

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-13149



STRYKER CORPORATION

(Exact name of registrant as specified in its charter)

Michigan

(State of incorporation)

38-1239739

(I.R.S. Employer Identification No.)

1941 Stryker Way Portage, Michigan

(Address of principal executive offices)

49002

(Zip Code)

(269) 385-2600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.10 Par Value	SYK	New York Stock Exchange
2.125% Notes due 2027	SYK27	New York Stock Exchange
3.375% Notes due 2028	SYK28	New York Stock Exchange
0.750% Notes due 2029	SYK29	New York Stock Exchange
2.625% Notes due 2030	SYK30	New York Stock Exchange
1.000% Notes due 2031	SYK31	New York Stock Exchange
3.375% Notes due 2032	SYK32	New York Stock Exchange
3.625% Notes due 2036	SYK36	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Emerging growth company
Non-accelerated filer Small reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 382,423,648 shares of Common Stock, \$0.10 par value, on September 30, 2025.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Stryker Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)

	Three Months		Nine Months	
	2025	2024	2025	2024
Net sales	\$ 6,057	\$ 5,494	\$ 17,945	\$ 16,159
Cost of sales	2,205	1,977	6,508	5,893
Gross profit	\$ 3,852	\$ 3,517	\$ 11,437	\$ 10,266
Research, development and engineering expenses	410	377	1,222	1,108
Selling, general and administrative expenses	2,045	1,894	6,424	5,562
Amortization of intangible assets	189	159	543	467
Goodwill and other impairments	73	2	163	21
Total operating expenses	\$ 2,717	\$ 2,432	\$ 8,352	\$ 7,158
Operating income	\$ 1,135	\$ 1,085	\$ 3,085	\$ 3,108
Other income (expense), net	(106)	(42)	(276)	(144)
Earnings before income taxes	\$ 1,029	\$ 1,043	\$ 2,809	\$ 2,964
Income taxes	170	209	412	517
Net earnings	\$ 859	\$ 834	\$ 2,397	\$ 2,447

Net earnings per share of common stock:

Basic	\$ 2.25	\$ 2.18	\$ 6.27	\$ 6.42
Diluted	\$ 2.22	\$ 2.16	\$ 6.20	\$ 6.35

Weighted-average shares outstanding (in millions):

Basic	382.4	381.1	382.1	380.9
Effect of dilutive employee stock compensation	4.3	4.5	4.4	4.5
Diluted	386.7	385.6	386.5	385.4

Cash dividends declared per share of common stock	\$ 0.84	\$ 0.80	\$ 2.52	\$ 2.40
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Anti-dilutive shares excluded from the calculation of dilutive employee stock options were de minimis in all periods.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

	Three Months		Nine Months	
	2025	2024	2025	2024
Net earnings	\$ 859	\$ 834	\$ 2,397	\$ 2,447
Other comprehensive income (loss), net of tax:				
Marketable securities	—	—	—	—
Pension plans	—	(2)	2	(1)
Unrealized gains (losses) on designated hedges	8	(27)	11	(28)
Financial statement translation	(12)	(161)	(486)	(100)
Total other comprehensive income (loss), net of tax	\$ (4)	\$ (190)	\$ (473)	\$ (129)
Comprehensive income	\$ 855	\$ 644	\$ 1,924	\$ 2,318

See accompanying notes to Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

	September 30 2025	December 31 2024		
	(Unaudited)			
Assets				
Current assets				
Cash and cash equivalents	\$ 3,256	\$ 3,652		
Short-term investments	—	750		
Marketable securities	87	91		
Accounts receivable, less allowance of \$223 (\$213 in 2024)	3,643	3,987		
Inventories:				
Materials and supplies	1,371	1,147		
Work in process	442	336		
Finished goods	3,557	3,291		
Total inventories	\$ 5,370	\$ 4,774		
Prepaid expenses and other current assets	1,355	1,593		
Total current assets	\$ 13,711	\$ 14,847		
Property, plant and equipment:				
Land, buildings and improvements	1,783	1,627		
Machinery and equipment	5,622	5,056		
Total property, plant and equipment	\$ 7,405	\$ 6,683		
Less allowance for depreciation	3,671	3,235		
Property, plant and equipment, net	\$ 3,734	\$ 3,448		
Goodwill	19,256	15,855		
Other intangibles, net	5,845	4,395		
Noncurrent deferred income tax assets	1,374	1,742		
Other noncurrent assets	3,137	2,684		
Total assets	\$ 47,057	\$ 42,971		
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable	\$ 1,498	\$ 1,679		
Accrued compensation	1,306	1,403		
Income taxes	118	539		
Dividends payable	321	320		
Accrued expenses and other liabilities	2,421	2,266		
Current maturities of debt	1,750	1,409		
Total current liabilities	\$ 7,414	\$ 7,616		
Long-term debt, excluding current maturities	14,845	12,188		
Income taxes	400	349		
Other noncurrent liabilities	2,613	2,184		
Total liabilities	\$ 25,272	\$ 22,337		
Shareholders' equity				
Common stock, \$0.10 par value	38	38		
Additional paid-in capital	2,553	2,361		
Retained earnings	19,960	18,528		
Accumulated other comprehensive loss	(766)	(293)		
Total shareholders' equity	\$ 21,785	\$ 20,634		
Total liabilities and shareholders' equity	\$ 47,057	\$ 42,971		

See accompanying notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

	Three Months		Nine Months	
	2025	2024	2025	2024
Common stock shares outstanding (in millions)				
Beginning	382.3	381.1	381.4	380.1
Issuance of common stock under stock compensation and benefit plans	0.1	0.1	1.0	1.1
Ending	382.4	381.2	382.4	381.2
Common stock				
Beginning	\$ 38	\$ 38	\$ 38	\$ 38
Issuance of common stock under stock compensation and benefit plans	—	—	—	—
Ending	\$ 38	\$ 38	\$ 38	\$ 38
Additional paid-in capital				
Beginning	\$ 2,492	\$ 2,305	\$ 2,361	\$ 2,200
Issuance of common stock under stock compensation and benefit plans	(1)	(3)	(3)	(31)
Share-based compensation	62	51	195	184
Ending	\$ 2,553	\$ 2,353	\$ 2,553	\$ 2,353
Retained earnings				
Beginning	\$ 19,423	\$ 17,774	\$ 18,528	\$ 16,771
Net earnings	859	834	2,397	2,447
Cash dividends declared	(322)	(305)	(965)	(915)
Ending	\$ 19,960	\$ 18,303	\$ 19,960	\$ 18,303
Accumulated other comprehensive income (loss)				
Beginning	\$ (762)	\$ (355)	\$ (293)	\$ (416)
Other comprehensive income (loss)	(4)	(190)	(473)	(129)
Ending	\$ (766)	\$ (545)	\$ (766)	\$ (545)
Total shareholders' equity	\$ 21,785	\$ 20,149	\$ 21,785	\$ 20,149

See accompanying notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Nine Months	
	2025	2024
Operating activities		
Net earnings	\$ 2,397	\$ 2,447
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	334	319
Amortization of intangible assets	543	467
Asset impairments	163	21
Share-based compensation	195	184
Sale of inventory stepped-up to fair value at acquisition	160	38
Deferred income tax (benefit) expense	191	(21)
Changes in operating assets and liabilities:		
Accounts receivable	524	67
Inventories	(373)	(362)
Accounts payable	(205)	(203)
Accrued expenses and other liabilities	(78)	(224)
Income taxes	(577)	(236)
Other, net	(373)	(186)
Net cash provided by operating activities	\$ 2,901	\$ 2,311
Investing activities		
Acquisitions, net of cash acquired	(4,950)	(1,598)
Purchases of marketable securities	(32)	(41)
Proceeds/(Purchases) of short-term investments	750	(750)
Proceeds from sales of marketable securities	40	40
Purchases of property, plant and equipment	(493)	(489)
Proceeds from settlement of net investment hedges	—	99
Proceeds from the sale of the Spinal Implants business	165	—
Other investing, net	(41)	42
Net cash used in investing activities	\$ (4,561)	\$ (2,697)
Financing activities		
Proceeds (payments) on short-term borrowings, net	1	(32)
Proceeds from issuance of long-term debt	2,979	3,011
Payments on long-term debt	(650)	(601)
Payments of dividends	(963)	(914)
Cash paid for taxes from withheld shares	(132)	(146)
Other financing, net	(29)	(49)
Net cash provided by (used in) financing activities	\$ 1,206	\$ 1,269
Effect of exchange rate changes on cash and cash equivalents	58	(4)
Change in cash and cash equivalents	\$ (396)	\$ 879
Cash and cash equivalents at beginning of period	3,652	2,971
Cash and cash equivalents at end of period	\$ 3,256	\$ 3,850

See accompanying notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1 - BASIS OF PRESENTATION**General Information**

Management believes the accompanying unaudited Consolidated Financial Statements contain all adjustments, including normal recurring items, considered necessary to fairly present the financial position of Stryker Corporation and its consolidated subsidiaries ("Stryker," the "Company," "we," "us" or "our") on September 30, 2025 and the results of operations for the three and nine months 2025. The results of operations included in these Consolidated Financial Statements may not necessarily be indicative of our annual results. These statements should be read in conjunction with our Annual Report on Form 10-K for 2024.

New Accounting Pronouncements Not Yet Adopted

In September 2025 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-07 (Topics 815 and 606): *Derivatives and Hedging: Derivatives Scope Refinements and Revenue from Contracts with Customers: Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*. This update expands the scope exception in Topic 815 to certain non-exchange-traded contracts for which settlement is based on operations or activities specific to one of the parties to the contract. The update is effective for fiscal years beginning after December 15, 2026 including interim periods within those fiscal years. Early adoption is permitted. We are evaluating if the ASU will have an impact on our Consolidated Financial Statements.

In September 2025 the FASB issued ASU 2025-06 (Subtopic 350-40): *Intangibles - Goodwill and Other - Internal-Use Software: Targeted Improvements to the Accounting for Internal-Use Software*. This update clarifies and modernizes the accounting for costs related to internal-use software by removing all references to project stages and clarifying that the probable-to-complete threshold is not met if significant development uncertainty exists. The update is effective for fiscal years beginning after December 15, 2027 including interim periods within those fiscal years. Early adoption is permitted. We are evaluating if the ASU will have an impact on our Consolidated Financial Statements.

In July 2025 the FASB issued ASU 2025-05 (Topic 326): *Financial Instruments - Credit Losses: Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This update provides a practical expedient allowing entities to assume that current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounting for under Accounting Standards Codification 606, *Revenue from Contracts with Customers*. The update is effective for fiscal years beginning after December 15, 2025 including interim periods within those fiscal years. Early adoption is permitted. We are evaluating if the ASU will have an impact on our Consolidated Financial Statements.

