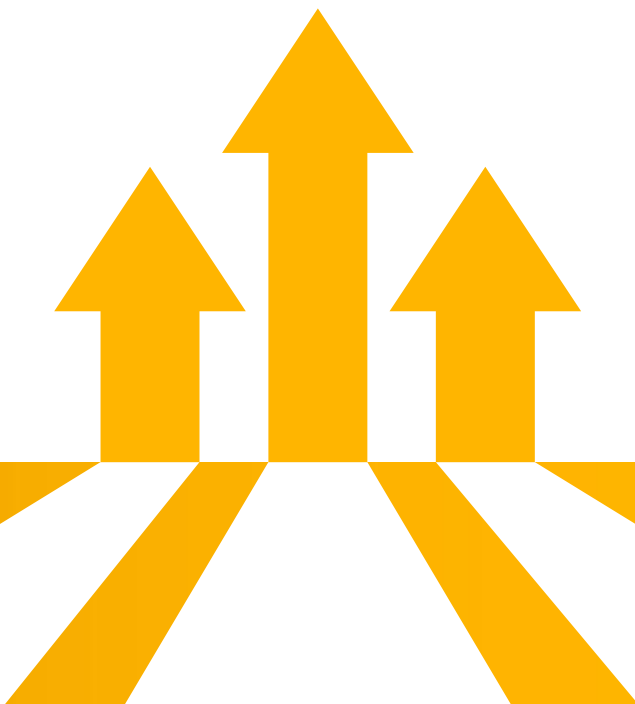


# Built

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**, 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**  
President, Joint Replacement  
**Spotlight: Mako 4 and Triathlon Gold**



**Andy Pierce**  
Group President, MedSurg and Neurotechnology  
**M&A engine**



**Tim Lanier**  
President, Inari  
**Spotlight: Inari**



**Viju Menon**  
Group President, Global Quality and Operations  
**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%**<sup>1, 2</sup>

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

**Expansion of**  
operating margin

**26.3%**<sup>1</sup>

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

**Increasing**  
earnings power

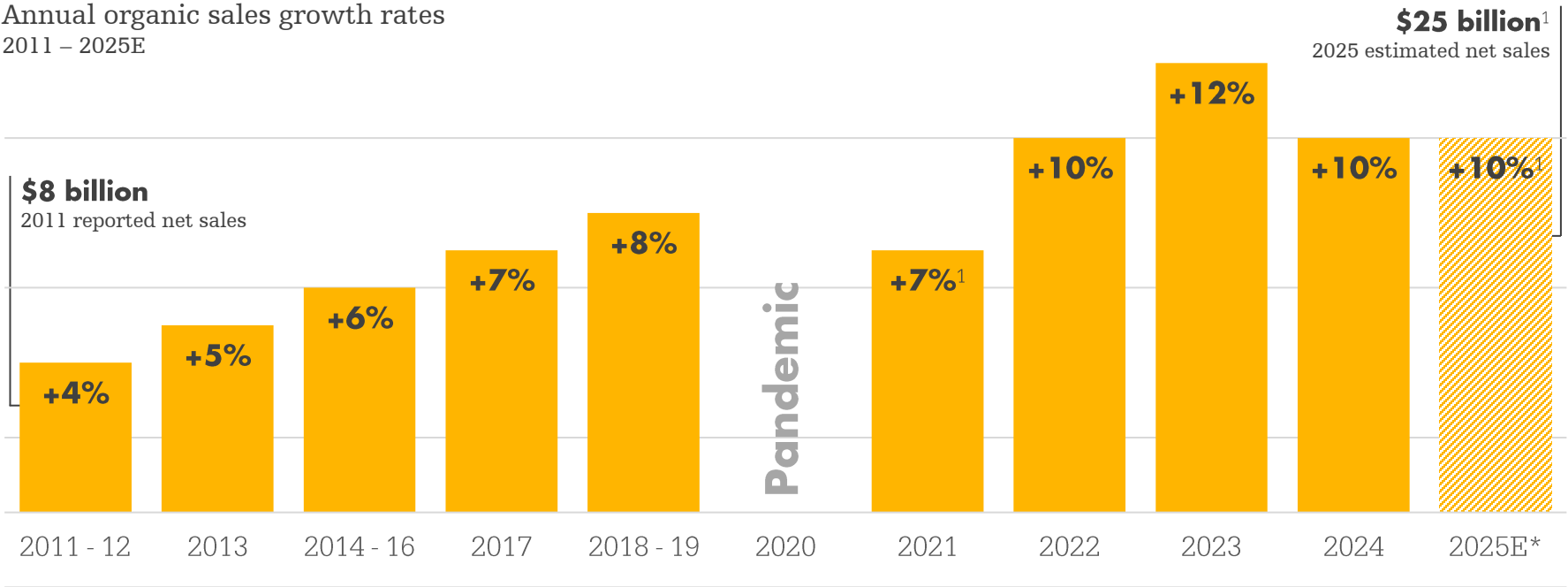
**12.8%**<sup>1</sup>

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

<sup>1</sup> FY2025 estimates as of Q3 2025 earnings call, with CAGRs using midpoint of guidance ranges; <sup>2</sup> 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



<sup>1</sup> 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%** WAMGR<sup>2</sup>

