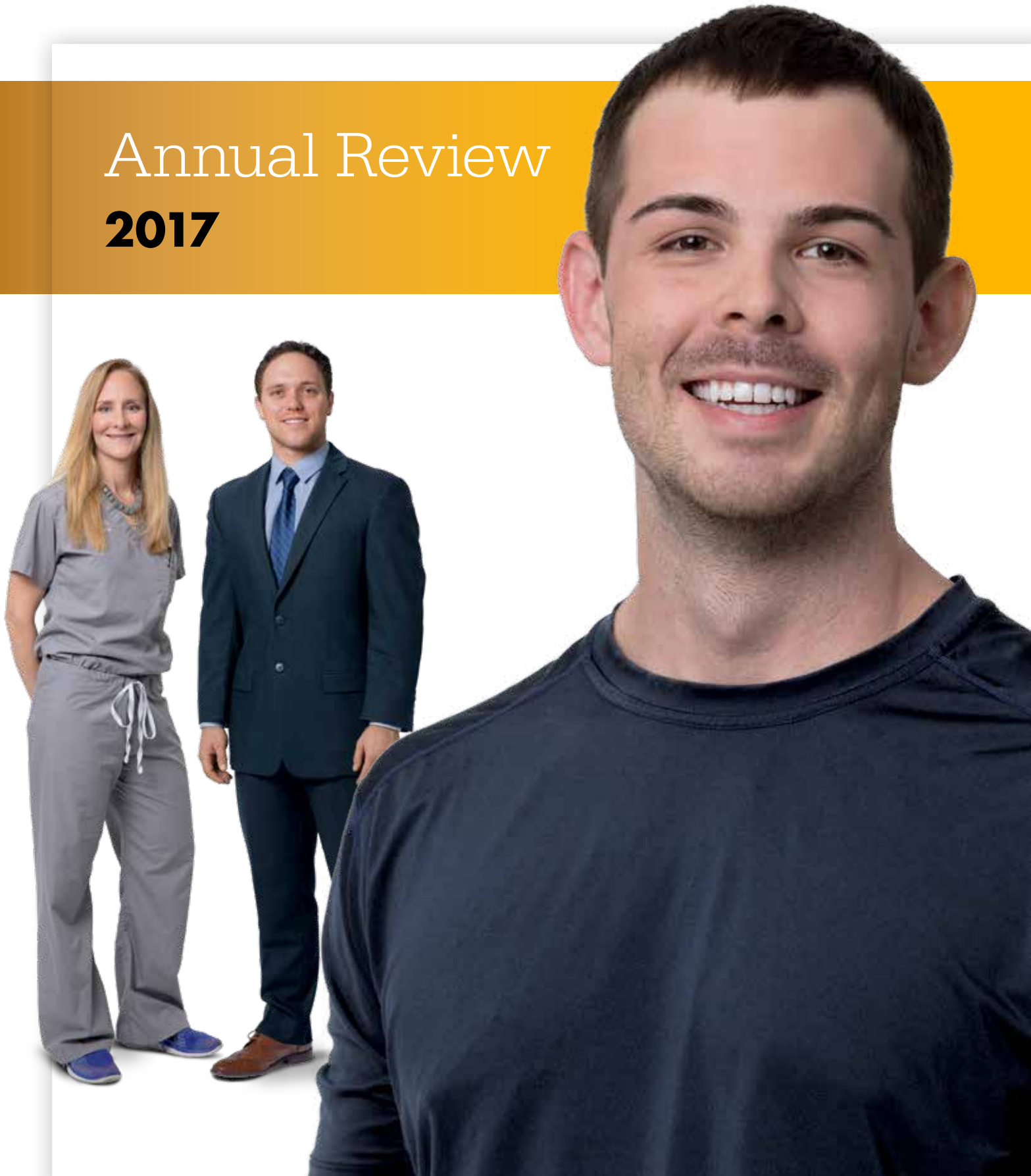
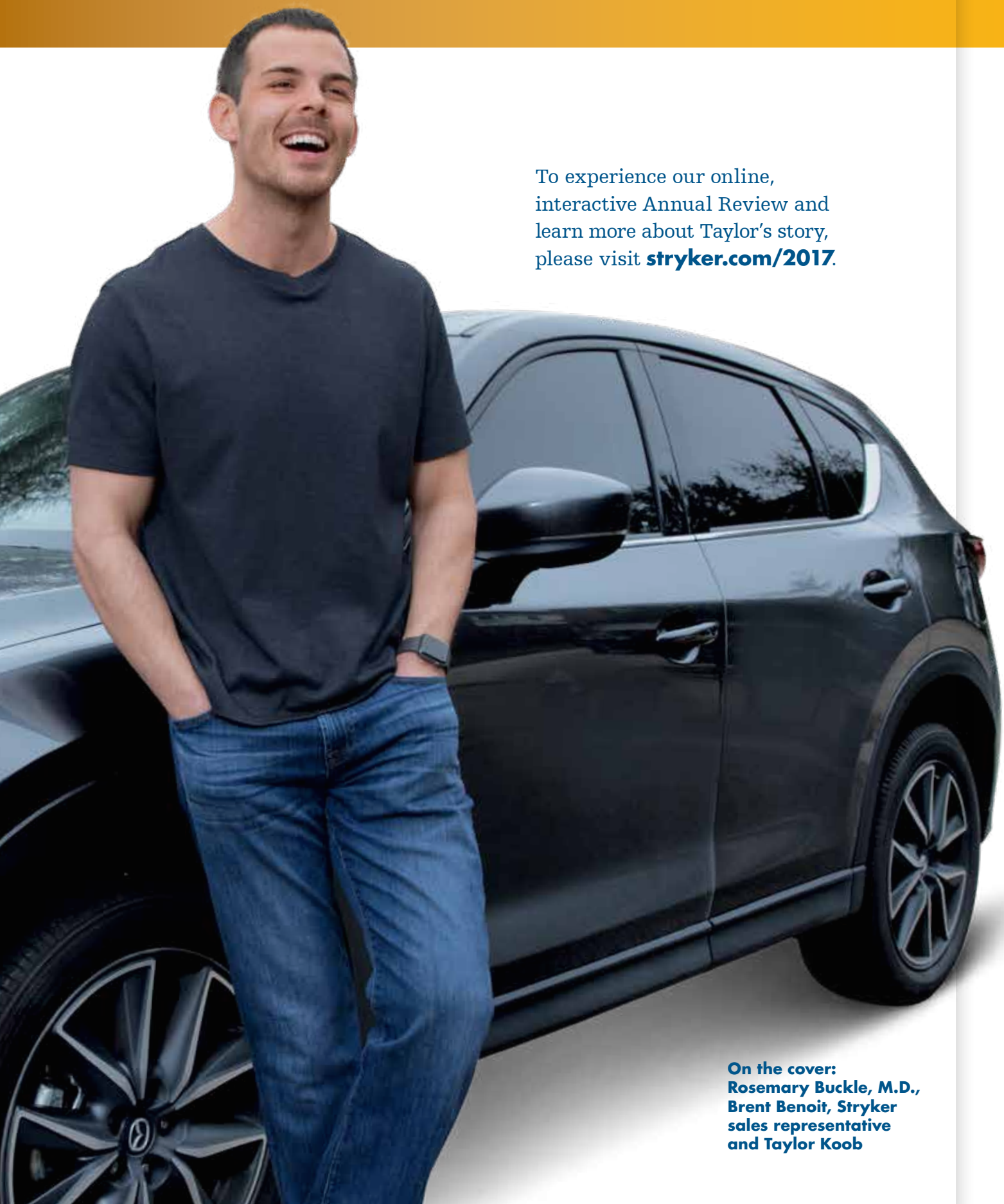
stryker

