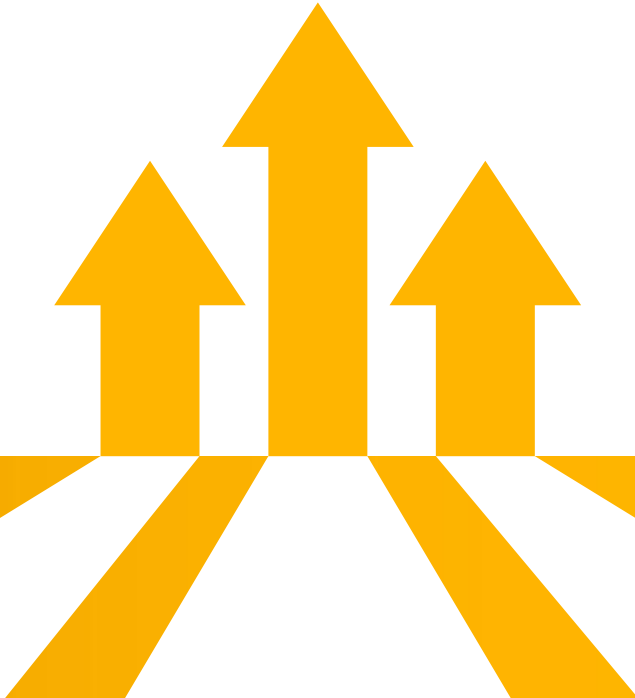


Built for growth



November 13, 2025

Opening video

stryker



2025 Investor Day



Jason Beach

Vice President, Finance and Investor Relations

Agenda

Built for growth

Kevin Lobo, Chair and Chief Executive Officer

Customer-focused innovation

Spencer Stiles, Group President, Orthopaedics

Spotlight: Power brands

Dylan Crotty, President, Instruments

Spotlight: Mako 4 and Triathlon Gold

Kathy Truppi, President, Joint Replacement

M&A engine

Andy Pierce, Group President, MedSurg and Neurotechnology

Spotlight: Inari

Tim Lanier, President, Inari

Driving operational excellence

Viju Menon, Group President, Global Quality and Operations

Spotlight: Digital strategy

Debra King, Vice President, Chief Digital and Information Officer

SmartHospital Platform

Jessica Mathieson, President, Medical

Financial outlook

Preston Wells, Vice President, Chief Financial Officer

Q&A

Stryker leaders

Break

15 minutes

Product showcase

Stryker leaders

2025 Investor Day speakers



Kevin Lobo
Chair and Chief Executive Officer
Built for growth



Spencer Stiles
Group President, Orthopaedics
Customer-focused innovations



Dylan Crotty
President, Instruments
Spotlight: Power brands



Kathy Truppi
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Driving operational excellence



Debra King
Vice President, Chief Digital and Information Officer
Spotlight: Digital strategy



Jessica Mathieson
President, Medical
SmartHospital Platform



Preston Wells
Vice President, Chief Financial Officer
Financial outlook

Forward-looking statements

This presentation contains information that includes or is based on forward-looking statements within the meaning of the federal securities law 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 risks and uncertainties include, but are not limited to: weakening of economic conditions, or the anticipation thereof, that could adversely affect the level of demand for our or Inari's products; geopolitical risks, including from tariffs and the potential for further changes in trade policies and international conflicts, which have led to and could continue to lead to, among other things, increased market volatility; pricing pressures generally, including cost-containment measures that have adversely affected and could in the future adversely affect the price of or demand for our or Inari's products; changes in foreign currency exchange markets; legislative and regulatory actions; unanticipated issues arising in connection with clinical studies and otherwise that affect approval of new products, including Inari products, by the United States Food and Drug Administration and foreign regulatory agencies; inflationary pressures; increased interest rates or interest rate volatility; supply chain disruptions; changes in labor markets; changes in coverage and reimbursement levels from third-party payors; changes in the competitive environment; breaches, failures or other disruptions of our or our vendors' or customers' information technology systems or products, including by cyber-attack, data leakage, unauthorized access or theft; a significant increase in product liability claims; the ultimate total cost with respect to recall-related and other regulatory and quality matters; the impact of investigative and legal proceedings and compliance risks; resolution of tax audits; changes in tax laws and regulations; the impact of legislation to reform the healthcare system in the United States or other countries; costs to comply with medical device regulations; changes in financial markets; changes in our credit ratings; our ability to integrate and realize the anticipated benefits of acquisitions in full or at all or within the expected timeframes, including our acquisition of Inari; our ability to realize any anticipated cost savings; risks relating to climate change or other environmental, social and governance and sustainability related matters; the impact on our operations and financial results of any public health emergency and any related policies and actions by governments or other third parties; unexpected liabilities, costs, charges or expenses in connection with the acquisition of Inari; and the effects of the Inari transaction on the parties' relationships with employees, customers, other business partners or governmental entities. Additional information concerning these and other factors is contained in our filings with the United States 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, except to the extent required by law.

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 organic sales growth; adjusted research, development and engineering expenses; adjusted operating income; adjusted operating income margin; adjusted net earnings per diluted share (Adjusted EPS) and free cash flow (FCF) conversion. 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 the 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 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.

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, operating income, operating income margin, net earnings, net earnings per diluted share and cash provided by operating activities, 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. We are unable to present a quantitative reconciliation of our expected sales growth, operating income margin, net earnings per diluted share and free cash flow conversion to expected organic sales growth, adjusted operating income margin, adjusted net earnings per diluted share, and free cash flow conversion. Refer to the Appendix attached to this presentation for the reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures.

Notice of product availability

Products referenced may not be authorized for marketing or available in all markets. Product availability is subject to the regulatory and/or medical practices in individual markets.

Built for growth



Kevin Lobo

Chair and Chief Executive Officer

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

Impacting customers and patients

around the world

in **75**
countries



served by
53K
employees



we impact more than
150M
patients annually



The 150M figure is based on 2023 data. We regularly update our methodology to reflect our business footprint and data availability, which may result in changes to our reported metric. All numbers are rounded.

Our company strategy

Drive market leading growth and achieve category leadership in MedSurg, Neurotechnology and Orthopaedics



Customer focus

- Intense customer commitment through business unit specialization
- Achieve highest levels of customer engagement through high quality products, sales and marketing excellence and world-class supply chain



Innovation

- Deliver evidence-based products, services and digital solutions that enable safer patient care and improved outcomes
- Drive growth impact through disciplined investment in R&D and business development



Globalization

- Focus resources and talent on key global markets
- Strengthen alignment among franchises, country teams and global functions
- Positively impact people and environment through responsible and sustainable practices



Operational excellence

- Continuously reduce costs and generate cash to fund our future
- Improve profitability and operating leverage through scale, process excellence and Lean principles

Quality first: Top tier products and services
Talent and culture: Mission-driven diverse and inclusive teams

Stryker wins through depth and specialization



Orthopaedics

- **Joint Replacement**
 - Hips
 - Knees
 - Mako and Enabling Tech
- **Trauma and Extremities**
 - Trauma
 - Foot and Ankle
 - Upper Extremities

MedSurg and Neurotechnology

- **Endoscopy**
 - Communications
 - Endoscopy
 - Sports Medicine
 - Sustainability Solutions
- **Neuro Cranial**
 - Craniomaxillofacial
 - ENT
 - IVS
 - Neurosurgical
- **Instruments**
 - Orthopaedic Instruments
 - Surgical Technologies
- **Vascular**
 - Inari
 - Neurovascular
- **Medical**
 - Acute Care
 - Emergency Care
 - Sage
 - Smart Care

Our operating model

- 22 business units averaging ~\$1B in annual revenues
- Business units represent the center of gravity
- Responsible for multiple geographies
- High degree of autonomy
- Performance edge