Hips and Knees representing  
**27%** of sales

Balanced capital allocation  
 strategy

**\$25B**<sup>1</sup> net sales  
**22** business units  
**6%** WAMGR<sup>2</sup>

More diversified business with  
 Hips and Knees at **~18%**<sup>1</sup> 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

<sup>1</sup> Amounts represent estimates, FY2025 estimates are based on guidance as of Q3 2025 earnings call; <sup>2</sup> 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

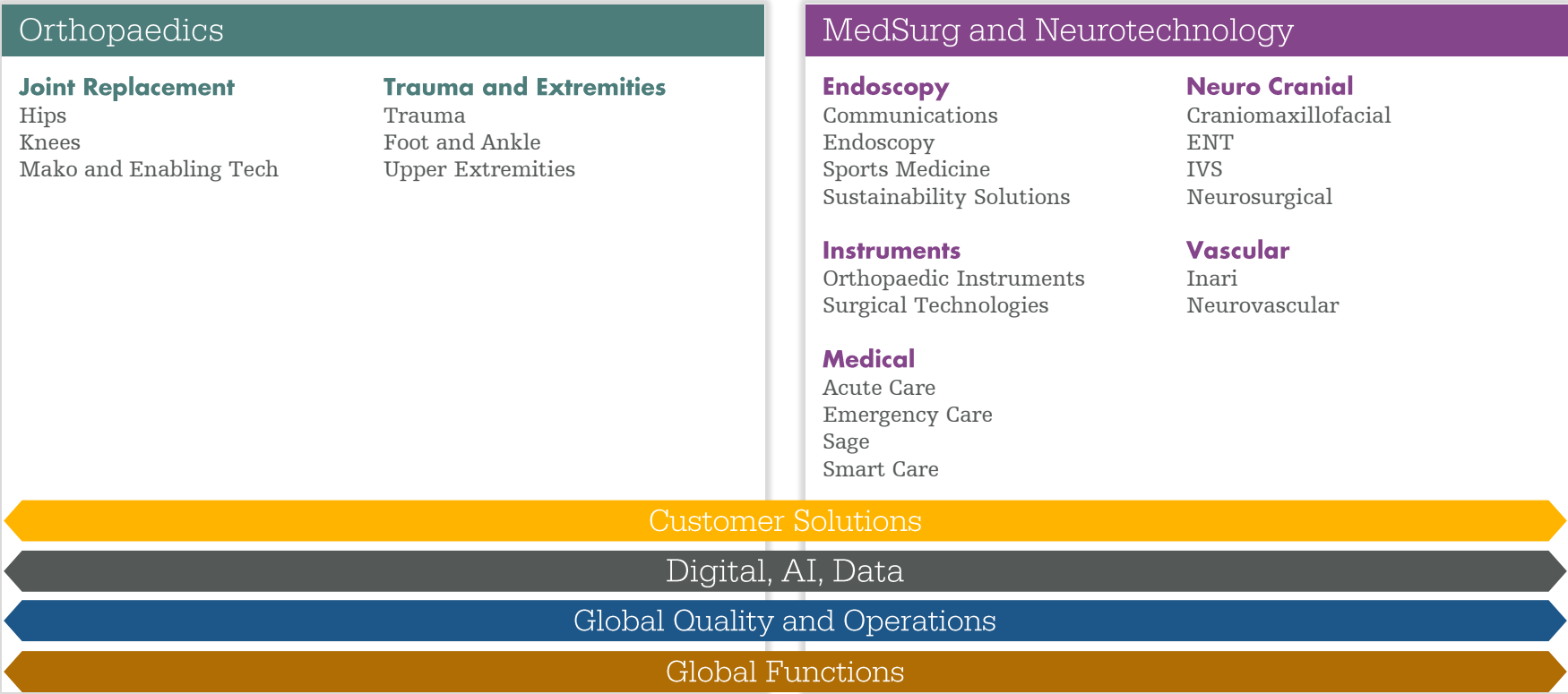
# Customer-focused innovations



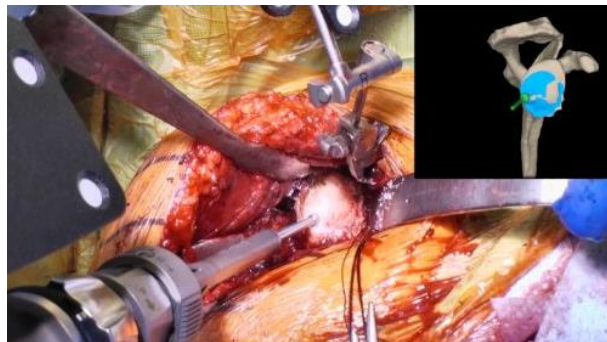
**Spencer Stiles**

Group President, Orthopaedics

# Specialized businesses with strong support

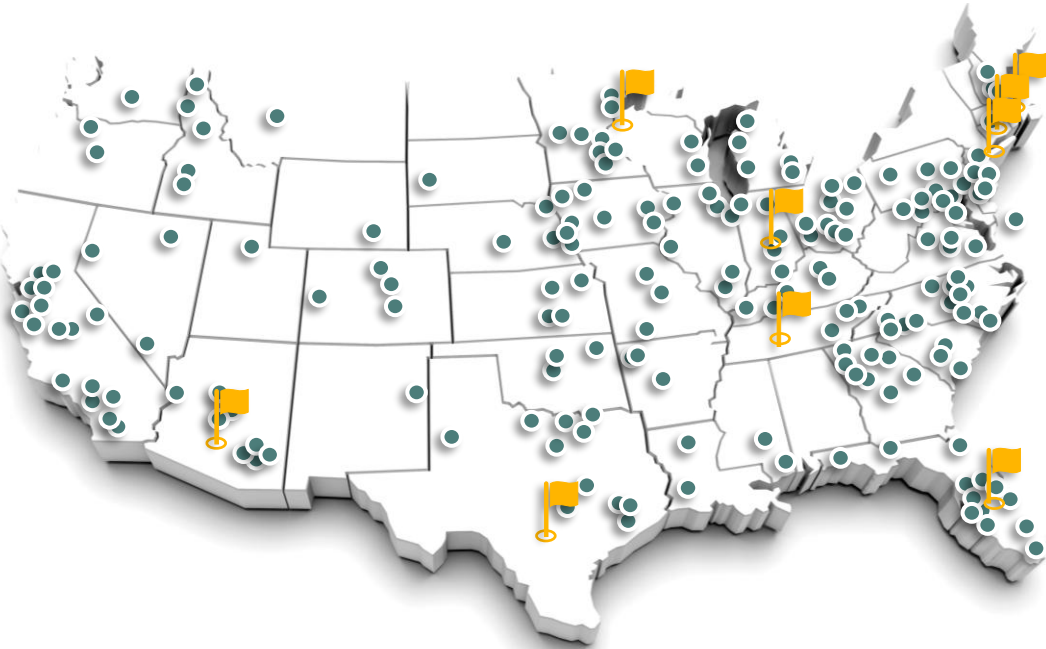


# Blueprint and **Mako** Shoulder



# 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<sup>®</sup> 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