In November 2024 the FASB issued ASU 2024-03 (Subtopic 220-40): *Income Statement: Reporting Comprehensive Income - Expense Disaggregation Disclosures* which requires disaggregation of certain expense captions into specified categories in disclosures within the Notes to the Consolidated Financial Statements. The new disclosure requirements are effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15,

2027. Early adoption is permitted. We are evaluating these new expanded disclosure requirements.

In December 2023 the FASB issued ASU 2023-09 (Topic 740): *Income Taxes: Improvements to Income Tax Disclosures* which expands the existing rules on income tax disclosures. This update requires entities to disclose specific categories in the tax rate reconciliation, provide additional information for reconciling items that meet a quantitative threshold and disclose additional information about income taxes paid on an annual basis. The new disclosure requirements are effective for fiscal years beginning after December 15, 2024 and we will adopt this ASU in the fourth quarter 2025.

We evaluate all ASUs issued by the FASB for consideration of their applicability. ASUs not included in our disclosures were assessed and determined to be either not applicable or are not expected to have a material impact on our Consolidated Financial Statements.

NOTE 2 - REVENUE RECOGNITION

Our policies for recognizing sales have not changed from those described in our Annual Report on Form 10-K for 2024.

We disaggregate our net sales by business and geographic location for each of our segments as we believe it best depicts how the nature, amount, timing and certainty of our net sales and cash flows are affected by economic factors.

In the first quarter 2025 we changed the name of our Neurovascular business to Vascular due the acquisition of Inari Medical, Inc. (Inari).

In the fourth quarter 2024 we reorganized our Spine business to align with certain updates to our internal reporting structure. The spine enabling technologies portfolio (Enabling Technologies) was reclassified to Other Orthopaedics and Spine, the interventional spine (IVS) portfolio was reclassified to Neuro Cranial and the remaining Spine business was renamed to Spinal Implants. In addition we changed the name of our "Orthopaedics and Spine" operating segment to "Orthopaedics." Neuro Cranial includes sales related to IVS of \$100 and \$296 for the three and nine months 2024. Other Orthopaedics includes sales related to Enabling Technologies of \$32 and \$94 for the three and nine months 2024. We have reflected these changes in all historical periods presented.

Net Sales by Business

	Three Months		Nine Months	
	2025	2024	2025	2024
MedSurg and Neurotechnology:				
Instruments	\$ 760	\$ 679	\$ 2,258	\$ 2,044
Endoscopy	896	837	2,662	2,383
Medical	985	938	2,920	2,710
Vascular	525	329	1,429	966
Neuro Cranial	637	541	1,816	1,533
	\$ 3,803	\$ 3,324	\$ 11,085	\$ 9,636
Orthopaedics:				
Knees	\$ 628	\$ 570	\$ 1,907	\$ 1,760
Hips	457	420	1,366	1,241
Trauma and Extremities	960	849	2,862	2,511
Spinal Implants	6	172	177	521
Other	203	159	548	490
	\$ 2,254	\$ 2,170	\$ 6,860	\$ 6,523
Total	\$ 6,057	\$ 5,494	\$ 17,945	\$ 16,159

Net Sales by Geography

	Three Months 2025		Three Months 2024	
	United States	International	United States	International
MedSurg and Neurotechnology:				
Instruments	\$ 606	\$ 154	\$ 544	\$ 135
Endoscopy	743	153	689	148
Medical	827	158	783	155
Vascular	283	242	121	208
Neuro Cranial	524	113	448	93
	\$ 2,983	\$ 820	\$ 2,585	\$ 739

Orthopaedics:

	September 30	
	2025	
Beginning contract liabilities		
Revenue recognized from beginning of year contract liabilities		\$ 978
Net advance consideration received during the period		453
Ending contract liabilities		\$ 939

Net Sales by Geography

	Nine Months 2025		Nine Months 2024	
	United States	International	United States	International
MedSurg and Neurotechnology:				
Instruments	\$ 1,814	\$ 444	\$ 1,640	\$ 404
Endoscopy	2,195	467	1,948	435
Medical	2,469	451	2,261	449
Vascular	754	675	369	597
Neuro Cranial	1,496	320	1,255	278
	\$ 8,728	\$ 2,357	\$ 7,473	\$ 2,163

Orthopaedics:

	September 30	
	2025	
Beginning contract liabilities		
Revenue recognized from beginning of year contract liabilities		(492)
Net advance consideration received during the period		453
Ending contract liabilities		\$ 939

Costs to Obtain or Fulfill a Contract

We typically do not incur costs to fulfill a contract before a product or service is provided to a customer due to the nature of our products and services. Our costs to obtain contracts are typically in the form of sales commissions paid to employees or third-party agents. Certain sales commissions paid to employees prior to recognition of sales are recorded as deferred contract costs. We expense sales commissions associated with obtaining a contract at the time of the sale or as incurred as the amortization period is generally less than one year. These costs have been presented within selling, general and administrative expenses. On September 30, 2025 and December 31, 2024 deferred contracts costs recorded in our Consolidated Balance Sheets were not significant.

Contract Assets and Liabilities

Our contract assets primarily relate to conditional rights to consideration for work completed but not billed at the reporting date. On September 30, 2025 and December 31, 2024 contract assets recorded in our Consolidated Balance Sheets were not significant.

Our contract liabilities arise as a result of consideration received from customers at inception of contracts for certain businesses or

where the timing of billing for services precedes satisfaction of our performance obligations. This occurs primarily when payment is received upfront for certain multi-period extended service contracts. Our contract liabilities of \$939 and \$978 on September 30, 2025 and December 31, 2024 are classified within accrued expenses and other liabilities and other noncurrent liabilities in our Consolidated Balance Sheets based on the timing of when we expect to complete our performance obligations.

Changes in contract liabilities during the nine months 2025 were as follows:

	September 30
	2025
Beginning contract liabilities	
Revenue recognized from beginning of year contract liabilities	(492)
Net advance consideration received during the period	453
Ending contract liabilities	\$ 939

Transfers and Servicing of Financial Assets

We sell certain customer lease agreements and the related leased assets to third-party financial institutions to accelerate our cash collection cycle. The lease receivables are sold without recourse and are derecognized from our Consolidated Balance Sheets at the time of sale. Under the terms of our arrangements, we collect lease payments on behalf of the financial institutions but maintain no other form of continuing involvement. Sales of these lease agreements are classified as operating activities in our Consolidated Statements of Cash Flows. Fees earned for our servicing activities are immaterial. Revenue related to customer lease agreements sold under these arrangements represented less than 4% of our total revenue for the three and nine months 2025 and 2024.

NOTE 3 - ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME (AOCI)

Three Months 2025	Marketable	Pension	Hedges	Financial	Statement	Translation	Total
	Securities	Plans		(\$802)			
Beginning	\$ —	\$ 6	\$ 34	\$ (802)	\$ (762)		
OCI	—	—	19	(4)	15		
Income taxes	—	—	(3)	—	(3)		
Reclassifications to:							
Cost of sales	—	—	(8)	—	(8)		
Other (income) expense, net	—	—	(1)	(11)	(12)		
Income taxes	—	—	1	3	4		
Net OCI	\$ —	\$ —	\$ 8	\$ (12)	\$ (4)		
Ending	\$ —	\$ 6	\$ 42	\$ (814)	\$ (766)		

Three Months 2024	Marketable	Pension	Hedges	Financial	Statement	Translation	Total
	Securities	Plans		(\$366)			
Beginning	\$ —	\$ (27)	\$ 38	\$ (366)	\$ (355)		
OCI	—	(1)	(28)	(221)	(250)		
Income taxes	—	(1)	7	66	72		
Reclassifications to:							
Cost of sales	—	—	(8)	—	(8)		
Other (income) expense, net	—	—	—	(8)	(8)		
Income taxes	—	—	2	2	4		
Net OCI	\$ —	\$ (2)	\$ (27)	\$ (161)	\$ (190)		
Ending	\$ —	\$ (29)	\$ 11	\$ (527)	\$ (545)		

Nine Months 2025	Marketable Securities	Pension Plans	Hedges	Financial Statement Translation	Total
Beginning	\$ —	\$ 4	\$ 31	\$ (328)	\$ (293)
OCI	—	3	25	(589)	(561)
Income taxes	—	(1)	(2)	128	125
Reclassifications to:					
Cost of sales	—	—	(13)	—	(13)
Other (income) expense, net	—	—	(2)	(33)	(35)
Income taxes	—	—	3	8	11
Net OCI	\$ —	\$ 2	\$ 11	\$ (486)	\$ (473)
Ending	\$ —	\$ 6	\$ 42	\$ (814)	\$ (766)

Nine Months 2024	Marketable Securities	Pension Plans	Hedges	Financial Statement Translation	Total
Beginning	\$ —	\$ (28)	\$ 39	\$ (427)	\$ (416)
OCI	—	(1)	(4)	(91)	(96)
Income taxes	—	—	—	9	9
Reclassifications to:					
Cost of sales	—	—	(28)	—	(28)
Other (income) expense, net	—	—	(3)	(24)	(27)
Income taxes	—	—	7	6	13
Net OCI	\$ —	\$ (1)	\$ (28)	\$ (100)	\$ (129)
Ending	\$ —	\$ (29)	\$ 11	\$ (527)	\$ (545)

NOTE 4 - DERIVATIVE INSTRUMENTS

We use operational and economic hedges, foreign currency exchange forward contracts, net investment hedges (both derivative and non-derivative financial instruments) and interest rate derivative instruments to manage the impact of currency exchange and interest rate fluctuations on earnings, cash flow and equity. We do not enter into derivative instruments for speculative purposes. We are exposed to potential credit loss in the event of nonperformance by counterparties on our outstanding derivative instruments but do not anticipate nonperformance by any of our counterparties. Should a counterparty default, our maximum loss exposure is the asset balance of the instrument. We have not changed our hedging strategies, accounting practices or objectives from those disclosed in our Annual Report on Form 10-K for 2024.

Foreign Currency Hedges

September 2025	Cash Flow	Net Investment	Non- Designated	Total
Gross notional amount	\$ 1,235	\$ 2,643	\$ 3,483	\$ 7,361
Maximum term in years				9.0
Fair value:				
Other current assets	\$ 34	\$ —	\$ 9	\$ 43
Other noncurrent assets	1	—	—	1
Other current liabilities	(8)	(54)	(47)	(109)
Other noncurrent liabilities	—	(119)	—	(119)
Total fair value	\$ 27	\$ (173)	\$ (38)	\$ (184)

December 2024	Cash Flow	Net Investment	Non- Designated	Total
Gross notional amount	\$ 1,588	\$ 2,338	\$ 5,164	\$ 9,090
Maximum term in years				9.7
Fair value:				
Other current assets	\$ 43	\$ 24	\$ 119	\$ 186
Other noncurrent assets	4	35	—	39
Other current liabilities	(29)	—	(41)	(70)
Other noncurrent liabilities	(3)	(4)	—	(7)
Total fair value	\$ 15	\$ 55	\$ 78	\$ 148

We had €2.3 billion at September 30, 2025 and December 31, 2024 in certain forward currency contracts designated as net investment hedges, for which the maximum term is 9.0 years, to hedge a portion of our investments in certain of our entities with functional currencies denominated in Euros. In addition to these derivative financial instruments designated as net investment hedges, we had €5.0 billion at September 30, 2025 and December 31, 2024 of senior unsecured notes designated as net investment hedges to selectively hedge portions of our investment in certain international subsidiaries. The currency effects of our Euro-denominated senior unsecured notes are reflected in AOCI within shareholders' equity where they offset gains and losses recorded on our net investment in international subsidiaries.

