Stryker

Kevin A. Lobo
Chairman and Chief Executive Officer
Disclaimer

This presentation contains information that includes or is based on forward-looking statements within the meaning of the federal securities laws that are subject to various risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in such statements. Such factors include, but are not limited to: the impact on our operations and financial results of the COVID-19 pandemic and any related policies and actions by governments or other third parties; the failure to satisfy any of the closing conditions to the acquisition of Wright Medical Group N.V. ("Wright"), including the receipt of any required regulatory clearances (and the risk that such clearances may result in the imposition of conditions that could adversely affect the expected benefits of the transaction); timing of the closing of the acquisition of Wright; unexpected liabilities, costs, charges or expenses in connection with the acquisition of Wright; the effects of the proposed Wright transaction (or the announcement thereof) on the parties’ relationships with employees, customers, other business partners or governmental entities; weakening of economic conditions that could adversely affect the level of demand for our products; pricing pressures generally, including cost-containment measures that could adversely affect the price of or demand for our products; changes in foreign exchange markets; legislative and regulatory actions; unanticipated issues arising in connection with clinical studies and otherwise that affect U.S. Food and Drug Administration approval of new products, including Wright products; potential supply disruptions; changes in reimbursement levels from third-party payors; a significant increase in product liability claims; the ultimate total cost with respect to recall-related matters; the impact of investigative and legal proceedings and compliance risks; resolution of tax audits; the impact of the federal legislation to reform the United States healthcare system; costs to comply with medical device regulations; changes in financial markets; changes in the competitive environment; our ability to integrate and realize the anticipated benefits of acquisitions in full or at all or within the expected timeframes, including the acquisition of Wright; and our ability to realize anticipated cost savings. Additional information concerning these and other factors is contained in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. We 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.
Mission

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

Values

Integrity
We do what’s right

Accountability
We do what we say

People
We grow talent

Performance
We deliver
Our recovery curve...

**Q2 Sales**

$2.8B

-24.3% vs 2019

**Q2 Adjusted EPS**

$0.64

-67.7% vs 2019

2020 Monthly Sales Growth (Adjusted Days)

- January: -36%
- February: -24%
- March: -10%
- April, May, June: POSITIVE GROWTH
- July: POSITIVE GROWTH
Product/business innovation continues

Surpass Evolve Flow Diverter

• First 64 wire FDS in the US
• Optimized delivery/flow diversion

ProCuity MedSurg Bed

• Versatility
• Wireless connectivity
• Advanced fall prevention

Ambulatory Surgery Center Business

• Product breadth
• Sales solutions
• Financing

Images courtesy of Ajay Wakhloo, MD PhD, FAHA, Lahey Clinic and Medical Center, Burlington, MA and Ajit Puri, MD, DM, UMass Memorial Medical Center, Worcester, MA.
Mako 1,000th install

Demand remains strong for our Mako robotic technology

Success in Stryker and competitive accounts

Accelerating sales into ASCs

Utilization increasing across both hips and knees

Driving shift towards cementless knees

Solid innovation pipeline
**Long-term** sustainable financial growth

Sales growth at the **high end** of med tech, which allows us to drive...

30 to 50 basis points of annual operating income improvement over the next 5 years

EPS growth of at least **9% annually**
stryker
Appendix A

RECONCILIATION OF GAAP TO 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; percentage sales growth in constant currency; percentage organic sales growth; adjusted net earnings; and adjusted net earnings per diluted share (Diluted EPS). We believe that 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 and acquisitions, which affect the comparability and trend of sales. Percentage organic sales growth is calculated by translating current year results at prior year average foreign currency exchange rates excluding the impact of acquisitions.

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, 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 that, when viewed with our GAAP results and the reconciliations to corresponding GAAP financial measures below, provide a more complete understanding of our business. 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 following reconciles the non-GAAP financial measures discussed above with the most directly comparable GAAP financial measures. The weighted-average diluted shares outstanding used in the calculation of non-GAAP 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, except for 4.3 million anti-dilutive shares excluded from reported net loss per diluted share for the three months 2020.
Reconciliation of reported net sales growth to organic net sales growth

<table>
<thead>
<tr>
<th>Three Months</th>
<th>June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Net Sales Growth</td>
<td>(24.3) %</td>
</tr>
<tr>
<td>Less: Foreign Currency Exchange</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Less: Acquisitions</td>
<td>0.5</td>
</tr>
<tr>
<td>Organic Sales Growth</td>
<td>(24.0) %</td>
</tr>
</tbody>
</table>

Reconciliation of net earnings per diluted share to adjusted net earnings per diluted share

<table>
<thead>
<tr>
<th>Three Months</th>
<th>June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$ (0.22)</td>
</tr>
<tr>
<td>Acquisition and integration-related charges (a)</td>
<td></td>
</tr>
<tr>
<td>Inventory stepped-up to fair value</td>
<td>-</td>
</tr>
<tr>
<td>Other acquisition and integration-related</td>
<td>0.03</td>
</tr>
<tr>
<td>Amortization of purchased intangible assets</td>
<td>0.23</td>
</tr>
<tr>
<td>Restructuring-related and other charges (b)</td>
<td>0.45</td>
</tr>
<tr>
<td>Medical device regulations (c)</td>
<td>0.05</td>
</tr>
<tr>
<td>Recall-related matters (d)</td>
<td>-</td>
</tr>
<tr>
<td>Regulatory and legal matters (e)</td>
<td>0.02</td>
</tr>
<tr>
<td>Tax matters (f)</td>
<td>0.08</td>
</tr>
<tr>
<td>Adjusted</td>
<td>$ 0.64</td>
</tr>
</tbody>
</table>

Weighted-average diluted shares outstanding (in millions)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>375.5</td>
<td>379.5</td>
</tr>
</tbody>
</table>

(a) Charges represent certain acquisition and integration-related costs associated with acquisitions.
(b) Charges represent the costs associated with the termination of sales relationships in certain countries, workforce reductions, elimination of product lines, certain long-lived asset impairments and associated costs and other restructuring-related activities.
(c) 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 and China.
(d) Charges represent changes in our best estimate of the minimum end of the range of probable loss to resolve certain recall-related matters.
(e) Our best estimate of the minimum of the range of probable loss to resolve certain regulatory or other legal matters and the amount of favorable awards from settlements.
(f) Benefits and charges represent the accounting impact of certain significant and discrete tax items, including adjustments related to the Tax Cuts and Jobs Act of 2017, and the transfer of certain intellectual properties between tax jurisdictions.