Our culture drives growth

Purpose

Customers and patients are at the heart of what we do

Talent

We value our diverse strengths

Relationships

We care for each other and collaborate to win

Growth

We are passionately driven to deliver

Innovation is in our DNA



Medical and Surgical

Empowering people for powerful outcomes



Orthopaedics

Leading what's next



Neurotechnology

Delivering a new era of neuro care



Strong track record of financial performance

Robust sales growth
at the high-end of
MedTech

~10.0%^{1, 2}

5-year organic sales
growth CAGR
(2020 – 2025E);
~400 basis points above
our WAMGR

**Expansion of
operating margin**

26.3%¹

2025E adjusted operating
margin; returning to
pre-COVID margin

**Increasing
earnings power**

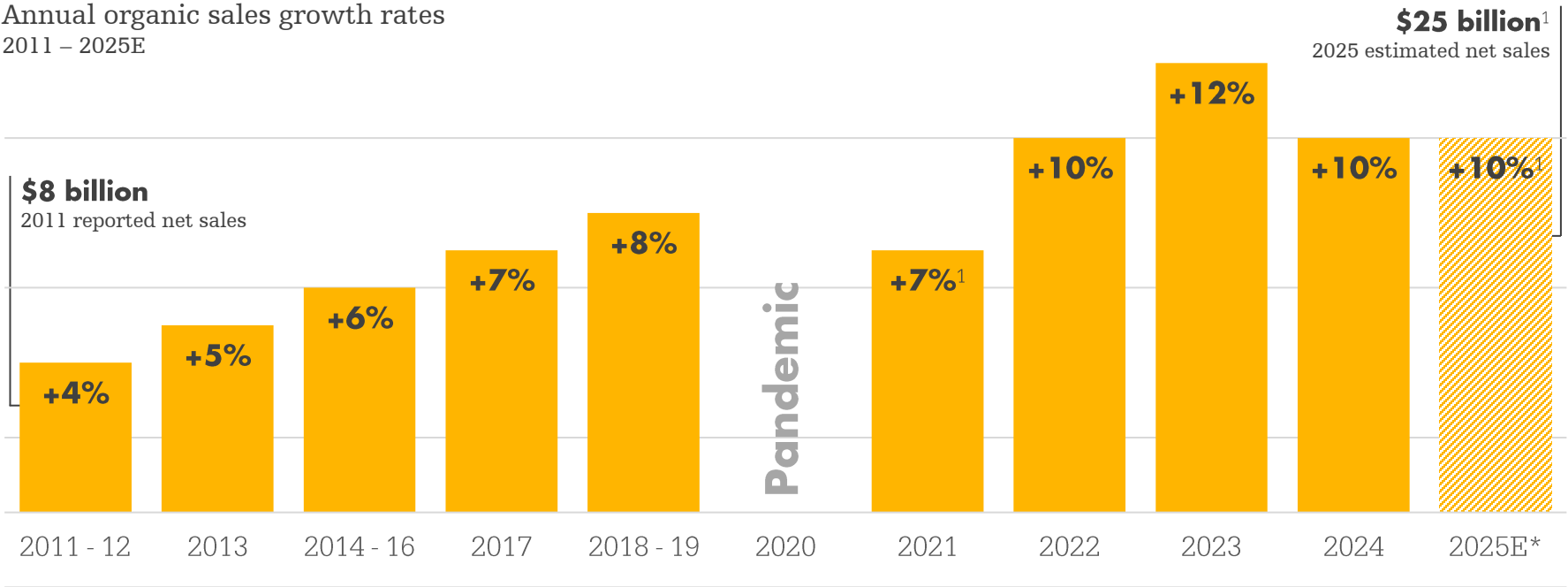
12.8%¹

5-year adjusted EPS CAGR
(2020 – 2025E)

¹ FY2025 estimates as of Q3 2025 earnings call, with CAGRs using midpoint of guidance ranges; ² For organic sales growth CAGR calculation, 2021 organic sales growth rate is vs. 2019

We continue to grow fast even as we get larger

Annual organic sales growth rates
2011 – 2025E



¹ FY2025 estimate reflects midpoint of organic sales growth guidance range as of Q3 2025 earnings call; 2021 growth rate is compared to 2019

Stryker is positioned to win

2015

Then



2025

Now



2030+

In the future

\$10B net sales
14 business units
4% WAMGR²

Hips and Knees representing
27% of sales

Balanced capital allocation
 strategy

\$25B¹ net sales
22 business units
6% WAMGR²

More diversified business with
 Hips and Knees at **~18%**¹ of
 sales

Focused capital allocation
 strategy prioritizing M&A; **~60**
 acquisitions over the
 last 10 years

Growth at high end of MedTech
 Continued WAMGR acceleration

Further diversification
 into high-growth markets

Capital allocation strategy
 prioritizing M&A

¹ Amounts represent estimates, FY2025 estimates are based on guidance as of Q3 2025 earnings call; ² Based on internal research