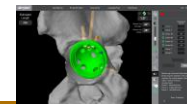
2025

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

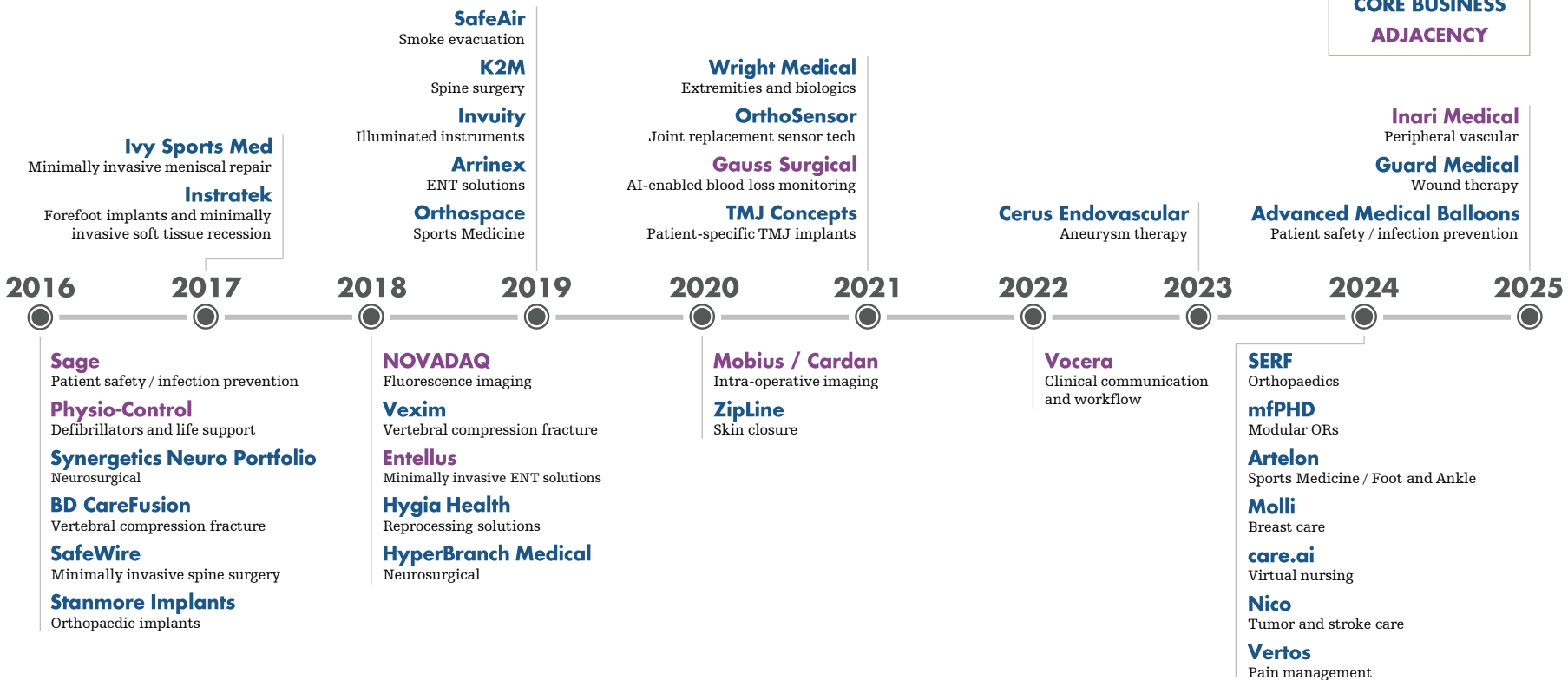
# Differentiated M&A

- ✓ 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**



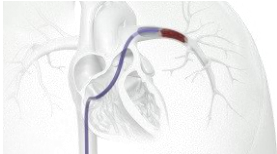
**Vertos**

Strengthens  
**interventional  
solutions**



**Artelon**

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