In the nine months 2024 we settled certain foreign currency forward contracts designated as net investment hedges resulting in cash proceeds of \$99. The amounts in AOCI related to settled net investment hedges will remain in AOCI until the hedged investment is either sold or substantially liquidated.

The total after-tax gain (loss) recognized in OCI related to designated net investment hedges was (\$709) in the nine months 2025.

Currency Exchange Rate Gains (Losses) Recognized in Net Earnings

Derivative Instrument	Recognized in:	Three Months		Nine Months	
		2025	2024	2025	2024
Cash Flow	Cost of sales	\$ 8	\$ 8	\$ 13	\$ 28
Net Investment	Other income (expense), net	11	8	33	24
Non- Designated	Other income (expense), net	3	20	31	33
Total		\$ 22	\$ 36	\$ 77	\$ 85

Pretax gains (losses) on derivatives designated as cash flow hedges of \$39 and net investment hedges of \$35 recorded in AOCI are expected to be reclassified to cost of sales and other income (expense), net in earnings within 12 months of September 30, 2025. This cash flow hedge reclassification is primarily due to the sale of inventory that includes previously hedged purchases. A component of the AOCI amounts related to net investment hedges is reclassified over the life of the hedge instruments as we elected to exclude the initial value of the component related to the spot-forward difference from the effectiveness assessment.

Interest Rate Hedges

Pretax gains (losses) of \$5 recorded in AOCI related to interest rate hedges closed in conjunction with debt issuances are expected to be reclassified to other income (expense), net in earnings within 12 months of September 30, 2025. The cash flow effect of interest rate hedges is recorded in cash flow from operations.

NOTE 5 - FAIR VALUE MEASUREMENTS

Our policies for managing risk related to foreign currency, interest rates, credit and markets and our process for determining fair value have not changed from those described in our Annual Report on Form 10-K for 2024.

In the nine months 2025 we assumed contingent consideration liabilities with a fair value of \$90 related to previous acquisitions made by Inari. Refer to Note 7 for further information on the acquisition of Inari.

In 2024 we recorded \$208 of contingent consideration related to various acquisitions described in Note 7.

There were no significant transfers into or out of any level of the fair value hierarchy in 2025.

Assets Measured at Fair Value

	September 30 2025	December 31 2024
Cash and cash equivalents	\$ 3,256	\$ 3,652
Short-term investments	—	750
Trading marketable securities	301	259
Level 1 - Assets	\$ 3,557	\$ 4,661
Available-for-sale marketable securities:		
Corporate and asset-backed debt securities	\$ 50	\$ 53
United States agency debt securities	—	1
United States treasury debt securities	36	34
Certificates of deposit	1	3
Total available-for-sale marketable securities	\$ 87	\$ 91
Foreign currency exchange forward contracts	44	225
Level 2 - Assets	\$ 131	\$ 316
Total assets measured at fair value	\$ 3,688	\$ 4,977

Liabilities Measured at Fair Value

	September 30 2025	December 31 2024
Deferred compensation arrangements	\$ 301	\$ 259
Level 1 - Liabilities	\$ 301	\$ 259
Foreign currency exchange forward contracts	228	77
Level 2 - Liabilities	\$ 228	\$ 77
Contingent consideration:		
Beginning	\$ 452	\$ 289
Additions	123	208
Change in estimate and foreign exchange	15	8
Settlements	(76)	(53)
Ending	\$ 514	\$ 452
Level 3 - Liabilities	\$ 514	\$ 452
Total liabilities measured at fair value	\$ 1,043	\$ 788

Fair Value of Available for Sale Securities by Maturity

	September 30 2025	December 31 2024
Due in one year or less	\$ 50	\$ 47
Due after one year through three years	37	44

On September 30, 2025 and December 31, 2024 the aggregate difference between the cost and fair value of available-for-sale marketable securities was nominal. Interest income on cash and cash equivalents and short-term investments and income from marketable securities was \$28 and \$30 in the three months 2025 and 2024, and \$90 and \$92 in the nine months 2025 and 2024, which was recorded in other income (expense), net.

Our investments in available-for-sale marketable securities had a minimum credit quality rating of A2 (Moody's), A (Standard & Poor's) and A (Fitch). We do not plan to sell the investments, and it is not more likely than not that we will be required to sell the investments before recovery of their amortized cost basis, which may be maturity.

NOTE 6 - CONTINGENCIES AND COMMITMENTS

We are involved in various ongoing proceedings, legal actions and claims arising in the normal course of business, including proceedings related to product, labor, intellectual property and other matters, the most significant of which are more fully described below. The outcomes of these matters will generally not be known for prolonged periods of time. In certain of the legal proceedings the claimants seek damages as well as other compensatory and equitable relief that could result in the payment of significant claims and settlements and/or the imposition of injunctions or other equitable relief. For legal matters for which management had sufficient information to reasonably estimate our future obligations, a liability representing management's best estimate of the probable loss, or the minimum of the range of probable losses when a best estimate within the range is not known, is recorded. The estimates are based on consultation with legal counsel, previous settlement experience and settlement strategies. If actual outcomes are less favorable than those estimated by management, additional expense may be incurred, which could unfavorably affect future operating results. We are self-insured for certain claims and expenses. The ultimate cost to us with respect to product liability claims could be materially different than the amount of the current estimates and accruals and could have a material adverse effect on our financial position, results of operations and cash flows.

We are currently investigating whether certain business activities in certain foreign countries violated provisions of the Foreign Corrupt Practices Act (FCPA) and have engaged outside counsel to conduct these investigations. We have been contacted by the United States Securities and Exchange Commission, United States Department of Justice (DOJ) and certain other regulatory authorities and are cooperating with these agencies. On April 1, 2025 we were informed by the DOJ that it had closed its inquiry into potential FCPA violations without further action. At this time we are unable to predict the outcome of the remaining investigations or the potential impact, if any, on our financial statements.

We have conducted voluntary recalls of certain products, including our Rejuvenate and ABG II Modular-Neck hip stems and certain lot-specific sizes and offsets of LFIT Anatomic CoCr V40 Femoral Heads. Additionally, we are responsible for certain product liability claims, primarily related to certain hip products sold by Wright Medical Group N.V. prior to its 2014 divestiture of the OrthoRecon business.

We have incurred, and expect to incur in the future, costs associated with the defense and settlement of claims and lawsuits. Based on the information that has been received related to the matters discussed above, our accrual for these matters was \$147 at September 30, 2025, representing our best estimate of probable loss. The final outcomes of these matters are dependent on many factors that are difficult to predict. Accordingly the ultimate cost related to these matters may be materially different than the amount of our current estimate and accruals and could have a material adverse effect on our results of operations and cash flows.

Leases

	September 30 2025	December 31 2024
Right-of-use assets	\$ 539	\$ 516
Lease liabilities, current	\$ 161	\$ 144
Lease liabilities, non-current	\$ 377	\$ 379
Other information:		
Weighted-average remaining lease term (years)	4.8	5.1
Weighted-average discount rate	3.91 %	3.87 %
	Three Months 2025	Nine Months 2024
	2025	2024
Operating lease cost	\$ 48	\$ 47
	\$ 153	\$ 144

Other Contractual Obligations and Commitments

Our outstanding balances of confirmed invoices in the supplier financing program were \$75 and \$71 at September 30, 2025 and December 31, 2024 and are included within accounts payable in our Consolidated Balance Sheets.

NOTE 7 - ACQUISITIONS

We acquire stock in companies and various assets that continue to support our capital deployment and product development strategies. In the nine months 2025 and 2024 cash paid for acquisitions, net of cash acquired was \$4,950 and \$1,598.

In February 2025 we completed the acquisition of Inari for \$80 per share, or an aggregate purchase price of \$4,810, net of cash acquired. Inari's product portfolio includes minimally invasive products for the treatment of venous thromboembolism. Inari is part of our Vascular business within MedSurg and Neurotechnology. The purchase price allocation for Inari is based on preliminary valuations, primarily related to developed technology and customer relationships. Goodwill attributable to the acquisition reflects the strategic benefits of expanding our market presence, diversifying our product portfolio and advancing innovations. This goodwill is not deductible for tax purposes. Share-based awards for Inari employees vested upon our acquisition and a charge of \$139 was recorded in selling, general and administrative expenses in the nine months 2025.

In 2024 we completed various acquisitions for total consideration that includes \$1,628 in upfront payments, net of cash acquired, and \$400 contingent upon the achievement of certain commercial or clinical milestones. The combined acquisition-date fair values of the contingent milestone payments totaled \$208. Goodwill of \$306 and \$845 was recorded within our Orthopaedics and our MedSurg and Neurotechnology segments respectively. The acquired companies expand the product portfolios of our Instruments, Endoscopy, Medical and Neuro Cranial businesses within MedSurg and Neurotechnology and our Trauma and Extremities and Joint Replacement businesses within Orthopaedics. The purchase price allocation for certain of our acquisitions are based on preliminary valuations, primarily related to customer relationships. Goodwill attributable to the acquisitions reflects the strategic benefits of expanding our market presence, diversifying our product portfolio and advancing innovations. This goodwill is not deductible for tax purposes.

The purchase price allocations for Inari and the acquisitions completed in the full year 2024 are:

Purchase Price Allocation of Acquired Net Assets

	2025	2024
	Inari	Total
Tangible assets acquired:		
Accounts receivable	\$ 78	\$ 40
Inventory	218	99
Deferred income tax assets	59	45
Other assets	84	26
Debt	—	(32)
Deferred income tax liabilities	(486)	(205)
Other liabilities	(191)	(107)
Intangible assets:		
Developed technology	1,458	596
Customer relationships	330	215
Patents	—	6
Trademarks	—	2
Other intangibles	72	—
Goodwill	3,188	1,151
Purchase price, net of cash acquired of \$64 and \$56	\$ 4,810	\$ 1,836

Weighted average amortization period at acquisition (years):

Developed technologies	13	12
Customer relationships	13	14
Patents	—	12
Trademarks	—	5
Other intangibles	9	—

Consolidated Estimated Amortization Expense

Remainder of 2025	2026	2027	2028	2029
\$ 190	\$ 697	\$ 710	\$ 630	\$ 616

NOTE 8 - DEBT AND CREDIT FACILITIES

We have lines of credit issued by various financial institutions that are available to fund our day-to-day operating needs. Certain of our credit facilities require us to comply with financial and other covenants. We were in compliance with all covenants on September 30, 2025.