We are playing from a position of strength

Built for growth



Operating model and customer intimacy

Talent and culture

Category leadership



Strong Power Brands with #1 market positions

Well-positioned to capture ASC growth

Innovation focus



Clear innovation leader in many categories

Proven M&A track record with multiple growth pathways

Operating excellence



Lean taking hold across the enterprise

Margin expansion mindset

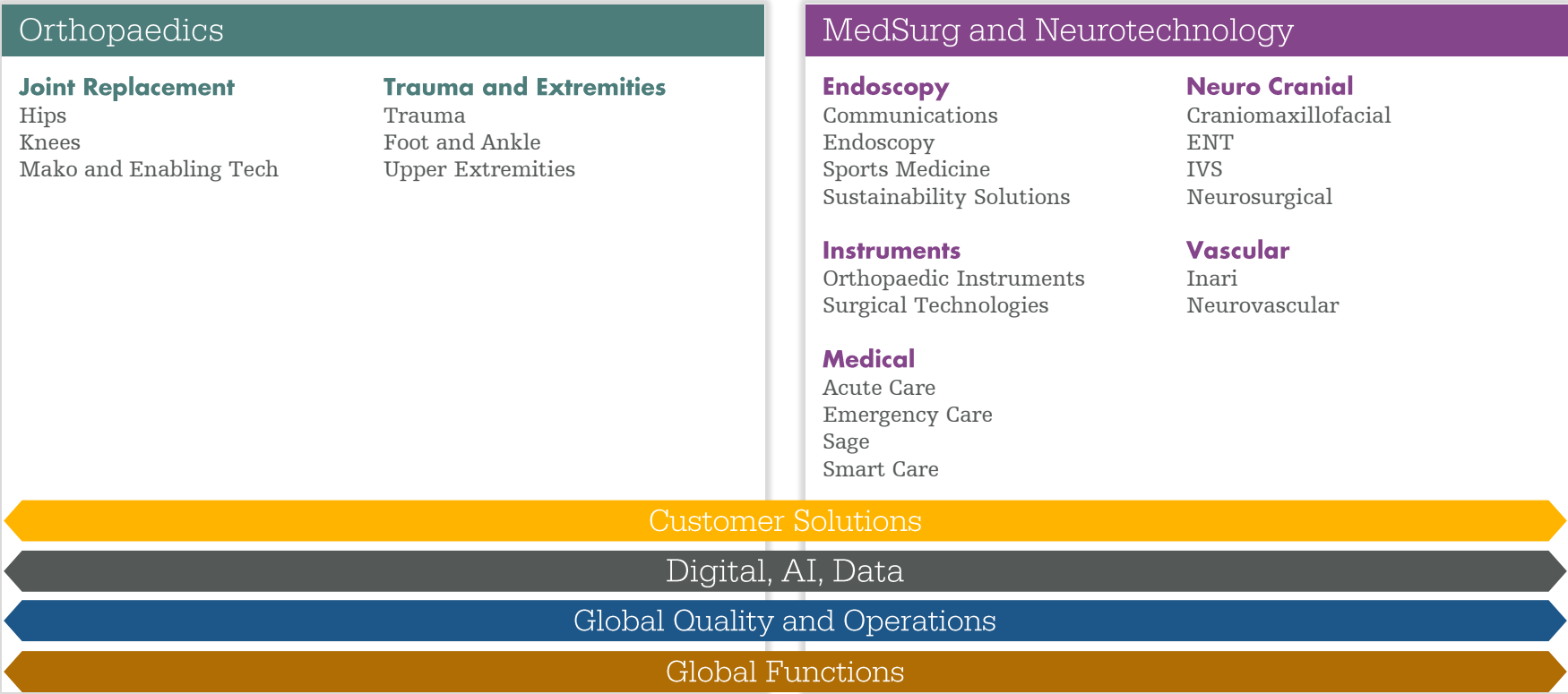
Customer-focused innovations



Spencer Stiles

Group President, Orthopaedics

Specialized businesses with strong support

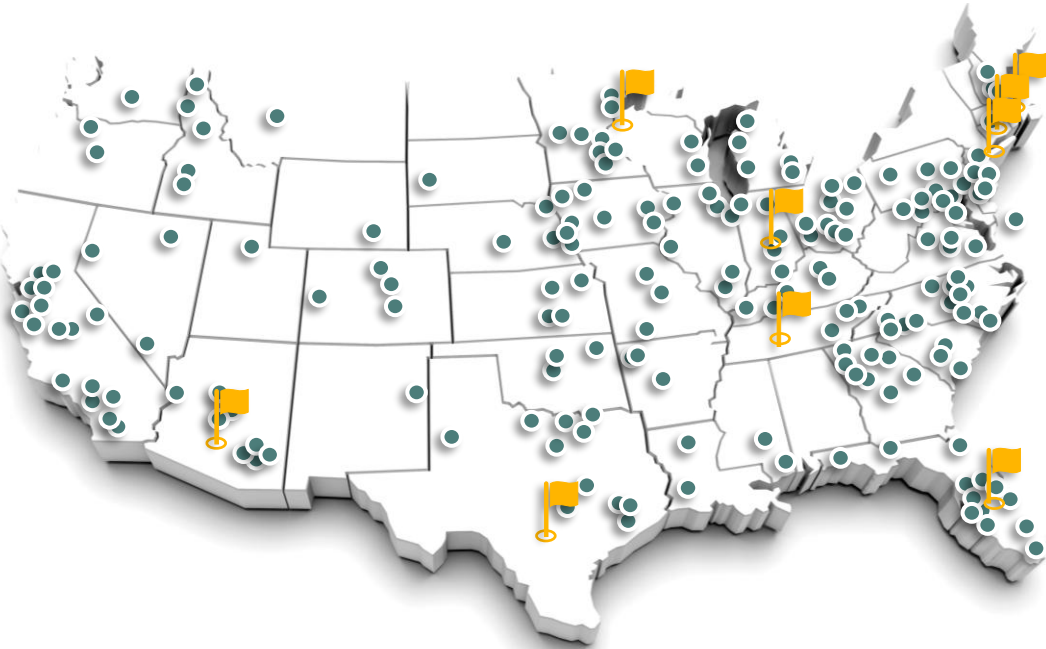


Blueprint and **Mako Shoulder**



Specialized businesses, one Stryker

Growing our ASC presence



Statistics as of September 2025

460+

ASC business partnerships to date



- ~60% expansions / renovations
- ~40% new builds
- 200+ Mako systems contracted for ASCs
- Average of 7 BUs per deal

360+

Deals with tailored financial solutions

15

Dedicated ASC Regional Managers as single point of contact

9

Stryker ASC show sites
...and counting

Market-leading top-line growth model

service, sales force, solutions

- ✓ Specialization and a superior sales force within each business unit
- ✓ Customer Solutions organization working across all businesses to create one Stryker interface with steady focus on growing our ASC presence
- ✓ Premium products and power brands supporting category leadership



Power brands

spotlight



Dylan Crotty
President, Instruments

Innovating with purpose



If your tools don't work, make them work.
If you can't make them work, make some
that do work.

-Dr. Homer Stryker



Empowered, specialized business units

Specialization drives

- **Customer-driven** innovation
- **Technical and clinical** mastery
- **Disciplined** growth engine
- Relentless **power brand** innovation

Fueling growth through **power brand innovation**



1983
OP90
Introduced cordless
functionality



2023
System 9
First-ever
wireless charger




1993
Turbo
First surgical helmet




2025
Steri-Shield 8
Lighter, quieter
customized fit

When you think of Stryker | **our power brands**




Mako



1788




LIFEPAK 35




Neptune




ProCuity




**SurgiCount+
with Triton**




Triathlon Knee



care.ai



Pangea



OptaBlate



InSpace



Incompass Total Ankle



**Spine Guidance Software
featuring Copilot**

Mako and Triathlon Gold spotlight



Kathy Truppi
President, Joint Replacement

Triathlon

A legacy of **trusted innovation**



Triathlon[®] Gold

Trust beyond
the surface.



The Mako journey

stryker

2006

MAKO Surgical Corp. completes first Mako Partial Knee procedure



2010

Second generation Mako System



2015

Third generation Mako System



2018

Mako Partial Knee 3.0 with MICS compatibility



2022

Mako Total Hip 4.1
Mako Total Knee 2.0



2025

Fourth generation Mako System



2009

Restoris MCK Partial Knee System



2010

First Mako Total Hip procedure



2013

Stryker acquires MAKO Surgical Corp.

stryker

MAKO
SURGICAL CORP.