**Inari**

Provides entrance into  
**peripheral vascular**

# Inari spotlight

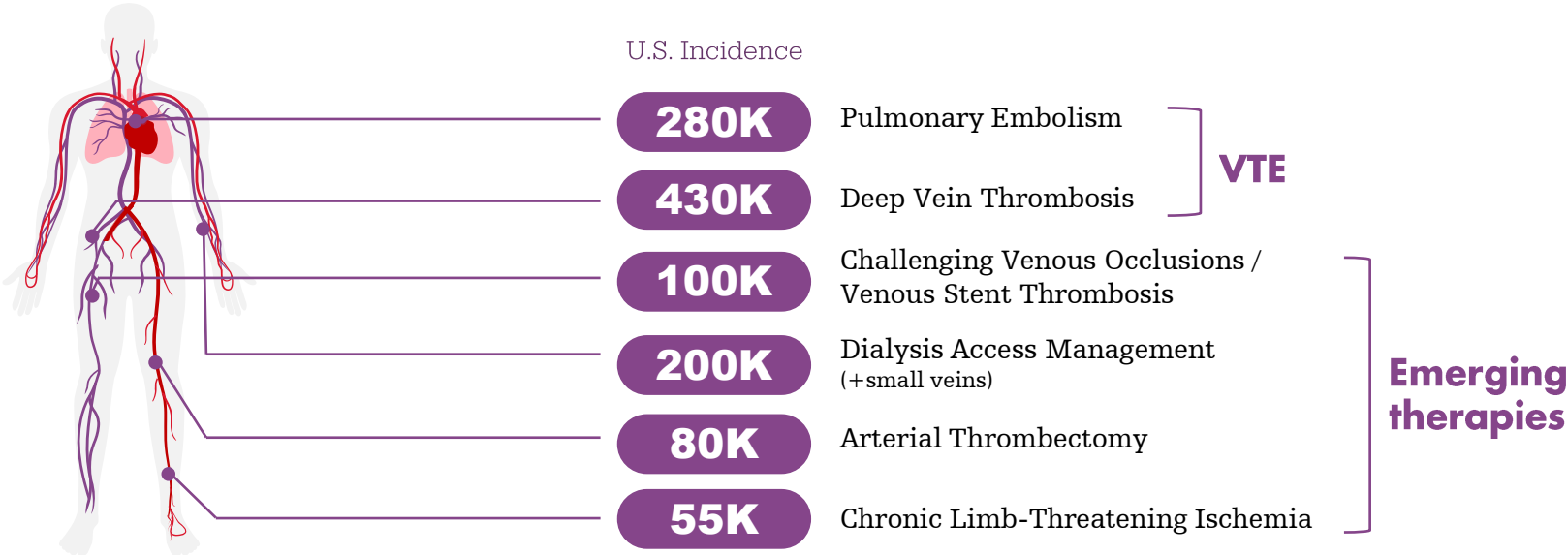


**Tim Lanier**

President, Inari

# 2M patients impacted globally

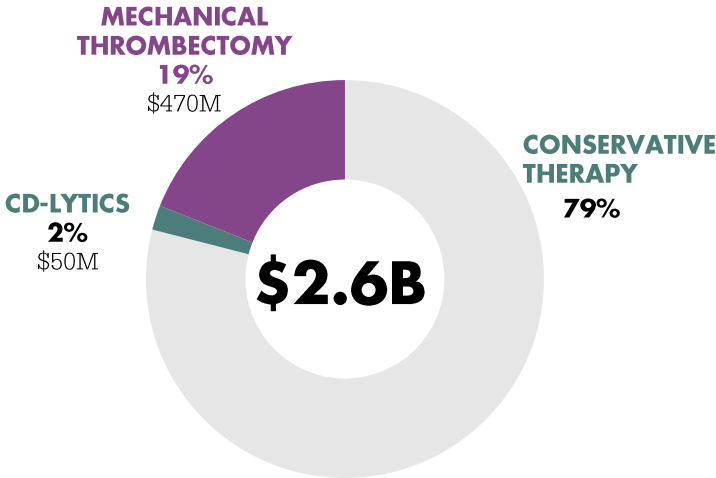
We are passionate about our mission to establish our treatments as the standard of care for **VTE** and vascular diseases.