In February 2025 we entered into a new revolving credit agreement that replaces our previous agreement dated October 2021. The primary changes included increasing the aggregate principal amount of the facility by \$750 to \$3,000 and extending the maturity date to February 25, 2030. On September 30, 2025 there were no borrowings outstanding under our revolving credit facility or our commercial paper program which allows for maturities up to 397 days from the date of issuance. The maximum amount of our commercial paper that can be outstanding at any time is \$3,000.

In February 2025 we issued \$500 of 4.550% senior unsecured notes due February 10, 2027, \$700 of 4.700% senior unsecured notes due February 10, 2028, \$800 of 4.850% senior unsecured notes due February 10, 2030 and \$1,000 of 5.200% senior unsecured notes due February 10, 2035. In June 2025 we repaid \$650 of 1.150% senior unsecured notes.

Summary of Total Debt

Rate	Due	September 30	December 31
		2025	2024
Senior unsecured notes:			
1.150%	June 15, 2025	\$ —	\$ 649
3.375%	November 1, 2025	750	750
3.500%	March 15, 2026	999	998
4.550%	February 10, 2027	498	—
2.125%	November 30, 2027	879	777
4.700%	February 10, 2028	696	—
3.650%	March 7, 2028	599	598
4.850%	December 8, 2028	596	596
3.375%	December 11, 2028	703	621
0.750%	March 1, 2029	937	828
4.250%	September 11, 2029	744	743
4.850%	February 10, 2030	793	—
1.950%	June 15, 2030	994	993
2.625%	November 30, 2030	758	669
1.000%	December 3, 2031	875	772
3.375%	September 11, 2032	932	824
4.625%	September 11, 2034	741	740
5.200%	February 10, 2035	990	—
3.625%	September 11, 2036	694	613
4.100%	April 1, 2043	393	393
4.375%	May 15, 2044	396	396
4.625%	March 15, 2046	984	984
2.900%	June 15, 2050	643	643
Other		1	10
Total debt		\$ 16,595	\$ 13,597
Less current maturities		1,750	1,409
Total long-term debt		\$ 14,845	\$ 12,188

	September 30	December 31
	2025	2024
Unamortized debt issuance costs	\$ 74	\$ 63
Borrowing capacity on existing facilities	\$ 2,913	\$ 2,160
Fair value of senior unsecured notes	\$ 16,077	\$ 12,780

The fair value of the senior unsecured notes was estimated using quoted interest rates, maturities and amounts of borrowings based on quoted active market prices and yields that took into account the underlying terms of the debt instruments. Substantially all of our debt is classified within Level 2 of the fair value hierarchy.

Interest expense on outstanding debt and credit facilities, including required fees incurred, that were included in other income (expense), net, totaled \$157 and \$98 for the three months 2025 and 2024 and \$453 and \$292 for the nine months 2025 and 2024.

NOTE 9 - INCOME TAXES

Our effective tax rates were 16.5% and 14.7% in the three and nine months 2025 and 20.0% and 17.4% in the three and nine months 2024. The effective income tax rate for the three months 2025 decreased from three months 2024 due to certain discrete tax items. The effective tax rate for the nine months 2025 decreased from nine months 2024 due to the 2025 tax benefit related to the sale of the Spinal Implants business and certain discrete tax items. The effective tax rates for the three and nine months 2025 and 2024 reflect the continued lower effective income tax rates as a result of our European operations.

In the normal course of business, income tax authorities in various income tax jurisdictions both within the United States and internationally conduct routine audits of our income tax returns filed in prior years. These audits are generally designed to determine if individual income tax authorities are in agreement with our interpretations of complex income tax regulations regarding the allocation of income to the various income tax

jurisdictions. Any income tax audit assessment or draft income tax audit assessment received at the conclusion of an audit is reviewed and evaluated for proper financial statement treatment. We have not received any audit assessments or draft assessments that have not been reviewed and evaluated.

NOTE 10 - SEGMENT INFORMATION

We segregate our operations into two reportable business segments: (i) MedSurg and Neurotechnology and (ii) Orthopaedics which aligns to our internal reporting structure and how our Chief Operating Decision Maker (CODM) assesses the performance of and allocates resources. The CODM is the Chief Executive Officer. The CODM makes decisions on resource allocation, assesses performance of the business, and monitors budget versus actual results using segment operating income. Our reportable segments and related disclosures reflect certain reclassifications of prior year amounts from our Orthopaedics segment to our MedSurg and Neurotechnology segment due to changes in our internal reporting structure.

Segment Results

	Three Months		Nine Months	
	2025	2024	2025	2024
MedSurg and Neurotechnology	\$ 3,803	\$ 3,324	\$ 11,085	\$ 9,636
Orthopaedics	2,254	2,170	6,860	6,523
Net sales	\$ 6,057	\$ 5,494	\$ 17,945	\$ 16,159
MedSurg and Neurotechnology	\$ 1,426	\$ 1,313	\$ 4,162	\$ 3,838
Orthopaedics	620	561	1,848	1,728
Cost of sales	\$ 2,046	\$ 1,874	\$ 6,010	\$ 5,566
MedSurg and Neurotechnology	\$ 247	\$ 205	\$ 718	\$ 594
Orthopaedics	132	136	399	406
Segment research, development and engineering expenses	\$ 379	\$ 341	\$ 1,117	\$ 1,000
MedSurg and Neurotechnology	\$ 972	\$ 780	\$ 2,893	\$ 2,318
Orthopaedics	742	760	2,332	2,267
Segment selling, general and administrative expenses	\$ 1,714	\$ 1,540	\$ 5,225	\$ 4,585
MedSurg and Neurotechnology	\$ 56	\$ 60	\$ 171	\$ 170
Orthopaedics	111	112	313	325
Segment depreciation and amortization	\$ 167	\$ 172	\$ 484	\$ 495
Corporate and Other	\$ 48	\$ 40	\$ 127	\$ 118
Amortization of intangible assets	189	159	543	467
Total depreciation and amortization	\$ 404	\$ 371	\$ 1,154	\$ 1,080
MedSurg and Neurotechnology	\$ 1,102	\$ 966	\$ 3,141	\$ 2,716
Orthopaedics	649	601	1,968	1,797
Segment operating income	\$ 1,751	\$ 1,567	\$ 5,109	\$ 4,513
Items not allocated to segments:				
Corporate and Other	\$ (202)	\$ (211)	\$ (670)	\$ (676)
Inventory stepped up to fair value	(61)	(29)	(160)	(38)
Acquisition and integration-related charges	(39)	(48)	(302)	(49)
Amortization of intangible assets	(189)	(159)	(543)	(467)
Structural optimization and other special charges	(41)	(22)	(93)	(92)
Goodwill and other impairments	(73)	(2)	(163)	(21)
Medical device regulation	(11)	(13)	(30)	(41)
Recall-related matters	(1)	—	(56)	(22)
Regulatory and legal matters	—	1	(7)	1
Consolidated operating income	\$ 1,134	\$ 1,084	\$ 3,085	\$ 3,108

Segment Assets

	September 30 2025	December 31 2024
Assets:		
MedSurg and Neurotechnology	\$ 27,280	\$ 23,115
Orthopaedics	18,192	18,507
Total segment assets	\$ 45,472	\$ 41,622
Corporate and Other	1,585	1,349
Total assets	\$ 47,057	\$ 42,971

Segment Capital Spending

	Nine Months	
	2025	2024
Purchases of property, plant and equipment:		
MedSurg and Neurotechnology	\$ 153	\$ 136
Orthopaedics	169	171
Total segment purchases of property, plant and equipment	\$ 322	\$ 307
Corporate and Other	171	182
Total purchases of property, plant and equipment	\$ 493	\$ 489

NOTE 11 - SALE OF SPINAL IMPLANTS BUSINESS

During the fourth quarter 2024 management committed to a plan to sell certain assets associated with the Spinal Implants business (disposal group) and such assets were classified as held for sale beginning November 2024. As a result we recorded a valuation allowance of \$362 to record the disposal group at its fair value less cost to sell.

In April 2025 we completed the sale of the disposal group to the Viscogliosi Brothers, LLC. In the first half of 2025 we recognized immaterial impairment charges to record the disposal group at its fair value less cost to sell within goodwill and other impairments in our Consolidated Statements of Earnings. The fair value of the disposal group and consideration received was measured using a discounted cash flow analysis based upon the selling price and unobservable inputs, such as market conditions and the rate used to discount the estimated future cash flows to their present value based on factors including the disposal group's cost of equity and market yield rates, which are Level 3 inputs. Consideration could increase by up to \$57 or decrease by up to \$245 based on the amount received.

The assets associated with the disposal group are reported in our Orthopaedics segment at December 31, 2024. The assets and liabilities held for sale at December 31, 2024 are classified within prepaid expenses and other current assets and accrued expenses and other liabilities in our Consolidated Balance Sheets. The assets and liabilities of the disposal group at the date of sale and at December 31, 2024 were as follows:

	Date of Sale 2025	Held for Sale December 31 2024
Accounts receivable, net	\$ 56	\$ 62
Total inventories	195	183
Prepaid expenses and other current assets	27	10
Property, plant and equipment, net	53	51
Other intangibles, net	323	326
Noncurrent deferred income tax assets	9	9
Other noncurrent assets	179	171
Valuation allowance	(395)	(362)
Total assets	\$ 447	\$ 450
Accounts payable	\$ 41	\$ 28
Accrued compensation	20	26
Accrued expenses and other liabilities	24	29
Other noncurrent liabilities	27	21
Total liabilities	\$ 112	\$ 104

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ABOUT STRYKER

Stryker is a global leader in medical technologies and, together with our customers, we are driven to make healthcare better. We offer innovative products and services in MedSurg, Neurotechnology, and Orthopaedics that help improve patient and healthcare outcomes. Alongside our customers around the world, we impact more than 150 million patients annually.

We segregate our operations into two reportable business segments: (i) MedSurg and Neurotechnology and (ii) Orthopaedics. MedSurg and Neurotechnology products include surgical equipment and navigation systems (Instruments), endoscopic and communications systems (Endoscopy), patient handling, emergency medical equipment and intensive care disposable products (Medical), minimally invasive products for the treatment of acute ischemic and hemorrhagic stroke and venous thromboembolism (Vascular), a comprehensive line of products for traditional brain and open skull based surgical procedures; orthobiologic and biosurgery products, including synthetic bone grafts and vertebral augmentation products (Neuro Cranial). Orthopaedics products consist primarily of implants used in hip and knee joint replacements and trauma and extremity surgeries.