2016

First Mako Total Knee case



2020

Mako Total Hip 4.0



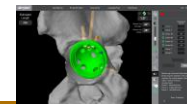
2025

Mako Total Hip 5.0 with Advanced Primary and Revision

Mako Total Knee 3.0

Mako Spine

Mako Shoulder



Mako means more





Introducing

Mako Total Hip

with Advanced Primary and Revision

2025 AAHKS Industry
Innovation Award recipient



Welcome to more



Mako RPS coming soon

M&A engine



Andy Pierce

Group President, MedSurg and Neurotechnology

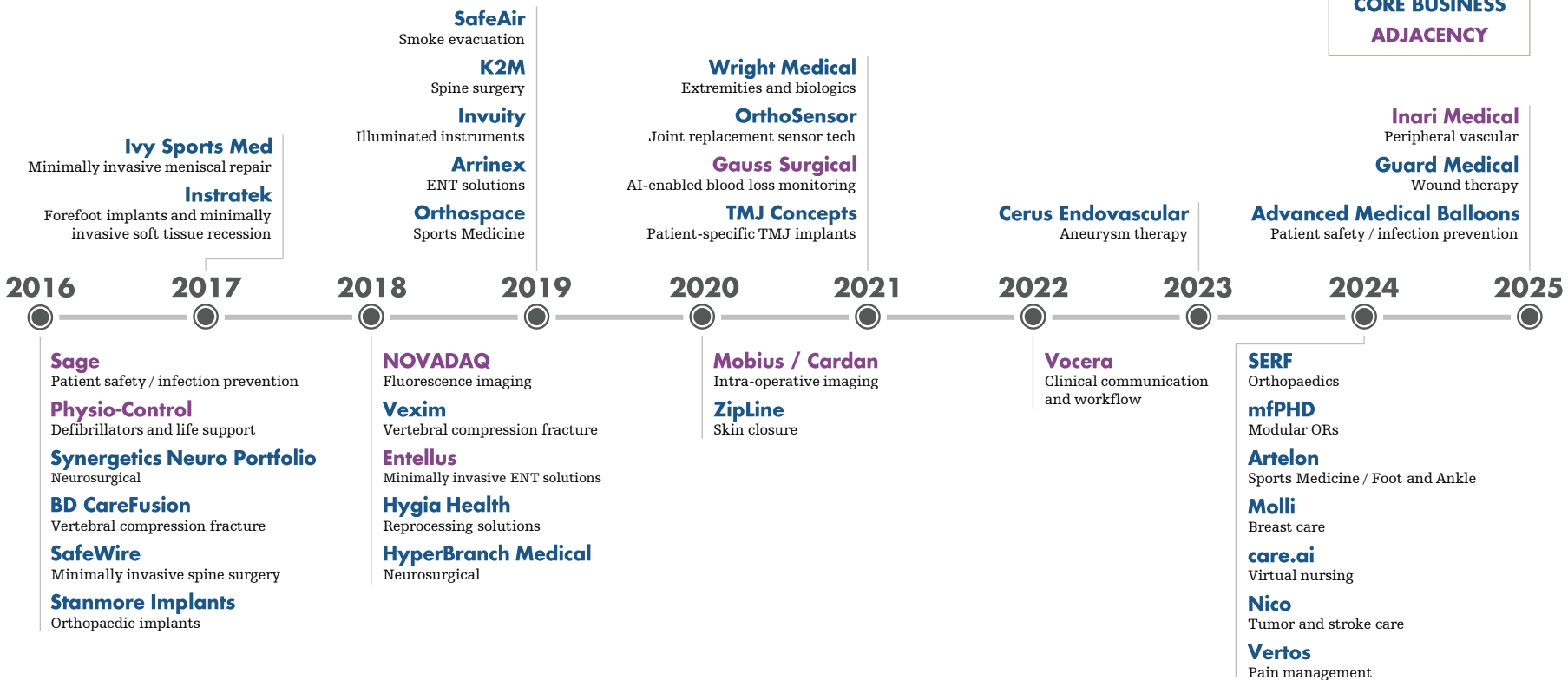
Differentiated M&A

- ✓ Customer-focused with M&A resources embedded in every business while leveraging company-wide expertise
- ✓ M&A strategy based on business needs and a balance of inorganic and organic opportunities
- ✓ Robust pipeline of potential deals and established relationships with targets
- ✓ Experience and success around complementary tuck-in acquisitions and adjacencies
- ✓ Dedicated enterprise M&A integration team and playbook; continued learning and experience built over the past decade

Our acquisition strategy is unchanged

We add capabilities to the core and enter adjacent categories

CORE BUSINESS
ADJACENCY



Driving innovation and specialization through M&A

CORE BUSINESS
ADJACENCY



MOLLI Surgical

Builds
**Breast Care
portfolio**



care.ai

Unifies
**SmartHospital
Platform**



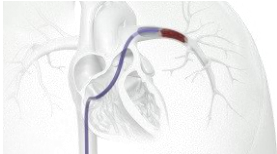
Vertos

Strengthens
**interventional
solutions**



Artelon

Expands product
offerings in **foot
and ankle and
sports medicine**



Inari

Provides entrance into
peripheral vascular

Inari spotlight

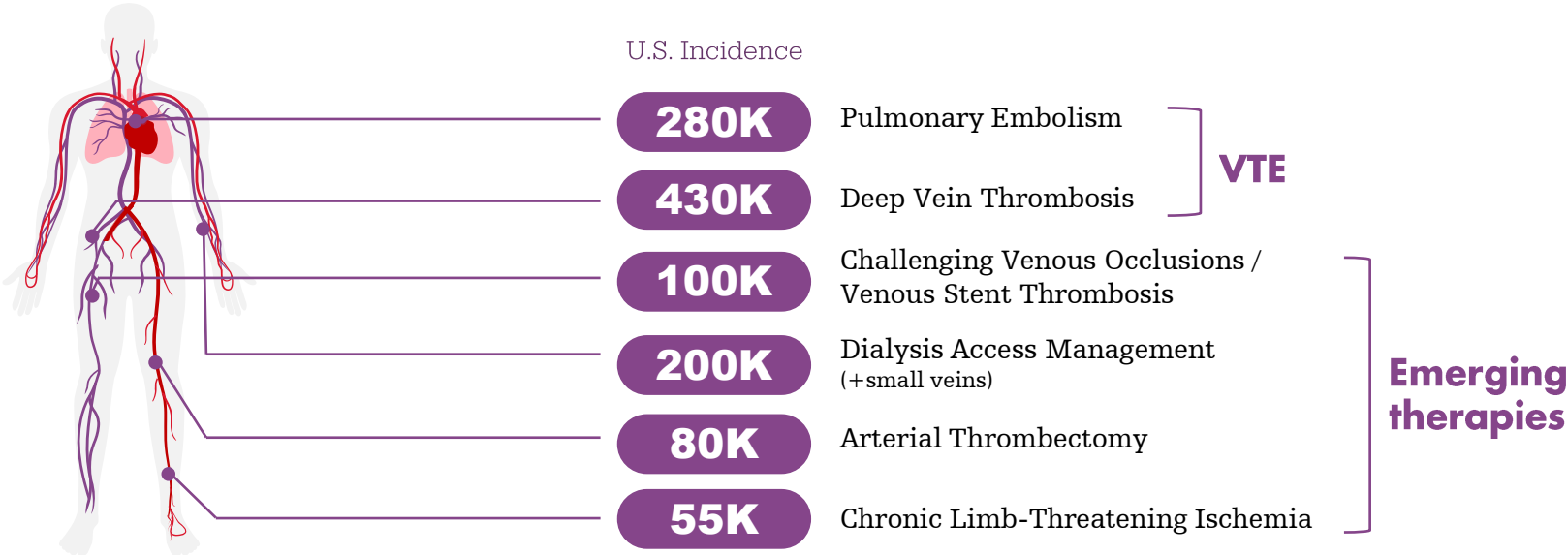


Tim Lanier

President, Inari

2M patients impacted globally

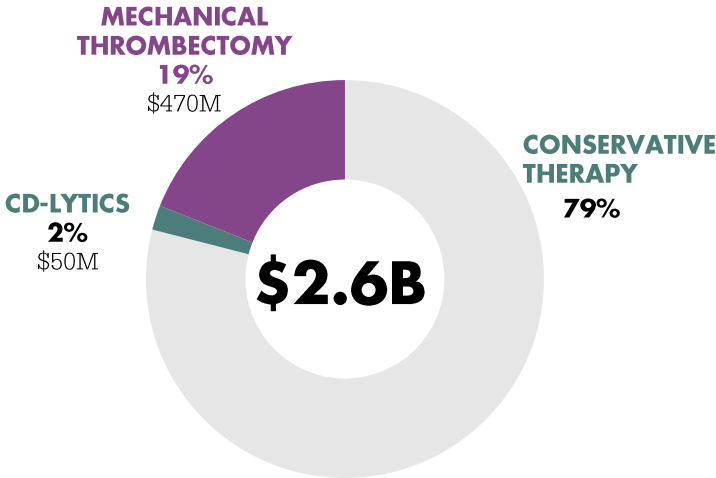
We are passionate about our mission to establish our treatments as the standard of care for **VTE** and vascular diseases.