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

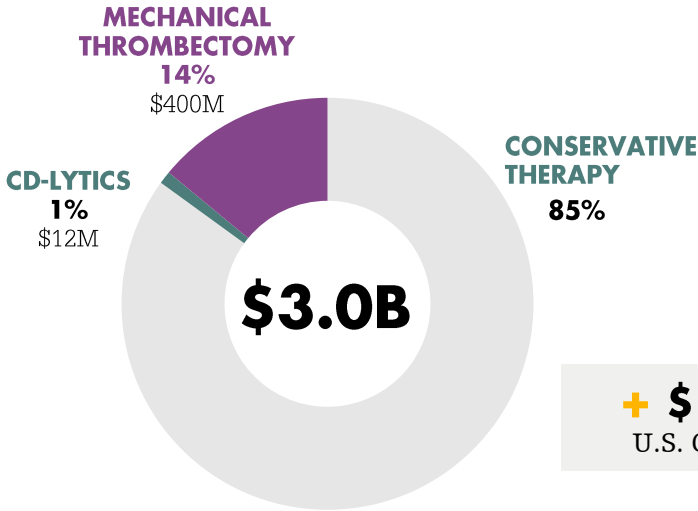
## U.S. PE Segment (TAM + opportunity)

Intermediate to high-risk



## U.S. DVT Segment (TAM + opportunity)

Acute, iliofemoral location



**+ \$1B**  
U.S. CVD

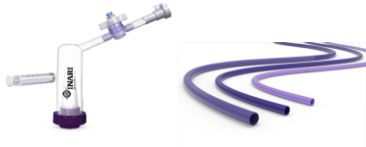
» U.S. VTE Mechanical Thrombectomy (MT) segment growing double digits YOY

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

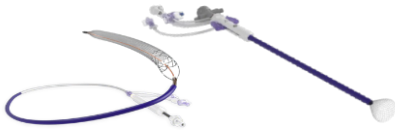
# The Inari vascular portfolio

Category leadership across multiple disease states

## VTE



FlowTriever System

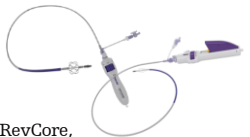


ClotTriever System

Pulmonary Embolism (PE)

Deep Vein Thrombosis (DVT)

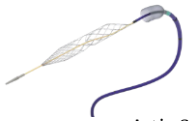
## Emerging vascular therapies



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

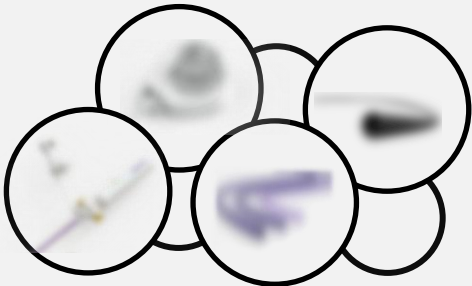
Significantly investing in data, including **4 RCTs**, to drive standard of care



### 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

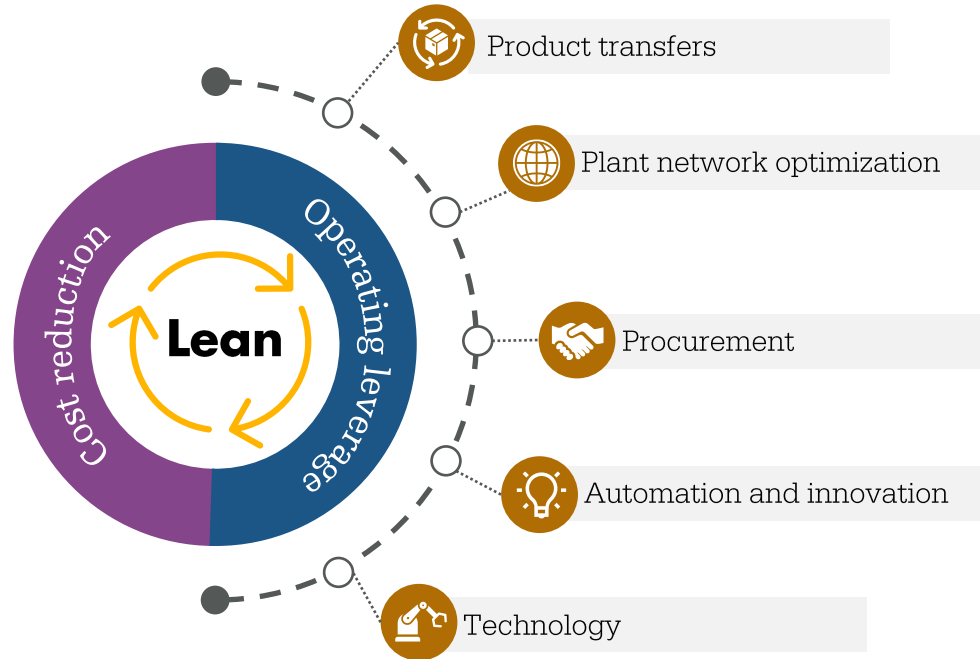
Catalyze  
**innovation**

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**

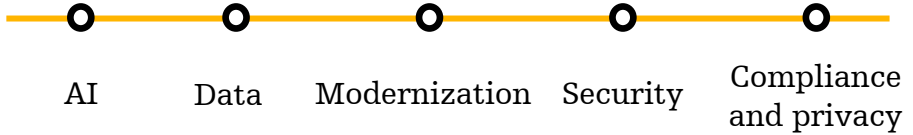
Vice President, Chief Digital and Information Officer

