Officer

Lonny J. Carpenter Group President, Global Quality and Business Operations

M. Kathryn Fink Vice President, Chief Human Resources Officer

David K. Floyd Group President, Orthopaedics

Michael D. Hutchinson General Counsel Graham A. McLean

President, Asia-Pacific

Katherine A. Owen Vice President, Strategy and Investor Relations

Bijoy N. Sagar Vice President, Chief Information Officer

Timothy J. Scannell Group President, MedSurg and Neurotechnology

Other officers

Dean H. Bergy Vice President, Corporate Secretary

William E. Berry, Jr. Vice President, Corporate Controller

Jeanne M. Blondia Vice President, Finance and Treasurer

Division presidents

Businesses

William J. Huffnagle Joint Replacement

Xavier Berling Trauma & Extremities

Bradley W. Paddock Spine

Mark H. Paul Neurovascular

J. Andrew Pierce Endoscopy Irene B. Corbe Vice President, Internal Audit

David G. Furgason Vice President, Tax **William J. Cymbaluk** Vice President, Corporate Regulatory Affairs and Quality Assurance

Bronwen R. Taylor Vice President, Compliance and Risk Management

Bradford L. Saar Medical

Spencer S. Stiles Instruments

Brian J. White Sustainability Solutions

Regions

Maurice Ben-Mayor South Pacific

Stuart Silk EMEA and Latin America Laurence F.I. Hipkin Eastern Europe, Middle East, Africa

Hiroyuki Saeki Japan

Scott MacNair Canada

M. Brent Scott Asia

Fabrizio Signorin Latin America

Additional information

Independent Registered Public Accounting Firm

Ernst & Young LLP Grand Rapids, Michigan

Transfer Agent and Registrar

American Stock Transfer & Trust Company, LLC New York, New York Shareholders needing information regarding their certificates or dividends should contact: American Stock Transfer &

Trust Company, LLC Operations Center 6201 15th Avenue, New York, NY 11219 800 937 5449 | info@amstock.com

Stock Listing

The Company's common stock is traded on the New York Stock Exchange under the symbol SYK.

Stryker Corporation or its divisions or other corporate affiliated entities own, use or have applied for the following trademarks or service marks: Accolade, AccuLIF, Aero, Cinchlock, ES2, Exeter, Gamma3, Gaymar, Hoffmann, ICONIX, Isolibrium, iSuite, iVAS, MAKOplasty, MAKO Surgical Corp., MDM, MEDPOR, Memometal, NAV3i, Neptune, Orthovita, ReUnion, RIO, SafeWire, SDC3, SILVERGlide, Simplex, Small Bone Innovations, SmartLock, SOMA, Sonopet, STAR, Stryker, Surpass, Target, Together with our customers, we are driven to make healthcare better., Trevo, Triathlon, Tritanium, Y-Wire, X3. All other trademarks are trademarks of their respective owners or holders.

AVAflex and AVAmax are registered trademarks of Carefusion 2200, Inc.

Notes

Stryker Corporation

2825 Airview Boulevard Kalamazoo, Michigan 49002 269 385 2600