Significant \$6B+ U.S. VTE TAM and opportunity

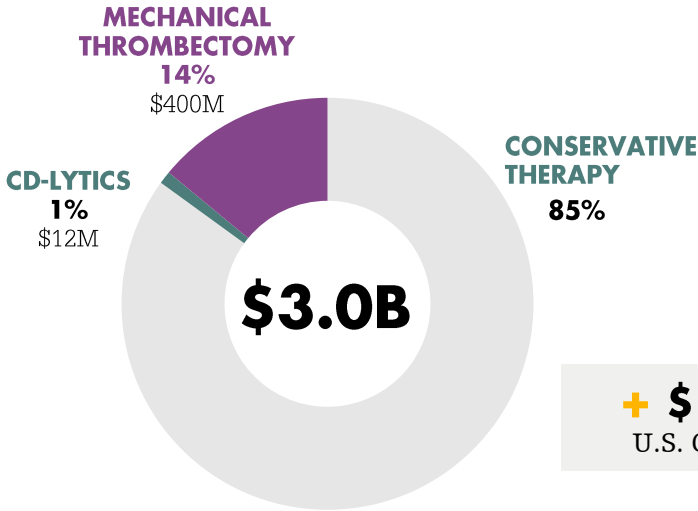
U.S. PE Segment (TAM + opportunity)

Intermediate to high-risk



U.S. DVT Segment (TAM + opportunity)

Acute, iliofemoral location



+ \$1B
U.S. CVD

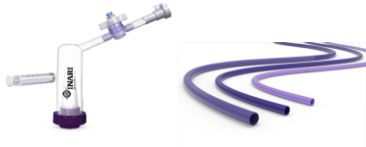
» U.S. VTE Mechanical Thrombectomy (MT) segment growing double digits YOY

CVD = chronic venous disease; MT = mechanical thrombectomy; CD-Lytics = Catheter-directed thrombolytics; Conservative therapy = anticoagulation only, systemic thrombolytics, compression, etc.

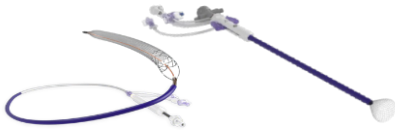
The Inari vascular portfolio

Category leadership across multiple disease states

VTE



FlowTriever System

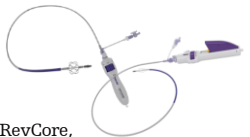


ClotTriever System

Pulmonary Embolism (PE)

Deep Vein Thrombosis (DVT)

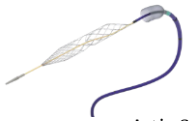
Emerging vascular therapies



RevCore, VenaCore Catheters



InThrill System



Artix System



LimFlow System

Challenging Venous Occlusions / Venous Stent Thrombosis

Dialysis Access Management (DAM)

Arterial Thrombectomy

Chronic Limb Threatening Ischemia (CLTI)

Foundation built on commitment to providing the best tools for our customers

- » Leading clinical evidence
- » Expansive VTE education
- » Rapid innovation cadence
- » Program development

Driving global VTE growth

Significantly investing in developing the global VTE market

Best-in-class evidence

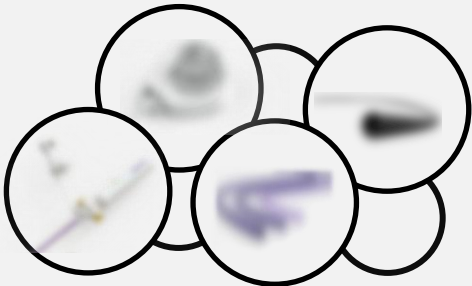
Significantly investing in data, including **4 RCTs**, to drive standard of care



Lead with innovation

Investing in our power brands to stay ahead of competition

Multiple VTE projects + early discovery projects



Advancing quality care

Education, program development, and supporting the AHA PE Quality initiative

20 AHA PE Quality Initiative Sites



Driving operational excellence



Viju Menon

Group President, Global Quality and Operations

Global Quality & Operations (GQO) **strategy**

Enable market-leading growth through a world class supply chain

Delight our
customers
with high
quality
supply

Drive **op**
margin and
cash flow

Grow **talent**
and culture

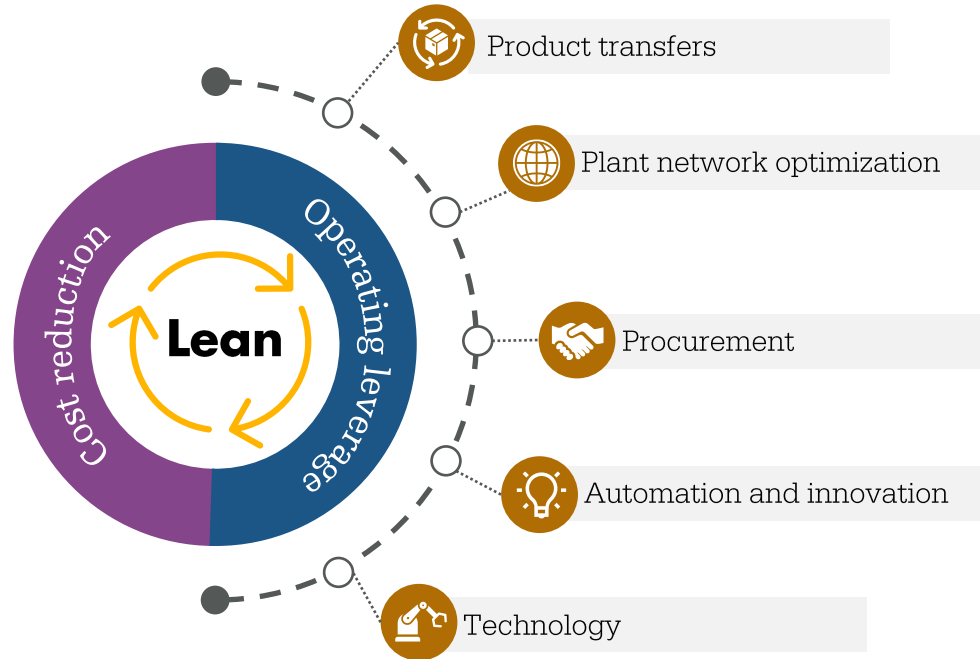
Catalyze
innovation

Build **supply**
chain
excellence

Lean is core to everything we do

Key capabilities

to drive operational excellence



- Enterprise prioritization of **product cost reduction**
- Strengthening **procurement** and **manufacturing efficiency**
- Improved **product transfer muscle** and **insourcing** creates leverage
- Deeply embedding **lean** in every aspect of our global operations
- Driving **earnings growth** through improved operating leverage

Powering growth through digital transformation






Debra King

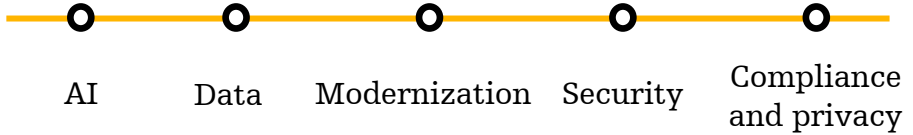
Vice President, Chief Digital and Information Officer

Driving growth and operational excellence with technology innovation

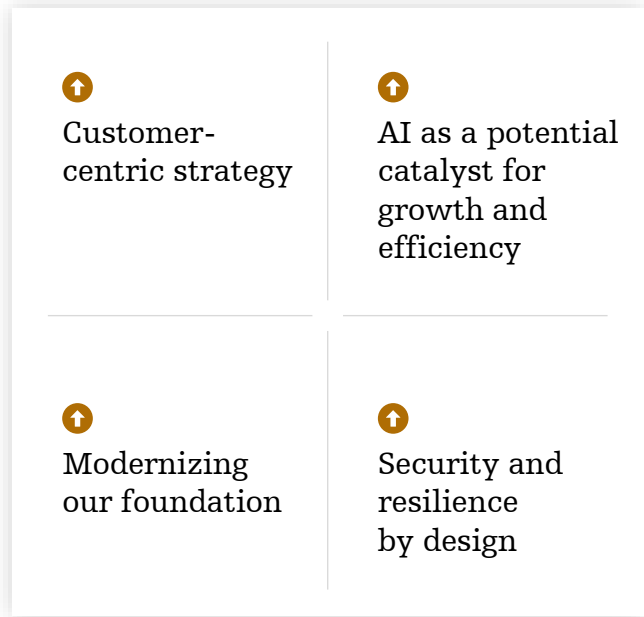
Technology strategic pillars

-  Unlock enterprise productivity
-  Deliver differentiating customer experiences
-  Fuel growth through data and digital solutions