# Driving growth and operational excellence with technology innovation

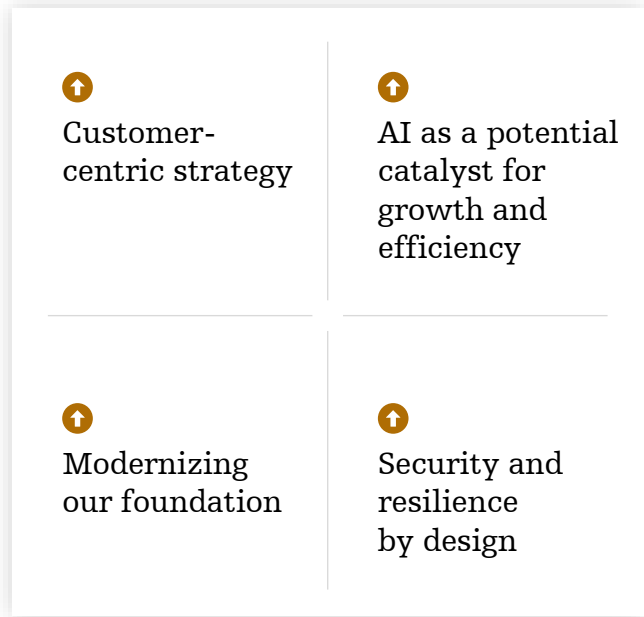
## Technology strategic pillars

-  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

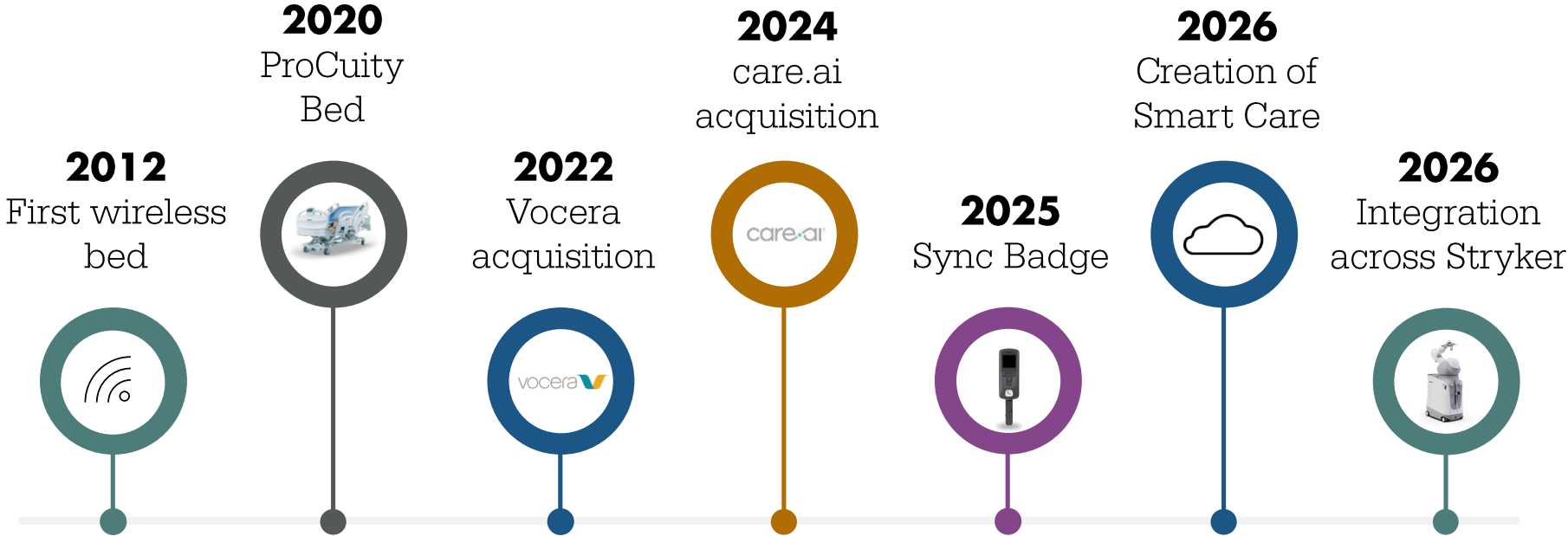
- Restore safety
- Reduce variation
- Drive standardization
- Optimize workforce
- Reduce cost