Annual Review
2017





To experience our online, interactive Annual Review and learn more about Taylor's story, please visit **stryker.com/2017**.

On the cover:
Rosemary Buckle, M.D., Brent Benoit, Stryker sales representative and Taylor Koob

A Hurricane Harvey orthopaedic success story

As Hurricane Harvey barreled toward Houston, Texas, St. Joseph Medical Center prepared for the worst. The staff's stamina would be severely tested over the next five days, as historic amounts of rain pummeled the area, sending scores of desperate people to the hospital.

One such patient, Taylor Koob, arrived by ambulance with a shattered ankle and floodwater-soaked gashes on his leg. The 25-year-old had narrowly escaped from his submerged Jeep by kicking out the windshield.

With the water coming in so fast, "I knew my only option was, I kick out this window or I die," Taylor says. "That's when everything goes blank." He's still not sure how he got out of the Jeep.

Houston firefighters from a nearby station eventually found him bobbing in the floodwaters. But because of the intense downpour, it took eight hours to make the 11-mile trek to the hospital, beginning on a city dump truck used to transport people in high-water conditions and continuing by rescue boat and ambulance.

Five surgeries and an external fixator

Taylor's leg was so seriously injured that he required five surgeries, a significant amount of antibiotics and a month of recuperation at the hospital.