Foundational technology innovation



Unlocking enterprise productivity



SmartHospital Platform



Jessica Mathieson

President, Medical

The problems we help **solve**



Micro level

- Staff safety concerns
- Staff turnover
- Adverse events
- Patient satisfaction
- Workflow inefficiencies
- Medical errors
- Cognitive overload
- Workplace violence



Macro level

Improve quality

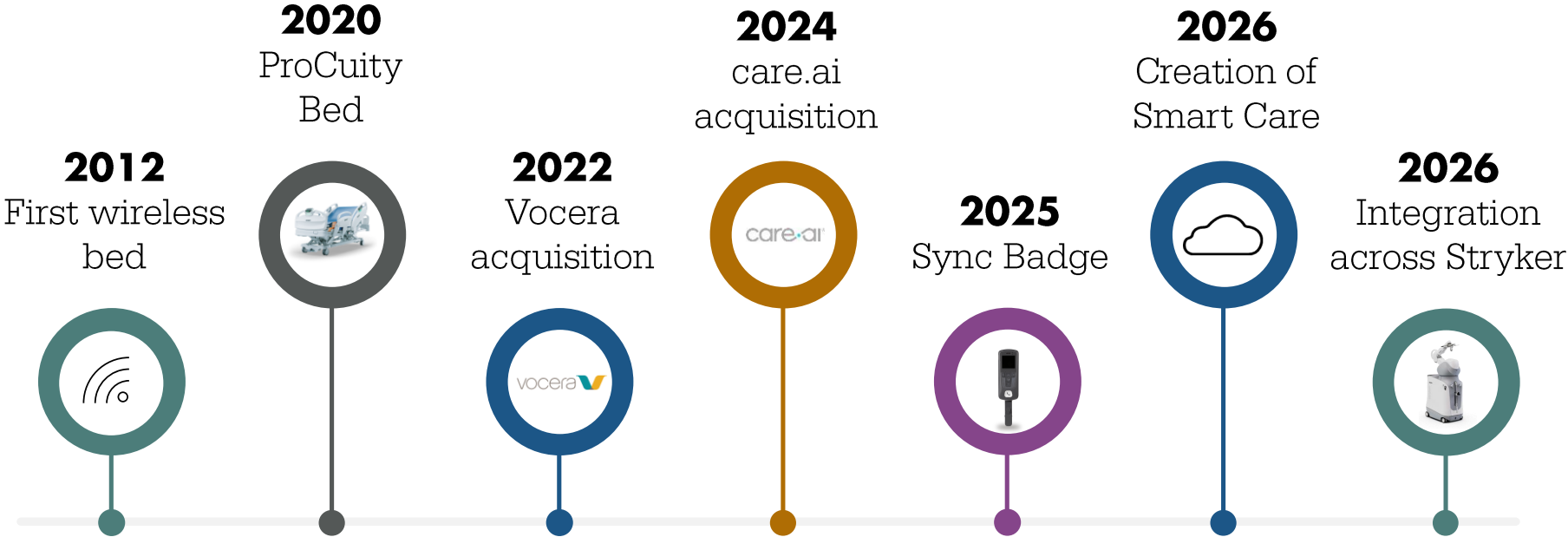
- Restore safety
- Reduce variation
- Drive standardization
- Optimize workforce
- Reduce cost

Healthcare is **unpredictable** and care tasks have become more complex and time-consuming.

Our customers face new pressures, increasing expectations and a **future that demands smarter, more connected solutions.**

The healthcare industry is overdue for a truly **transformative** solution that can help alleviate these pressures and restore clinicians' ability to **spend more time with patients.**

Our digital evolution



SmartHospital Platform



The **SmartHospital Platform** is a unified, cloud-native, event-driven digital foundation that connects **clinical systems, medical devices, operational and clinical workflows and analytics** across the entire hospital.

It enables **real-time data sharing, interoperability and automation** to enhance patient care, streamline operations and accelerate innovation — while providing the scalability to integrate future technologies.

SmartHospital Platform video

Neal Patel, MD, MPH



Neal Patel, MD, MPH
Chief Informatics Officer
Vanderbilt University Medical Center

Smart Care portfolio

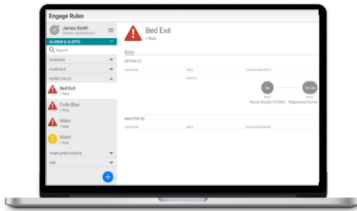
Clinical Communication

Sync Badge, SmartBadge, Edge, Ease



Workflow Engine

Engage



Virtual Care

care.ai



Ambient Intelligence

care.ai



SmartHospital category model

<p>MEDSURG</p> <ul style="list-style-type: none"> • Clinical communication and workflow • Smart patient rooms • care.ai 	<p>OR/PACU</p>	<p>ED</p>	<p>CATH LAB</p>
	<p>RADIOLOGY</p>	<p>ICU</p>	<p>ASC/Home/Post-Acute</p>

<p>Staffing / Scheduling / Credentialing</p>	<p>IT / Security</p>	<p>GRC / Quality</p>	<p>Pharmacy/Medication Mgmt.</p>	<p>Ops / Supply Chain</p>	<p>Patient Services / EVS</p>
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EHR

Command Center

Revenue Cycle Management

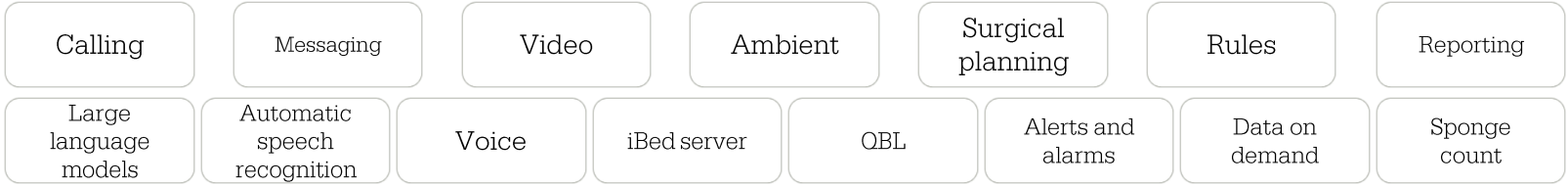


SmartHospital Platform



End Points

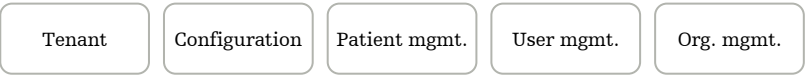
Cloud Services



Integration Services



Data Services



Devices



Key insights from **our customers**

01.

SmartHospitals category will be **enterprise-wide**: automating hospital operations, delivering measurable efficiency gains and driving consistent, standardized quality of care

02.

Hospital executives expect to monitor critical metrics, including length of stay and operating room throughput, via a central, AI-driven **Command Center**

03.

Hospitals strongly prefer a **core vendor strategy**, contracting with a limited number of trusted, consultative players that offer an enterprise vision and roadmap

04.