Macroeconomic Environment

Beginning in 2025, the United States government has announced new tariffs on goods imported into the United States from dozens of countries, including China and the European Union member states. In response, governments have threatened or imposed reciprocal tariffs or taken other measures, and the United States is in the process of negotiating with certain governments. We continue to monitor and evaluate the situation. Tariffs are expected to result in an increase in certain product costs or have adverse impacts on, among other things, demand for our products and supply chains. The overall macroeconomic and geopolitical environment, including tariffs or changes in trade policies, slower economic growth or recession, market volatility and inflation, and uncertainty regarding all of the foregoing, pose risks that could impact our business and results of operations. For more information about these risks, see Item 1A. "Risk Factors" in our Annual Report on Form 10-K for 2024.

Overview of the Three and Nine Months

In the three months 2025 we achieved sales growth of 10.3% from 2024. Excluding the impact of acquisitions and divestitures,

CONSOLIDATED RESULTS OF OPERATIONS

	Three Months				Percentage Change	Nine Months				Percentage Change		
	Sales		Percentage			Sales		Percentage				
	2025	2024	2025	2024		2025	2024	2025	2024			
Net sales	\$ 6,057	\$ 5,494	100.0 %	100.0 %	10.3 %	\$ 17,945	\$ 16,159	100.0 %	100.0 %	11.1 %		
Gross profit	3,852	3,517	63.6	64.0	9.5	11,437	10,266	63.7	63.5	11.4		
Research, development and engineering expenses	410	377	6.8	6.9	8.8	1,222	1,108	6.8	6.9	10.3		
Selling, general and administrative expenses	2,045	1,894	33.8	34.5	8.0	6,424	5,562	35.8	34.4	15.5		
Amortization of intangible assets	189	159	3.1	2.9	18.9	543	467	3.0	2.9	16.3		
Goodwill and other impairments	73	2	1.2	—	—	163	21	0.9	0.1	nm		
Other income (expense), net	(106)	(42)	(1.8)	(0.8)	152.4	(276)	(144)	(1.5)	(0.9)	91.7		
Income taxes	170	209	nm	nm	(18.7)	412	517	nm	nm	(20.3)		
Net earnings	\$ 859	\$ 834	14.2 %	15.2 %	3.0 %	\$ 2,397	\$ 2,447	13.4 %	15.1 %	(2.0)%		
Net earnings per diluted share	\$ 2.22	\$ 2.16			2.8 %	\$ 6.20	\$ 6.35			(2.4)%		
Adjusted net earnings per diluted share⁽¹⁾	\$ 3.19	\$ 2.87			11.1 %	\$ 9.16	\$ 8.18			12.0 %		

nm - not meaningful

sales grew 9.5% in constant currency. We reported operating income margin of 18.7%, net earnings of \$859 and net earnings per diluted share of \$2.22. Excluding the impact of certain items, adjusted operating income margin⁽¹⁾ increased by 90 basis points to 25.6%, with adjusted net earnings⁽¹⁾ of \$1,233 and adjusted net earnings per diluted share⁽¹⁾ of \$3.19, an increase of 11.1% from 2024.

In the nine months 2025 we achieved sales growth of 11.1% from 2024. Excluding the impact of acquisitions and divestitures, sales grew 10.0% in constant currency. We reported operating income margin of 17.2%, net earnings of \$2,397 and net earnings per diluted share of \$6.20. Excluding the impact of certain items, adjusted operating income margin⁽¹⁾ increased by 100 basis points to 24.7%, with adjusted net earnings⁽¹⁾ of \$3,541 and adjusted net earnings per diluted share⁽¹⁾ of \$9.16, an increase of 12.0% from 2024.

Recent Developments

In the first quarter 2025 we completed the acquisition of Inari for total consideration of \$4,810, in upfront payments, net of cash acquired. Refer to Note 7 to our Consolidated Financial Statements for further information.

In February 2025 we entered into a new revolving credit agreement that replaces our previous agreement dated October 2021. The primary changes were to increase the aggregate principal amount of the facility by \$750 to \$3,000 and extend the maturity date to February 25, 2030. On September 30, 2025 there were no borrowings outstanding under our revolving credit facility or our commercial paper program which allows for maturities up to 397 days from the date of issuance. The maximum amount of our commercial paper that can be outstanding at any time is \$3,000.

In February 2025 we issued \$500 of 4.550% senior unsecured notes due February 10, 2027, \$700 of 4.700% senior unsecured notes due February 10, 2028, \$800 of 4.850% senior unsecured notes due February 10, 2030 and \$1,000 of 5.200% senior unsecured notes due February 10, 2035. In June 2025 we repaid \$650M of 1.150% senior unsecured notes.

⁽¹⁾ Refer to "Non-GAAP Financial Measures" for a discussion of non-GAAP financial measures used in this report and a reconciliation to the most directly comparable GAAP financial measure.

Geographic and Segment Net Sales

Geographic:	Three Months								Nine Months								
					Percentage Change								Percentage Change				
	2025	2024	As Reported	Constant Currency	2025	2024	As Reported	Constant Currency	2025	2024	As Reported	Constant Currency	2025	2024	As Reported	Constant Currency	
United States	\$ 4,571	\$ 4,109	11.4 %	11.4 %	\$ 13,565	\$ 12,070	12.4 %	12.4 %									
International	1,486	1,385	6.9	4.3	4,380	4,089	7.1	6.4									
Total	\$ 6,057	\$ 5,494	10.3 %	9.6 %	\$ 17,945	\$ 16,159	11.1 %	10.9 %									
Segment:																	
MedSurg and Neurotechnology	\$ 3,803	\$ 3,324	14.4 %	13.9 %	13.9 %	13.9 %	10.5 %	10.3 %	\$ 11,085	\$ 9,636	15.0 %	14.9 %					
Orthopaedics	2,254	2,170	3.9	3.1	6,860	6,523	5.2	4.9									
Total	\$ 6,057	\$ 5,494	10.3 %	9.6 %	\$ 17,945	\$ 16,159	11.1 %	10.9 %									

Supplemental Net Sales Growth Information

MedSurg and Neurotechnology:	Three Months								Nine Months																		
					Percentage Change								Percentage Change														
	2025		2024		As Reported		Constant Currency		United States		International		2025		2024		As Reported		Constant Currency		As Reported		As Reported		Constant Currency		
Instruments	\$ 760	\$ 679	11.9 %	11.4 %	11.5 %	13.9 %	11.2 %	\$ 2,258	\$ 2,044	10.5 %	10.3 %	10.6 %	9.8 %	8.9 %													
Endoscopy	896	837	7.0	6.7	7.9	2.6	0.8	2,662	2,383	11.7	11.7	12.7	7.2	7.1													
Medical	985	938	5.1	4.7	5.6	2.8	0.3	2,920	2,710	7.8	7.7	9.2	0.7	0.3													
Vascular	525	329	59.6	58.9	136.9	14.3	12.4	1,429	966	48.0	47.9	104.4	13.2	12.6													
Neuro Cranial	637	541	17.6	17.0	17.3	19.0	15.5	1,816	1,533	18.4	18.2	19.2	15.0	13.7													
	\$ 3,803	\$ 3,324	14.4 %	13.9 %	15.7 %	10.1 %	7.7 %	\$ 11,085	\$ 9,636	15.0 %	14.9 %	16.8 %	9.0 %	8.4 %													
Orthopaedics:																											
Knees	\$ 628	\$ 570	10.2 %	9.6 %	8.4 %	14.9 %	12.7 %	\$ 1,907	\$ 1,760	8.4 %	8.3 %	7.6 %	10.3 %	10.0 %													
Hips	457	420	8.9	7.9	8.7	9.2	6.8	1,366	1,241	10.1	9.7	8.1	13.2	12.3													
Trauma and Extremities	960	849	13.0	11.9	13.2	12.5	8.5	2,862	2,511	14.0	13.5	15.0	11.1	9.4													
Other	203	159	28.1	27.5	38.5	3.6	1.3	548	490	11.9	11.8	13.5	8.1	7.8													
	\$ 2,248	\$ 1,998	12.5 %	11.7 %	12.9 %	11.5 %	8.6 %	\$ 6,683	\$ 6,002	11.3 %	11.1 %	11.4 %	11.2 %	10.2 %													
Spinal Implants	6	172	(96.7)	(96.9)	(100.0)	(89.3)	(89.7)	177	521	(66.1)	(65.9)	(67.4)	(63.1)	(62.4)													
	\$ 2,254	\$ 2,170	3.9 %	3.1 %	4.1 %	3.2 %	0.5 %	\$ 6,860	\$ 6,523	5.2 %	4.9 %	5.2 %	5.0 %	4.2 %													
Total	\$ 6,057	\$ 5,494	10.3 %	9.6 %	11.4 %	6.9 %	4.3 %	\$ 17,945	\$ 16,159	11.1 %	10.9 %	12.4 %	7.1 %	6.4 %													

Note: In the first quarter 2025 we changed the name of our Neurovascular business to Vascular due to the acquisition of Inari. In the fourth quarter 2024 we reorganized our Spine business to align with certain updates to our internal reporting structure. The spine enabling technologies portfolio (Enabling Technologies) was reclassified to Other Orthopaedics, the interventional spine portfolio was reclassified to Neuro Cranial and the remaining Spine business was renamed to Spinal Implants. Neuro Cranial includes sales related to interventional spine of \$100 for the three months 2024 and \$296 for the nine months 2024. Other Orthopaedics includes sales related to Enabling Technologies of \$32 for the three months 2024 and \$94 for the nine months 2024. We have reflected these changes in all historical periods presented.

Consolidated Net Sales

Consolidated net sales increased 10.3% in the three months 2025 as reported and 9.6% in constant currency, as foreign currency exchange rates positively impacted net sales by 0.7%. Excluding the 0.1% impact of acquisitions and divestitures, net sales in constant currency increased by 9.1% from increased unit volume and 0.4% due to higher prices. The unit volume increase was due to higher product shipments across all MedSurg and Neurotechnology businesses and most Orthopaedics businesses.

Consolidated net sales increased 11.1% in the nine months 2025 as reported and 10.9% in constant currency, as foreign currency exchange rates positively impacted net sales by 0.2%. Excluding the 0.9% impact of acquisitions and divestitures, net sales in constant currency increased by 9.5% from increased unit volume and 0.5% due to higher prices. The unit volume increase was due to higher product shipments across all MedSurg and Neurotechnology businesses and most Orthopaedics businesses.

MedSurg and Neurotechnology Net Sales

MedSurg and Neurotechnology net sales increased 14.4% in the three months 2025 as reported and 13.9% in constant currency, as foreign currency exchange rates positively impacted net sales by 0.5%. Excluding the 5.5% impact of acquisitions and divestitures, net sales in constant currency increased by 7.6% from increased unit volume and 0.8% from higher prices. The unit volume increase was due to higher shipments across all MedSurg and Neurotechnology businesses.