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

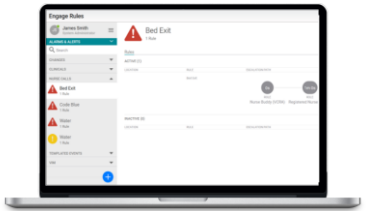
## Clinical Communication

Sync Badge, SmartBadge, Edge, Ease



## Workflow Engine

Engage



## Virtual Care

care.ai



## Ambient Intelligence

care.ai



# SmartHospital category model

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

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

**EHR**

**Command Center**

**Revenue Cycle Management**

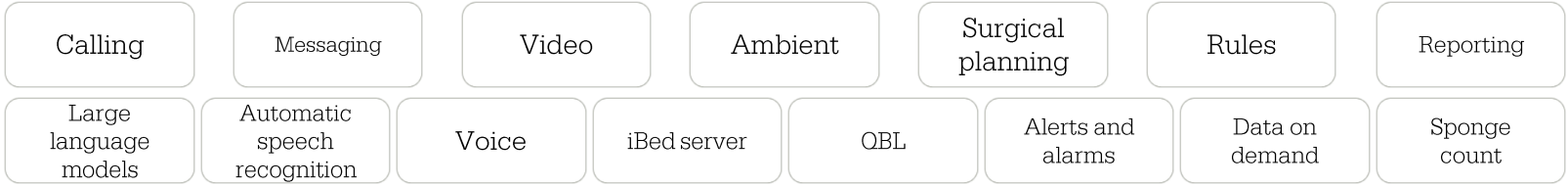


# SmartHospital Platform



End Points

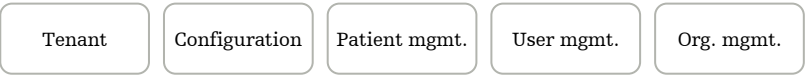
Cloud Services



### 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

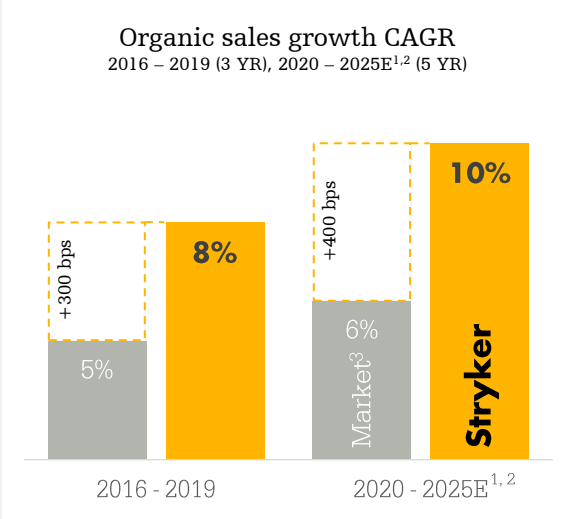
	2023 commitments	2024 delivery	2025 guidance <sup>1</sup>
Organic sales <b>growth</b>	High end of Medtech	10.2%	9.8% – 10.2%
Adjusted operating margin <b>expansion</b>	200 bps through '25 then 30+ bps annually	110 bps	100 bps
Adjusted EPS <b>growth</b>	Double-digits annually	15.0%	10.7% – 11.6%
Free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

<sup>1</sup> FY2025 guidance as of Q3 2025 earnings call

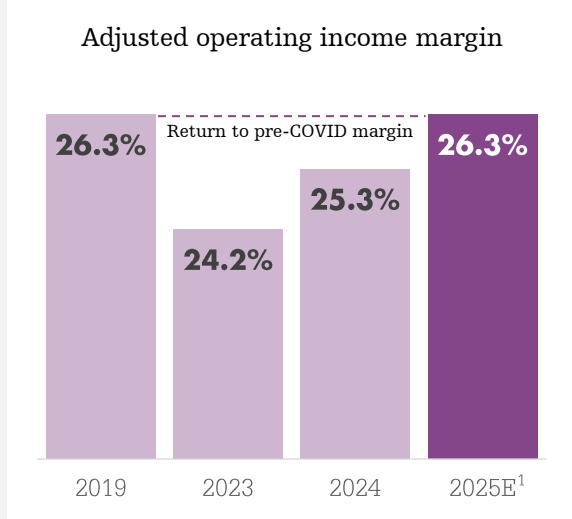
# Consistent strong performance

Delivering on our promises to customers and shareholders

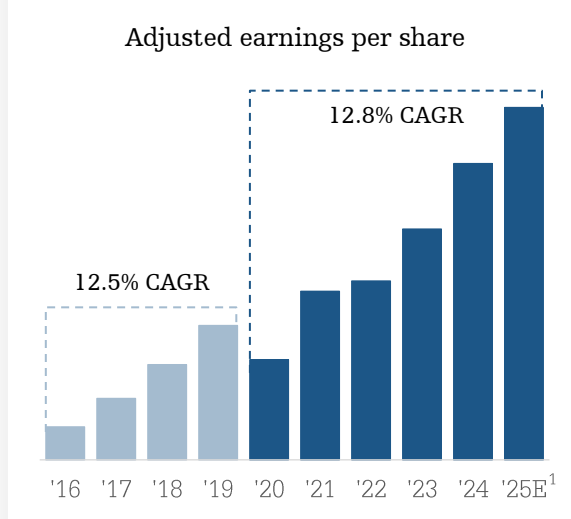
## Robust sales growth at high-end of MedTech