Stryker's commercial footprint and digital acquisitions provide opportunity to create early value and lead

SmartHospital Platform video

Neal Patel, MD, MPH



Neal Patel, MD, MPH
Chief Informatics Officer
Vanderbilt University Medical Center

SmartHospital Platform



Manage clinical workflow around the patient

Collaborate quickly and effectively

Receive relevant information to inform patient care

Financial outlook



Preston Wells

Vice President, Chief Financial Officer

2023 financial goals update

Consistent execution and strong performance

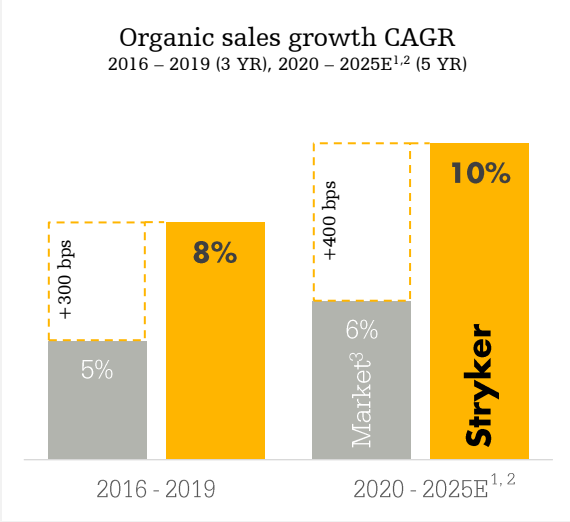
	2023 commitments	2024 delivery	2025 guidance ¹
Organic sales growth	High end of Medtech	10.2%	9.8% – 10.2%
Adjusted operating margin expansion	200 bps through '25 then 30+ bps annually	110 bps	100 bps
Adjusted EPS growth	Double-digits annually	15.0%	10.7% – 11.6%
Free cash flow (FCF) performance	70 – 80% FCF conversion	76% FCF conversion	70 – 80% FCF conversion

¹ FY2025 guidance as of Q3 2025 earnings call

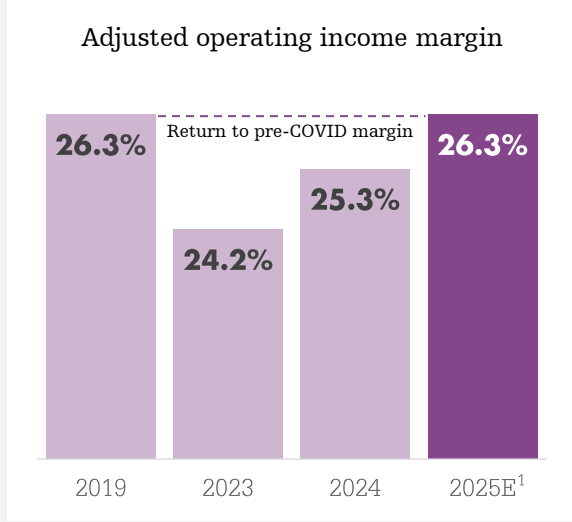
Consistent strong performance

Delivering on our promises to customers and shareholders

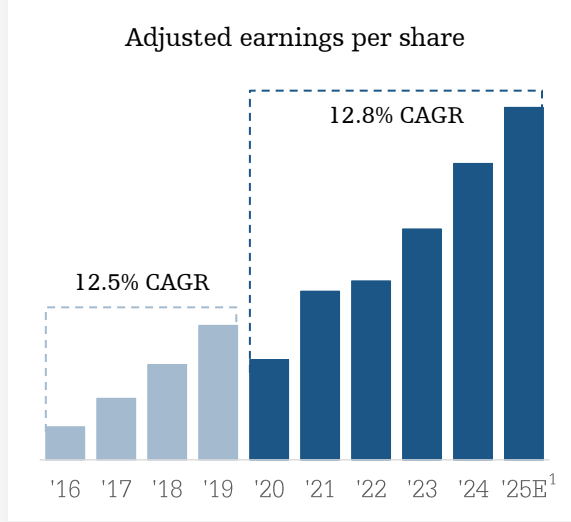
Robust sales growth at high-end of MedTech



Expansion of operating margins



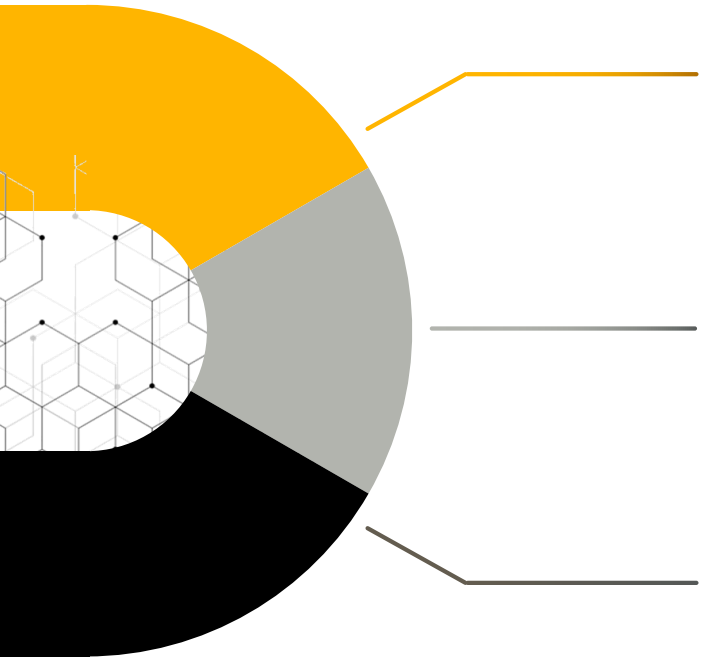
Increasing earnings power



¹ FY2025 estimates as of Q3 2025 earnings call, with CAGRs using midpoint of guidance ranges; ² For CAGR calculation, 2021 organic sales growth rate is vs. 2019; ³ Market represents SYK competitor peer set

Built for growth

Financially oriented to support the overall Stryker strategy



Capital allocation focused on
fueling growth



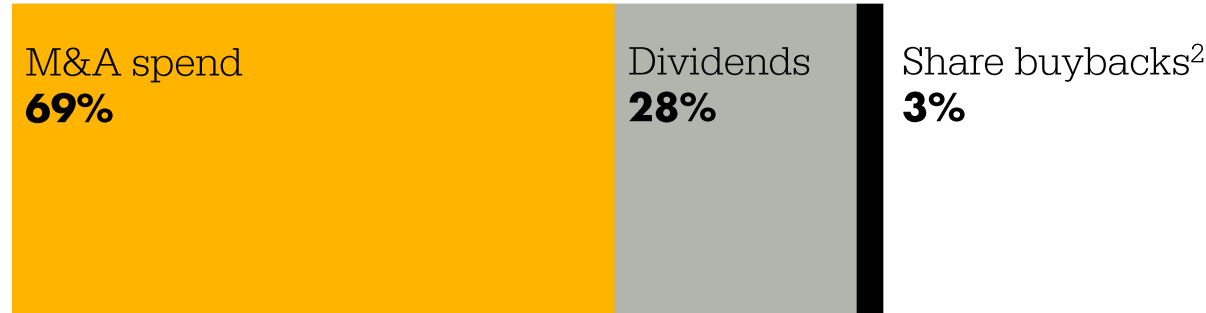
Unlocking earnings power through
operational excellence and scalability



Continued focus on cash flow
generation

Capital allocation strategy

Driving long-term value through disciplined capital allocation



\$28 billion
of capital deployed since 2016¹

Priorities

Fund

M&A to drive growth

~60 deals in the last 10 years
~\$20B deployed since 2016

Support

dividend growth

Growth will continue at a
modest pace

Maintain

balance sheet strength

Investment grade ratings

¹ FY2016 through FY2024; ² No buybacks have been executed since 2019 and there are no plans to resume activity.