MedSurg and Neurotechnology net sales increased 15.0% in the nine months 2025 as reported and 14.9% in constant currency, as foreign currency exchange rates positively impacted net sales by 0.1%. Excluding the 5.0% impact of acquisitions and divestitures, net sales in constant currency increased by 9.0% from increased unit volume and 0.9% from higher prices. The unit

volume increase was due to higher shipments across all MedSurg and Neurotechnology businesses.

Orthopaedics Net Sales

Orthopaedics net sales increased 3.9% in the three months 2025 as reported and 3.1% in constant currency, as foreign currency exchange rates positively impacted net sales by 0.8%. Excluding the 8.3% impact of acquisitions and divestitures, net sales in constant currency increased 11.7% from increased unit volume partially offset by 0.3% from lower prices. The unit volume increase was due to higher shipments across most Orthopaedics businesses.

Orthopaedics net sales increased 5.2% in the nine months 2025 as reported and 4.9% in constant currency, as foreign currency exchange rates positively impacted net sales by 0.2%. Excluding the 5.0% impact of acquisitions and divestitures, net sales in constant currency increased 10.0% from increased unit volume partially offset by 0.1% from lower prices. The unit volume increase was due to higher shipments across most Orthopaedics businesses.

Gross Profit

Gross profit was \$3,852 and \$3,517 in the three months 2025 and 2024. The key components of the change were:

	Gross Profit Percent Net Sales
Three Months 2024	64.0 %
Sales pricing	10 bps
Volume and mix	70 bps
Manufacturing and supply chain costs	(30) bps
Structural optimization and other special charges	(10) bps
Inventory stepped up to fair value	(80) bps
Three Months 2025	63.6 %

Gross profit as a percentage of net sales in the three months 2025 remained relatively flat with 2024.

Gross profit was \$11,437 and \$10,266 in the nine months 2025 and 2024. The key components of the change were:

	Gross Profit Percent Net Sales
Nine Months 2024	63.5 %
Sales pricing	20 bps
Volume and mix	70 bps
Manufacturing and supply chain costs	30 bps
Structural optimization and other special charges	(20) bps
Inventory stepped up to fair value	(80) bps
Nine Months 2025	63.7 %

While segment mix was not a significant driver of the change in gross profit as a percent of net sales between the nine months 2025 and 2024, we generally expect segment mix to have an unfavorable impact for the foreseeable future as we anticipate more rapid sales growth in our lower gross margin MedSurg and Neurotechnology segment than our Orthopaedics segment.

Research, Development and Engineering Expenses

Research, development and engineering expenses increased \$33 or 8.8% in the three months 2025 and \$114 or 10.3% in the nine months 2025. Expenses as a percentage of net sales in the three and nine months 2025 of 6.8% remained relatively flat with 6.9% in 2024.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$151 or 8.0% in the three months 2025. As a percentage of net sales, expenses decreased to 33.8% from 34.5% in 2024, primarily due to continued spend discipline.

Selling, general and administrative expenses increased \$862 or 15.5% in the nine months 2025. As a percentage of net sales, expenses increased to 35.8% from 34.4% in 2024, primarily due to higher acquisition-related costs and continued investments to support our growth. Expenses in the nine months 2025 included a charge of \$139 for share-based awards for Inari employees that vested upon our acquisition.

Amortization of Intangible Assets

Amortization of intangible assets was \$189 and \$159 in the three months and \$543 and \$467 in nine months 2025 and 2024. Refer to Note 7 to our Consolidated Financial Statements for further information.

Goodwill and other impairments

Goodwill and other impairments was \$73 and \$2 in the three months and \$163 and \$21 in the nine months 2025 and 2024.

Operating Income

Operating income was \$1,135 and \$1,085 in the three months 2025 and 2024. Operating income as a percentage of net sales in the three months 2025 decreased to 18.7% from 19.7% in 2024. Refer to the discussion above for the primary drivers of the change.

Operating income was \$3,085 and \$3,108 in the nine months 2025 and 2024. Operating income as a percentage of net sales in the nine months 2025 decreased to 17.2% from 19.2% in 2024. Refer to the discussion above for the primary drivers of the change.

MedSurg and Neurotechnology operating income as a percentage of net sales decreased to 29.0% in the three months 2025 from 29.1% in 2024. Orthopaedics operating income as a percentage of net sales increased to 28.8% in the three months 2025 from 27.7% in 2024. The key components of the change were:

	Operating Income Percent Net Sales	
	MedSurg and Neurotechnology	Orthopaedics
Three Months 2024	29.1 %	27.7 %
Sales pricing	30 bps	(10) bps
Volume	90 bps	20 bps
Manufacturing and supply chain costs	110 bps	(190) bps
Research, development and engineering expenses	(30) bps	50 bps
Selling, general and administrative expenses	(210) bps	240 bps
Three Months 2025	29.0 %	28.8 %

The decrease in MedSurg and Neurotechnology operating income as a percentage of net sales for the three months was primarily driven by lower manufacturing and supply chain costs and higher unit volumes and prices offset by higher selling, general and administrative expenses primarily due to the acquisition of Inari and continued spend discipline.

The increase in Orthopaedics operating income as a percentage of net sales for the three months was primarily driven by higher unit volumes, lower selling, general and administrative expenses and lower research, development and engineering expenses partially offset by higher manufacturing and supply chain costs.

MedSurg and Neurotechnology operating income as a percentage of net sales increased to 28.3% in the nine months 2025 from 28.2% in 2024. Orthopaedics operating income as a percentage of net sales increased to 28.7% in the nine months 2025 from 27.5% in 2024. The key components of the change were:

	Operating Income Percent Net Sales	
	MedSurg and Neurotechnology	Orthopaedics
Nine Months 2024	28.2 %	27.5 %
Sales pricing	40 bps	0 bps
Volume	90 bps	30 bps
Manufacturing and supply chain costs	110 bps	(60) bps
Research, development and engineering expenses	(30) bps	50 bps
Selling, general and administrative expenses	(200) bps	100 bps
Nine Months 2025	28.3 %	28.7 %

The increased in MedSurg and Neurotechnology operating income as a percentage of net sales for the nine months was primarily driven by lower manufacturing and supply chain costs and higher unit volumes and prices offset by higher selling, general and administrative expenses primarily due to the acquisition of Inari and continued spend discipline.

The increase in Orthopaedics operating income as a percentage of net sales for the nine months was primarily driven by higher unit volumes, lower research, development and engineering expenses and lower selling, general and administrative expenses partially offset by higher manufacturing and supply chain costs.

Other Income (Expense), Net

Other income (expense), net was (\$106) and (\$42) in the three months and (\$276) and (\$144) in the nine months 2025 and 2024. The increase in net expense in the three months and nine months 2025 from 2024 was primarily due to higher interest expense in 2025.

Income Taxes

Our effective tax rates were 16.5% and 14.7% in the three and nine months 2025 and 20.0% and 17.4% in the three and nine months 2024. The effective income tax rate for the three months 2025 decreased from three months 2024 due to certain discrete tax items. The effective tax rate for the nine months 2025 decreased from nine months 2024 due to the 2025 tax benefit related to the sale of the Spinal Implants business and certain discrete tax items. The effective tax rates for the three and nine months 2025 and 2024 reflect the continued lower effective income tax rates as a result of our European operations.

The Organisation for Economic Cooperation and Development (OECD), which represents a coalition of member countries, has put forth two proposed base erosion and profit shifting frameworks that revise the existing profit allocation and nexus rules (Pillar One) and ensure a minimal level of taxation (Pillar Two). On December 12, 2022 the European Union member states agreed to implement the Inclusive Framework's global corporate minimum tax rate of 15%, and various countries within and outside the European Union have either enacted or proposed new tax laws implementing Pillar Two in 2024. The OECD continues to release additional guidance and we anticipate more countries will enact similar tax laws. Some of the new tax laws became effective in 2024 while others will be effective in 2025 and future years. These tax law changes and any additional contemplated tax law changes could increase tax expense in future periods.

On July 4, 2025 the One Big Beautiful Bill Act (OBBA) was enacted into United States law. We evaluated the impact of the OBBA and recorded the tax-related provisions in the three months 2025. The impact was not material to the Consolidated Financial Statements.

Net Earnings

Net earnings increased to \$859 or \$2.22 per diluted share in the three months 2025 from \$834 or \$2.16 per diluted share in 2024. Net earnings decreased to \$2,397 or \$6.20 per diluted share in nine months 2025 from \$2,447 or \$6.35 per diluted share in 2024.

Non-GAAP Financial Measures

We supplement the reporting of our financial information determined under accounting principles generally accepted in the United States (GAAP) with certain non-GAAP financial measures, including percentage sales growth in constant currency; percentage organic sales growth; adjusted gross profit; adjusted selling, general and administrative expenses; adjusted research, development and engineering expenses; adjusted operating income; adjusted other income (expense), net; adjusted income taxes; adjusted effective income tax rate; adjusted net earnings; and adjusted net earnings per diluted share (Diluted EPS). We believe these non-GAAP financial measures provide meaningful information to assist investors and shareholders in understanding our financial results and assessing our prospects for future performance. Management believes percentage sales growth in constant currency and the other adjusted measures described above are important indicators of our operations because they exclude items that may not be indicative of or are unrelated to our core operating results and provide a baseline for analyzing trends in our underlying businesses. Management uses these non-GAAP financial measures for reviewing the operating results of reportable business segments and analyzing potential future business trends in connection with our budget process and bases certain management incentive compensation on these non-GAAP financial measures. To measure percentage sales growth in constant currency, we remove the impact of changes in foreign currency exchange rates that affect the comparability and trend of sales. Percentage sales growth in constant currency is calculated by translating current and prior year results at the same foreign currency exchange rate. To measure percentage organic sales growth, we remove the impact of changes in foreign currency exchange rates, acquisitions and divestitures, which affect the comparability and trend of sales. Percentage organic sales growth is calculated by translating current year and prior year results at the same foreign currency exchange rates excluding the impact of acquisitions and divestitures. To measure earnings performance on a consistent and comparable basis, we exclude certain items that affect the comparability of operating results and the trend of earnings. The income tax effect of each adjustment was determined based on the tax effect of the jurisdiction in which the related pre-tax adjustment was recorded. These adjustments are irregular in timing and may not be indicative of our past and future performance. The following are examples of the types of adjustments that may be included in a period:

1. *Acquisition and integration-related costs.* Costs related to integrating recently acquired businesses (e.g., costs associated with the termination of sales relationships, employee retention and workforce reductions, manufacturing integration costs and other integration-related activities), changes in the fair value of contingent consideration, amortization of inventory stepped-up to fair value, specific costs (e.g., deal costs and costs associated with legal entity rationalization) related to the consummation of the acquisition process and legal entity rationalization and acquisition-related tax items.