## Expansion of operating margins



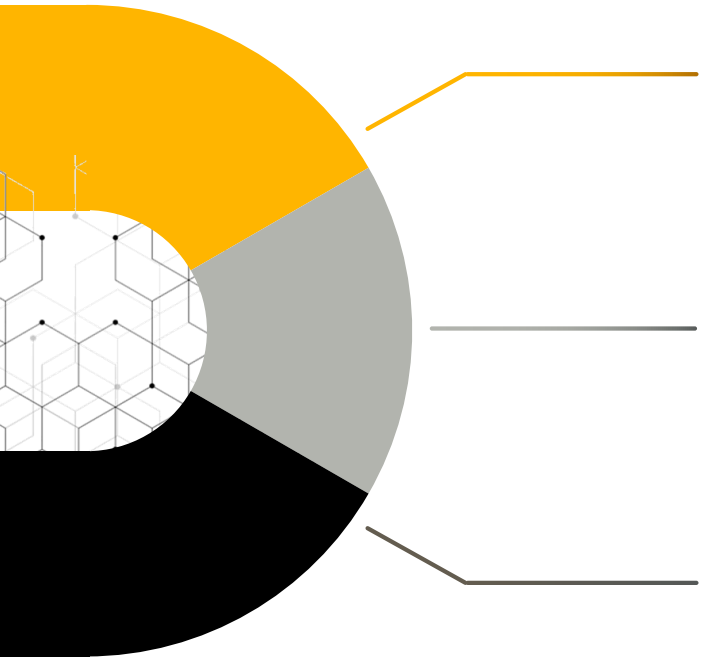
## Increasing earnings power



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

# Built for growth

Financially oriented to support the overall Stryker strategy



**Capital allocation focused on**  
fueling growth



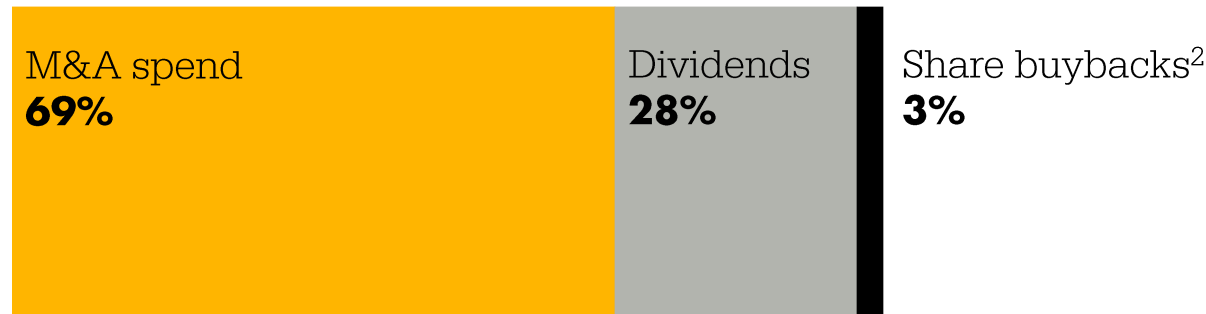
**Unlocking earnings power through**  
operational excellence and scalability



**Continued focus on cash flow**  
generation

# Capital allocation strategy

Driving long-term value through disciplined capital allocation



\$28 billion  
of capital deployed since 2016<sup>1</sup>

## 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

<sup>1</sup> FY2016 through FY2024; <sup>2</sup> 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 <b>growth</b>	High end of MedTech	High end of MedTech
Adjusted operating margin <b>expansion</b>	200 bps through '25 then 30+ bps annually	150+ bps through '28 inclusive of dilution from tuck-in M&A
Adjusted EPS <b>growth</b>	Double-digits annually	Double-digits annually
Free cash flow (FCF) <b>performance</b>	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
<b>Reported net sales growth</b>	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)
<b>Organic sales growth</b>	<u>10.2 %</u>	<u>11.5 %</u>	<u>9.7 %</u>	<u>12.6 %</u>	<u>7.2 %</u>	<u>(4.8) %</u>	<u>8.1 %</u>	<u>7.9 %</u>

	Year ended December 31,						
	2017	2016	2015	2014	2013	2012	2011
<b>Reported net sales growth</b>	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	-	-	-	-	-	-	-
<b>Organic sales growth</b>	<u>7.1 %</u>	<u>6.4 %</u>	<u>6.1 %</u>	<u>5.8 %</u>	<u>5.1 %</u>	<u>4.2 %</u>	<u>4.3 %</u>

\* 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
<b>Reported</b>	\$ 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
<b>Adjusted</b>	<b>\$ 5,715</b>	<b>\$ 12.19</b>	<b>\$ 4,955</b>	<b>\$ 10.60</b>	<b>\$ 4,384</b>	<b>\$ 9.34</b>	<b>\$ 4,382</b>	<b>\$ 9.09</b>	<b>\$ 3,499</b>	<b>\$ 7.43</b>	<b>\$ 3,908</b>	<b>\$ 8.26</b>	<b>\$ 3,517</b>	<b>\$ 7.31</b>	<b>\$ 3,138</b>	<b>\$ 6.49</b>	<b>\$ 2,896</b>	<b>\$ 5.80</b>
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
<b>Net cash provided by operating activities</b>	\$ 4,242	\$ 3,711
Purchases of property, plant and equipment	(755)	(575)
Proceeds from long-lived asset disposals	19	1
<b>Free cash flow</b>	<b>\$ 3,506</b>	<b>\$ 3,137</b>
<b>Free cash flow as a % of adjusted net earnings (FCF conversion)</b>	<b>75%</b>	<b>77%</b>

### RECONCILIATION OF NET EARNINGS TO ADJUSTED NET EARNINGS

*Dollar amounts in millions*

	Year ended December 31,	
	2024	2023
<b>Reported net earnings</b>	\$ 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
<b>Adjusted net earnings</b>	<b>\$ 4,700</b>	<b>\$ 4,066</b>

- (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.
- (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.