Our long-term financial goals

Steadfast execution and strong performance

	2023 commitments	2026E – 2028E commitments
Organic sales growth	High end of MedTech	High end of MedTech
Adjusted operating margin expansion	200 bps through '25 then 30+ bps annually	150+ bps through '28 inclusive of dilution from tuck-in M&A
Adjusted EPS growth	Double-digits annually	Double-digits annually
Free cash flow (FCF) performance	70 – 80% FCF conversion	70 – 80% FCF conversion

Achieving our long-term financial goals

Built for growth today and in the future

 Organic sales growth **at the high end of MedTech**

- + Specialized businesses driving category leadership, customer focus and innovation
- + Continued development and expansion of power brands
- + Prioritizing M&A and innovation in faster-growing businesses

 FCF conversion **of 70 – 80%**

- + Prudent working capital management, with a focus on inventory management as well as optimized collections and payables cycles

Adjusted operating margin expansion **150+ bps through 2028** 

- + Operational excellence with focus on lean manufacturing
- + Pricing discipline
- + Digital and automation tools to increase efficiency

Adjusted EPS growth **double-digits annually** 

- + Organic sales growth and operating margin expansion drives scale and earnings power



Executive summary

Long-term financial goals and priorities

2026E – 2028E commitments

Our priority messages

Organic sales
growth

Adjusted operating margin
expansion

Adjusted EPS
growth

Free cash flow (FCF)
performance

High end of MedTech

150+ bps through '28
inclusive of dilution from tuck-in M&A

Double-digits annually

70 – 80%
FCF conversion

Growth fueled by sales execution, our innovative product pipeline and continued M&A

Operational excellence driving improved cost structure and earnings power

Continued elevated focus on double-digit EPS growth

FCF that supports our proven capital allocation strategy

Q&A



**Preston
Wells**



**Kevin
Lobo**



**Andy
Pierce**



**Debra
King**



**Viju
Menon**



**Spencer
Stiles**

Appendix



Supplemental information

Reconciliations of GAAP to non-GAAP financial measures

RECONCILIATION OF REPORTED NET SALES GROWTH TO ORGANIC SALES GROWTH

	Year ended December 31,							
	2024	2023	2022	2021*	2021**	2020	2019	2018
Reported net sales growth	10.2 %	11.1 %	7.8 %	19.2 %	14.9 %	(3.6) %	9.4 %	9.3 %
Less: foreign currency exchange	(0.5)	(0.5)	(3.2)	1.1	1.1	-	(1.3)	0.4
Less: acquisitions	0.5	0.1	1.3	5.5	6.6	1.2	2.6	1.9
Less: ASC 606 adoption	-	-	-	-	-	-	-	(0.9)
Organic sales growth	10.2 %	11.5 %	9.7 %	12.6 %	7.2 %	(4.8) %	8.1 %	7.9 %

	Year ended December 31,						
	2017	2016	2015	2014	2013	2012	2011
Reported net sales growth	9.9 %	13.9 %	2.8 %	7.3 %	4.2 %	4.2 %	13.5 %
Less: foreign currency exchange	0.1	(0.4)	(4.2)	(1.0)	(1.7)	(1.2)	2.4
Less: acquisitions	2.7	7.9	0.9	2.5	0.8	1.2	6.8
Less: ASC 606 adoption	-	-	-	-	-	-	-
Organic sales growth	7.1 %	6.4 %	6.1 %	5.8 %	5.1 %	4.2 %	4.3 %

* Sales growth calculated from 2020

** Sales growth calculated from 2019

Supplemental information

Reconciliations of GAAP to non-GAAP financial measures

RECONCILIATION OF OPERATING MARGIN AND NET EARNINGS PER DILUTED SHARE TO ADJUSTED OPERATING MARGIN AND ADJUSTED NET EARNINGS PER DILUTED SHARE

Dollar amounts in millions, except per share amounts

	Year Ended December 31,																	
	2024		2023		2022		2021		2020		2019		2018		2017		2016	
	Operating Income	Diluted EPS	Operating Income	Diluted EPS	Operating Income	Diluted EPS	Operating Income	Diluted EPS	Operating Income	Diluted EPS	Operating Income	Diluted EPS	Operating Income	Diluted EPS	Operating Income	Diluted EPS	Operating Income	Diluted EPS
Reported	\$ 3,689	\$ 7.76	\$ 3,888	\$ 8.25	\$ 2,841	\$ 6.17	\$ 2,584	\$ 5.21	\$ 2,223	\$ 4.20	\$ 2,713	\$ 5.48	\$ 2,537	\$ 9.34	\$ 2,297	\$ 2.68	\$ 2,175	\$ 4.35
Reported percent net sales (operating margin)	16.3%		19.0%		15.4%		15.1%				18.2%		18.7%		18.5%		19.2%	
Acquisition and integration-related costs: (a)																		
Inventory stepped-up to fair value	46	0.09	-	-	12	0.02	266	0.53	48	0.10	67	0.13	15	0.02	22	0.05	36	0.06
Other acquisition and integration-related	108	0.22	20	0.12	138	0.27	319	0.64	194	0.41	208	0.42	108	0.24	42	0.09	95	0.20
Amortization of purchased intangible assets (b)	623	1.28	635	1.31	627	1.30	619	1.28	472	1.00	464	0.99	417	0.89	371	0.67	319	0.59
Structural optimization and other special charges (c)	138	0.29	170	0.34	295	0.61	386	0.90	458	1.04	226	0.47	220	0.47	194	0.41	125	0.26
Goodwill impairment (d)	977	2.21	36	0.08	270	0.70	-	-	-	-	-	-	-	-	-	-	-	-
Medical device regulations (e)	58	0.11	96	0.19	140	0.30	107	0.24	81	0.17	62	0.13	12	0.03	-	-	-	-
Recall-related matters (f)	40	0.08	18	0.04	(15)	(0.03)	103	0.23	17	0.03	192	0.41	23	0.05	173	0.34	158	0.34
Regulatory and legal matters (g)	36	0.08	92	0.16	76	0.18	(2)	(0.02)	6	0.02	(24)	(0.09)	185	0.37	39	0.06	(12)	(0.02)
Tax matters (h)	-	0.07	-	0.11	-	(0.18)	-	0.08	-	0.46	-	0.32	-	(4.10)	-	2.19	-	0.02
Adjusted	\$ 5,715	\$ 12.19	\$ 4,955	\$ 10.60	\$ 4,384	\$ 9.34	\$ 4,382	\$ 9.09	\$ 3,499	\$ 7.43	\$ 3,908	\$ 8.26	\$ 3,517	\$ 7.31	\$ 3,138	\$ 6.49	\$ 2,896	\$ 5.80
Adjusted percent net sales (operating margin)	25.3%		24.2%		23.8%		25.6%		24.4%		26.3%		25.9%		25.2%		25.6%	
Adjusted diluted EPS growth		15.0%		13.5%		2.8%		22.3%		-10.0%		13.0%		12.6%		11.9%		

- (a) 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., direct 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.
- (b) Periodic amortization expense related to purchased intangible assets.
- (c) 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.
- (d) Charges to impair the carrying value of goodwill and other indefinite-lived and long-lived assets.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) Impact of accounting for certain significant and discrete tax items.

Supplemental information

Reconciliations of GAAP to non-GAAP financial measures

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO FREE CASH FLOW

Dollar amounts in millions

	Year ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 4,242	\$ 3,711
Purchases of property, plant and equipment	(755)	(575)
Proceeds from long-lived asset disposals	19	1
Free cash flow	\$ 3,506	\$ 3,137
Free cash flow as a % of adjusted net earnings (FCF conversion)	75%	77%

RECONCILIATION OF NET EARNINGS TO ADJUSTED NET EARNINGS

Dollar amounts in millions

	Year ended December 31,	
	2024	2023
Reported net earnings	\$ 2,993	\$ 3,165
Acquisition and integration-related costs: (a)		
Inventory stepped-up to fair value	34	-
Other acquisition and integration-related	85	45
Amortization of purchased intangible assets (b)	495	503
Structural optimization and other special charges (c)	110	132
Goodwill impairment (d)	852	27
Medical device regulations (e)	44	74
Recall-related matters (f)	30	14
Regulatory and legal matters (g)	29	63
Tax matters (h)	28	43
Adjusted net earnings	\$ 4,700	\$ 4,066

- (a) 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.
- (b) Periodic amortization expense related to purchased intangible assets.
- (c) 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.
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- (f) 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.
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- (h) Impact of accounting for certain significant and discrete tax items.