2. *Amortization of purchased intangible assets.* Periodic amortization expense related to purchased intangible assets.
3. *Structural optimization and other special charges.* Costs associated with employee retention and workforce reductions, the closure or transfer of manufacturing and other facilities (e.g., site closure costs, contract termination costs and redundant employee costs during the work transfers), product line exits (primarily inventory, long-lived asset and specifically-identified intangible asset write-offs), certain long-lived and intangible asset write-offs and impairments and other charges.
4. *Medical device regulations.* Costs specific to updating our quality system, product labeling, asset write-offs and product remanufacturing to comply with the new medical device reporting regulations and other requirements of the European Union.
5. *Recall-related matters.* Changes in our best estimate of the probable loss, or the minimum of the range of probable losses when a best estimate within a range is not known, to resolve the Rejuvenate, LFIT V40, Wright legacy hip products and other product recalls.
6. *Regulatory and legal matters.* Changes in our best estimate of the probable loss, or the minimum of the range of probable losses when a best estimate within a range is not known, to resolve certain regulatory or other legal matters and the amount of favorable awards from settlements.
7. *Tax matters.* Impact of accounting for certain significant and discrete tax items.

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 growth, gross profit, selling, general and administrative expenses, research, development and engineering expenses, operating income, other income (expense), net, income taxes, effective

income tax rate, net earnings and net earnings per diluted share, the most directly comparable GAAP financial measures. These non-GAAP financial measures are an additional way of viewing aspects of our operations when viewed with our GAAP results and the reconciliations to corresponding GAAP financial measures at the end of the discussion of Consolidated Results of Operations below. We strongly encourage investors and shareholders to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

The weighted-average diluted shares outstanding used in the calculation of adjusted net earnings per diluted share are the same as those used in the calculation of reported net earnings per diluted share for the respective period.

Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures

Three Months 2025	Gross Profit	Selling, General & Administrative Expenses	Research, Development & Engineering Expenses	Operating Income	Other Income (Expense), Net	Income Taxes	Net Earnings	Effective Tax Rate	Diluted EPS
Reported	\$ 3,852	\$ 2,045	\$ 410	\$ 1,135	\$ (106)	\$ 170	\$ 859	16.5 %	\$ 2.22
Reported percent net sales	63.6 %	33.8 %	6.8 %	18.7 %	(1.8)%	nm	14.2 %		
Acquisition and integration-related costs:									
Inventory stepped-up to fair value	61	—	—	61	—	15	46	0.6	0.12
Other acquisition and integration-related (a)	5	(33)	(1)	39	—	6	33	0.1	0.08
Amortization of purchased intangible assets	—	—	—	189	—	39	150	1.2	0.39
Structural optimization and other special charges (b)	15	(26)	—	41	(10)	3	28	(0.1)	0.07
Goodwill and other impairments (c)	—	—	—	73	—	15	58	0.4	0.16
Medical device regulations (d)	—	—	(11)	11	—	3	8	0.1	0.02
Recall-related matters (e)	—	(1)	—	1	—	—	1	—	—
Regulatory and legal matters (f)	—	—	—	—	—	—	—	—	—
Tax matters (g)	—	—	—	—	—	(50)	50	(4.8)	0.13
Adjusted	\$ 3,933	\$ 1,985	\$ 398	\$ 1,550	\$ (116)	\$ 201	\$ 1,233	14.0 %	\$ 3.19
Adjusted percent net sales	65.0 %	32.8 %	6.6 %	25.6 %	(1.9)%	nm	20.4 %		

Three Months 2024	Gross Profit	Selling, General & Administrative Expenses	Research, Development & Engineering Expenses	Operating Income	Other Income (Expense), Net	Income Taxes	Net Earnings	Effective Tax Rate	Diluted EPS
Reported	\$ 3,517	\$ 1,894	\$ 377	\$ 1,085	\$ (42)	\$ 209	\$ 834	20.0 %	\$ 2.16
Reported percent net sales	64.0 %	34.5 %	6.9 %	19.7 %	(0.8)%	nm	15.2 %		
Acquisition and integration-related costs:									
Inventory stepped-up to fair value	29	—	—	29	—	7	22	0.2	0.06
Other acquisition and integration-related (a)	—	(48)	—	48	—	11	37	0.3	0.10
Amortization of purchased intangible assets	—	—	—	159	—	32	127	0.7	0.32
Structural optimization and other special charges (b)	(2)	(24)	—	22	—	4	18	—	0.05
Goodwill and other impairments (c)	—	—	—	2	—	—	2	—	—
Medical device regulations (d)	—	—	(13)	13	—	2	11	0.1	0.03
Recall-related matters (e)	—	—	—	—	—	—	—	—	—
Regulatory and legal matters (f)	—	1	—	(1)	—	—	(1)	—	—
Tax matters (g)	—	—	—	—	—	(57)	57	(5.5)	0.15
Adjusted	\$ 3,544	\$ 1,823	\$ 364	\$ 1,357	\$ (42)	\$ 208	\$ 1,107	15.8 %	\$ 2.87
Adjusted percent net sales	64.5 %	33.2 %	6.6 %	24.7 %	(0.8)%	nm	20.1 %		

nm - not meaningful

(a) Charges represent certain acquisition and integration-related costs associated with acquisitions, including:

	Three Months	
	2025	2024
Employee retention and workforce reductions	\$ 11	\$ 13
Changes in the fair value of contingent consideration	12	2
Manufacturing integration costs	7	1
Stock compensation payments upon a change in control	—	22
Other integration-related activities	9	10
Adjustments to Operating Income	\$ 39	\$ 48
Other income taxes related to acquisition and integration-related costs	6	11
Adjustments to Income Taxes	\$ 6	\$ 11
Adjustments to Net Earnings	\$ 33	\$ 37

(b) Structural optimization and other special charges represent the costs associated with:

	Three Months	
	2025	2024
Employee retention and workforce reductions	\$ 5	\$ 12
Closure/transfer of manufacturing and other facilities	10	2
Product line exits	10	3
Termination of sales relationships in certain countries	2	6
Other charges	14	(1)
Adjustments to Operating Income	\$ 41	\$ 22
Adjustments to Other Income (Expense), Net	\$ (10)	\$ —
Adjustments to Income Taxes	\$ 3	\$ 4
Adjustments to Net Earnings	\$ 28	\$ 18

(c) Goodwill and other impairments represent the costs associated with:

	Three Months	
	2025	2024
Certain long-lived and intangible asset write-offs and impairments	\$ 22	\$ —
Product line exits (e.g., long-lived asset and specifically-identified intangible asset write-offs)	51	2
Adjustments to Operating Income	\$ 73	\$ 2
Adjustments to Income Taxes	\$ 15	\$ —
Adjustments to Net Earnings	\$ 58	\$ 2

(d) Charges represent the costs specific to updating our quality system, product labeling, asset write-offs and product remanufacturing to comply with the medical device reporting regulations and other requirements of the new medical device regulations in the European Union.

(e) Charges represent changes in our best estimate of the probable loss, or the minimum of the range of probable losses when a best estimate within a range is not known, to resolve certain recall-related matters.

(f) Charges represent changes in our best estimate of the probable loss, or the minimum of the range of probable losses when a best estimate within a range is not known, to resolve certain regulatory or other legal matters and the amount of favorable awards from settlements.

(g) Benefits / (charges) represent the accounting impact of certain significant and discrete tax items, including:

	Three Months	
	2025	2024
Adjustments related to the transfer of certain intellectual properties between tax jurisdictions	\$ (61)	\$ (47)
Other tax matters	11	(10)
Adjustments to Income Taxes	\$ (50)	\$ (57)
Adjustments to Other Income (Expense), Net	\$ —	\$ —
Adjustments to Net Earnings	\$ 50	\$ 57

Reconciliation of Non-GAAP Financial Measures to the Most Directly Comparable GAAP Financial Measures

Nine Months 2025	Gross Profit	Selling, General & Administrative Expenses	Research, Development & Engineering Expenses	Operating Income	Other Income (Expense), Net	Income Taxes	Net Earnings	Effective Tax Rate	Diluted EPS
Reported	\$11,437	\$ 6,424	\$ 1,222	\$ 3,085	\$ (276)	\$ 412	\$ 2,397	14.7 %	\$ 6.20
Reported percent net sales	63.7 %	35.8 %	6.8 %	17.2 %	(1.5)%	nm	13.4 %		
Acquisition and integration-related costs:									
Inventory stepped-up to fair value	160	—	—	160	—	39	121	0.5	0.31
Other acquisition and integration-related (a)	19	(280)	(3)	302	—	32	270	(0.4)	0.70
Amortization of purchased intangible assets	—	—	—	543	—	112	431	1.2	1.11
Structural optimization and other special charges (b)	43	(47)	(3)	93	(19)	15	59	0.2	0.15
Goodwill and other impairments (c)	—	—	—	163	—	46	117	0.8	0.32
Medical device regulations (d)	1	—	(29)	30	—	7	23	0.1	0.06
Recall-related matters (e)	52	(4)	—	56	—	9	47	—	0.12
Regulatory and legal matters (f)	—	(7)	—	7	—	2	5	—	0.01
Tax matters (g)	—	—	—	—	—	(71)	71	(2.5)	0.18
Adjusted	\$11,712	\$ 6,086	\$ 1,187	\$ 4,439	\$ (295)	\$ 603	\$ 3,541	14.6 %	\$ 9.16
Adjusted percent net sales	65.3 %	33.9 %	6.6 %	24.7 %	(1.6)%	nm	19.7 %		

Nine Months 2024	Gross Profit	Selling, General & Administrative Expenses	Research, Development & Engineering Expenses	Operating Income	Other Income (Expense), Net	Income Taxes	Net Earnings	Effective Tax Rate	Diluted EPS
Reported	\$10,266	\$ 5,562	\$ 1,108	\$ 3,108	\$ (144)	\$ 517	\$ 2,447	17.4 %	\$ 6.35
Reported percent net sales	63.5 %	34.4 %	6.9 %	19.2 %	(0.9)%	nm	15.1 %		
Acquisition and integration-related costs:									
Inventory stepped-up to fair value	38	—	—	38	—	9	29	0.3	0.08
Other acquisition and integration-related (a)	—	(49)	—	49	—	14	35	0.2	0.09
Amortization of purchased intangible assets	—	—	—	467	—	96	371	1.0	0.96
Structural optimization and other special charges (b)	41	(51)	—	92	—	24	68	0.2	0.23
Goodwill and other impairments (c)	—	—	—	21	—	—	21	—	—
Medical device regulations (d)	5	—	(36)	41	—	9	32	0.1	0.08
Recall-related matters (e)	11	(11)	—	22	—	5	17	0.1	0.04
Regulatory and legal matters (f)	—	1	—	(1)	—	—	(1)	—	—
Tax matters (g)	—	—	—	—	(1)	(136)	135	(4.7)	0.35
Adjusted	\$10,361	\$ 5,452	\$ 1,072	\$ 3,837	\$ (145)	\$ 538	\$ 3,154	14.6 %	\$ 8.18
Adjusted percent net sales	64.1 %	33.7 %	6.6 %	23.7 %	(0.9)%	nm	19.5 %		

nm - not meaningful

(a) Charges represent certain acquisition and integration-related costs associated with acquisitions, including:

	Nine Months	
	2025	2024
Termination of sales relationships	\$ —	\$ 3
Employee retention and workforce reductions	56	17
Changes in the fair value of contingent consideration	13	(12)
Manufacturing integration costs	14	2
Stock compensation payments upon a change in control	139	22
Other integration-related activities	80	17
Adjustments to Operating Income	\$ 302	\$ 49
Other income taxes related to acquisition and integration-related costs	32	14
Adjustments to Income Taxes	\$ 32	\$ 14
Adjustments to Net Earnings	\$ 270	\$ 35

(b) Structural optimization and other special charges represent the costs associated with:

	Nine Months	
	2025	2024
Employee retention and workforce reductions	\$ 43	\$ 14
Closure/transfer of manufacturing and other facilities (e.g., site closure, contract termination and redundant employee costs)	22	18
Product line exits (e.g., inventory, long-lived asset and specifically-identified intangible asset write-offs)	3	9
Termination of sales relationships in certain countries	(2)	7
Other charges	27	44
Adjustments to Operating Income	\$ 93	\$ 92
Adjustments to Income Taxes	\$ 15	\$ 24
Adjustments to Other Income (Expense), Net	\$ (19)	\$ —
Adjustments to Net Earnings	\$ 59	\$ 68

(c) Goodwill and other impairments represent the costs associated with:

	Nine Months	
	2025	2024
Certain long-lived and intangible asset write-offs and impairments	\$ 108	\$ 11
Product line exits (e.g., long-lived asset and specifically-identified intangible asset write-offs)	55	10
Adjustments to Operating Income	\$ 163	\$ 21
Adjustments to Income Taxes	\$ 46	\$ —
Adjustments to Net Earnings	\$ 117	\$ 21

(d) Charges represent the costs specific to updating our quality system, product labeling, asset write-offs and product remanufacturing to comply with the medical device reporting regulations and other requirements of the new medical device regulations in the European Union.

- (e) Charges represent changes in our best estimate of the probable loss, or the minimum of the range of probable losses when a best estimate within a range is not known, to resolve certain recall-related matters.
- (f) Charges represent changes in our best estimate of the probable loss, or the minimum of the range of probable losses when a best estimate within a range is not known, to resolve certain regulatory or other legal matters and the amount of favorable awards from settlements.
- (g) Benefits / (charges) represent the accounting impact of certain significant and discrete tax items, including:

	Nine Months	
	2025	2024
Adjustments related to the transfer of certain intellectual properties between tax jurisdictions	\$ (153)	\$ (141)
Certain tax audit settlements	—	(2)
Other tax matters	82	7
Adjustments to Income Taxes	\$ (71)	\$ (136)
Adjustments to Other Income (Expense), Net	\$ —	\$ (1)
Adjustments to Net Earnings	\$ 71	\$ 135

FINANCIAL CONDITION AND LIQUIDITY

Net cash provided by (used in):	Nine Months	
	2025	2024
Operating activities	\$ 2,901	\$ 2,311
Investing activities	(4,561)	(2,697)
Financing activities	1,206	1,269
Effect of exchange rate changes	58	(4)
Change in cash and cash equivalents	\$ (396)	\$ 879

Operating Activities

Cash provided by operating activities was \$2,901 and \$2,311 in the nine months 2025 and 2024. The increase was primarily due to the timing of payments and collections in working capital accounts.

Investing Activities

Cash used in investing activities was \$4,561 and \$2,697 in the nine months 2025 and 2024. The nine months 2025 included cash paid to acquire Inari and purchases of property, plant and equipment partially offset by proceeds from the sale of short-term investments and the sale of the Spinal Implants business. The nine months 2024 included cash paid for the Serf acquisition. Refer to Note 7 to our Consolidated Financial Statements for further information on acquisitions.

Financing Activities

Cash provided by financing activities was \$1,206 in the nine months 2025 and cash provided by financing activities was \$1,269 in the nine months 2024. In 2025, cash provided was primarily driven by proceeds from the issuance of various senior

unsecured notes as described in Note 8 to our Consolidated Financial Statements. This was partially offset by debt payments, dividend payments and cash paid for taxes on withheld shares. Cash provided by 2024 was primarily driven by proceeds from the issuance of various senior unsecured notes. This was partially offset by debt payments, dividend payments and cash paid for taxes on withheld shares. We did not repurchase any shares in the nine months 2025 and 2024.

Liquidity

Cash, cash equivalents, short-term investments and marketable securities were \$3,343 and \$4,493 on September 30, 2025 and December 31, 2024. Current assets exceeded current liabilities by \$6,297 and \$7,231 on September 30, 2025 and December 31, 2024. We anticipate being able to support our short-term liquidity and operating needs from a variety of sources including cash from operations, commercial paper and existing credit lines.

We have raised funds in the capital markets and have accessed the credit markets in the past and may continue to do so from time-to-time. We continue to have strong investment-grade short-term and long-term debt ratings that we believe should enable us to refinance our debt as needed.

Our cash, cash equivalents, short-term investments and marketable securities held in locations outside the United States was 35% on September 30, 2025 compared to 20% on December 31, 2024.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There were no changes to our critical accounting policies and estimates from those disclosed in our Annual Report on Form 10-K for 2024, except as follows.

Refer to Note 11 to our Consolidated Financial Statements for discussion of estimates related to the Spinal Implants assets classified as held for sale at December 31, 2024.

New Accounting Pronouncements Not Yet Adopted

Refer to Note 1 to our Consolidated Financial Statements for information.

Guarantees and Other Off-Balance Sheet Arrangements

We do not have guarantees or other off-balance sheet financing arrangements, including variable interest entities, of a magnitude that we believe could have a material impact on our financial condition or liquidity.

OTHER MATTERS

Legal and Regulatory Matters

We are involved in various ongoing proceedings, legal actions and claims arising in the normal course of our business, including proceedings related to product, labor, intellectual property and other matters. Refer to Note 6 to our Consolidated Financial Statements for further information.

FORWARD-LOOKING STATEMENTS

This report contains statements that are not historical facts and are considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current projections about operations, industry conditions, financial condition and liquidity. Words that identify forward-looking statements include, without limitation, words such as "may," "could," "will," "should," "possible," "plan," "predict," "forecast," "potential," "anticipate," "estimate," "expect," "project," "intend," "believe," "may impact," "on track," "goal," "strategy" and words and terms of similar substance used in connection with any discussion of future operating or financial performance, an acquisition or our businesses. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Those statements are not guarantees and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results could differ materially and adversely from these forward-looking statements, historical experience or our present expectations. Some important factors that could cause our actual results to differ from our expectations in any forward-looking statements include the risks discussed in Item 1A. "Risk Factors" of our Annual Report on Form 10-K for 2024. This Form 10-Q should be read in conjunction with our Consolidated Financial Statements and accompanying notes to our Consolidated Financial Statements in our Annual Report on Form 10-K for 2024. While we believe that the assumptions underlying such forward-looking statements are reasonable, there can be no assurance that future events or developments will not cause such statements to be inaccurate. All forward-looking statements contained in this report are qualified in their entirety by this cautionary statement. We expressly disclaim any intention or obligation to publicly update or revise any forward-looking statement to reflect any change in our expectations or in events, conditions or circumstances on which those expectations may be based, or that affect the likelihood that actual results will differ from those contained in the forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We consider our greatest potential area of market risk exposure to be exchange rate risk on our operating results. Quantitative and qualitative disclosures about exchange rate risk are included in Item 7A "Quantitative and Qualitative Disclosures About Market Risk" of our Annual Report on Form 10-K for 2024. There were no material changes from the information provided therein.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the Chief Executive Officer and Chief Financial Officer (the Certifying Officers), evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended) on September 30, 2025. Based on that evaluation, the Certifying Officers concluded the Company's disclosure controls and procedures were effective as of September 30, 2025.

Changes in Internal Control Over Financial Reporting

There was no change to our internal control over financial reporting during the nine months 2025 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1A. RISK FACTORS

We are not aware of any material changes to the risk factors included in Item 1A. "Risk Factors" in our Annual Report on Form 10-K for 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In the three months 2025 we did not issue shares of our common stock as performance incentive awards to employees. When issued, these shares are not registered under the Securities Act of 1933 based on the conclusion that the awards would not be events of sale within the meaning of Section 2(a)(3) of the Act.

In March 2015 we announced that our Board of Directors had authorized us to purchase up to \$2,000 of our common stock. The manner, timing and amount of repurchases are determined by management based on an evaluation of market conditions, stock price, and other factors and are subject to regulatory considerations. Purchases are made from time-to-time in the open market, in privately negotiated transactions or otherwise.

In the nine months 2025 we did not repurchase any shares of our common stock under our authorized repurchase program. The total dollar value of shares of our common stock that could be acquired under our authorized repurchase program was \$1,033 as of September 30, 2025.

ITEM 5. OTHER INFORMATION

Certain of our officers or directors have made elections to participate in, and are participating in, our employee stock purchase plan and 401(k) plan and have made, and may from time to time make, elections to have shares withheld to cover withholding taxes due or pay the exercise price of stock options, restricted stock units and performance stock units, which may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

ITEM 6. EXHIBITS

31(i)†	Certification of Principal Executive Officer of Stryker Corporation pursuant to Rule 13a-14(a).
31(ii)†	Certification of Principal Financial Officer of Stryker Corporation pursuant to Rule 13a-14(a).
32(i)††	Certification by Principal Executive Officer of Stryker Corporation pursuant to 18 U.S.C. Section 1350.
32(ii)††	Certification by Principal Financial Officer of Stryker Corporation pursuant to 18 U.S.C. Section 1350.
101.INS	iXBRL Instance Document
101.SCH	iXBRL Schema Document
101.CAL	iXBRL Calculation Linkbase Document
101.DEF	iXBRL Definition Linkbase Document
101.LAB	iXBRL Label Linkbase Document
101.PRE	iXBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document)

* Compensation arrangement

† Filed with this Form 10-Q

†† Furnished with this Form 10-Q

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

STRYKER CORPORATION
(Registrant)

Date: October 31, 2025

/s/ KEVIN A. LOBO

Kevin A. Lobo
Chair, Chief Executive Officer and President

Date: October 31, 2025

/s/ PRESTON W. WELLS

Preston W. Wells
Vice President, Chief Financial Officer