Key to this treatment was Stryker's Hoffmann 3 Modular External Fixation system, frame components used in conjunction with Apex Pins to stabilize the open and/or unstable fracture. Made of lightweight carbon-based materials, the product is designed to address patient comfort while postoperative corrections and treatments for soft-tissue damage can be performed with the frame in place.

In the tense situation at the hospital, Stryker's representatives communicated regularly with Taylor's team of physicians on adjusting the frame, given the serious nature of his injuries, according to Dr. Rosemary Buckle, an orthopaedic surgeon who played an instrumental role in Taylor's treatment. "I rely on my team at Stryker to have what I need for my patients," she says. "Without them, I can't do what I need to do."

Nearly a week after his arrival at the hospital, Taylor returned to the operating room, where Dr. Buckle cleaned his ankle wounds and cultured them for signs of bacteria, which she would need to eliminate before she inserted Stryker's plates and screws to repair the bone. Dr. Buckle also was concerned about infection over the long term, because Taylor's open wounds had been exposed to contaminated water for several hours.

After his hospital stay, Taylor was able to go home and continue with antibiotic treatment for several weeks before Dr. Buckle removed the frame. Taylor was then able to receive physical therapy to restore his strength and range of motion. While his doctors still monitor him for infection, they expect him to make a full recovery.

"I can't say enough about the doctors who saved my life," Taylor says. "Every time I see Dr. Buckle, I just smile." Noting how lucky he is, he displays his Hoffmann External Fixator in his house, as a reminder of his ordeal.

Taylor's surgeons: Rosemary Buckle, M.D. and William Sherman, M.D.

Kevin A. Lobo
Chairman and
Chief Executive Officer

Dear shareholders,

We delivered another strong year of financial results in 2017 and continue to strengthen our position as a leader in Orthopaedics, Medical and Surgical (MedSurg), and Neurotechnology and Spine.

We achieved significant milestones, surpassing $12 billion in sales for the first time, recording our 38th consecutive year of sales growth and again earning accolades as a great place to work.

Culture and leadership

Our culture defines us and sets us apart. We are guided by our unifying mission: **Together with our customers, we are driven to make healthcare better**; and by our values: **Integrity, Accountability, People** and **Performance**. We attract people who align with these qualities and who are humble and hard-working. In addition to being honored again by FORTUNE's 100 Best Companies to Work For (U.S.), we were recognized as a World's Great Place to Work and a Great Place to Work for Women. Our customer focus is evident in our operating model of decentralized businesses, supported by strong corporate functions.

Our leadership team had one addition in 2017, Graham McLean, President of Asia Pacific, and our longest-standing director, Howard Cox, announced his retirement from our Board after 44 years of service. Howard has made immense contributions to Stryker, dating back to before we were listed as a public company in 1979. In recognition of his contributions, we named him Director Emeritus. We also added Mary Brainerd, a director of Bremer Bank and former CEO of Health Partners, to our Board.

Financial performance

Our organic sales growth of 7.1 percent (which excludes the impact of acquisitions and foreign currency exchange) was once again at the high end of the medical technology industry. Our reported sales growth was 9.9 percent, including 2.7 percent growth from acquisitions as the impact of foreign currency exchange was nominal. While

our reported net earnings declined 38.1 percent due to significant one-time charges related to U.S. tax reform legislation, we delivered strong adjusted net earnings growth of 12.3 percent.

We continued to generate healthy operational cash flow that contributed to a year-end cash and marketable securities position of $2.8 billion, enabling us to increase our dividend rate by 11 percent for the January 2018 payment.

Successes and challenges

In 2017, our growth was well balanced across businesses and geographies. We generated double-digit organic growth in Endoscopy, Neurotechnology, and Trauma & Extremities in the United States. We also had strong performances in Joint Replacement, Instruments and categories within Medical (EMS and Acute Care). Europe, Canada and Australia continued to perform well, and we had encouraging performances in emerging markets.

We maintained our commitment to R&D, spending 6.3 percent of sales, and successfully introduced a number of products, including the full launch of the robotic-arm assisted Mako Total Knee application and System 8 power tools. We also continued to be acquisitive, including NOVADAQ, which provides advanced imaging for our Endoscopy business, and Entellus, a deal that closed in the first quarter of 2018 and will strengthen our Instruments business through expansion of our Ear, Nose and Throat (ENT) portfolio.

We also weathered some storms this past year, both literally and figuratively. The hurricane season in the United States and Caribbean islands had a meaningful impact on our manufacturing facility in Puerto Rico and affected business in Florida and Houston. We also managed through significant regulatory challenges with Sage Products, a part of our Medical business, that required a product recall and lengthy product holds on the majority of its portfolio.

I would like to acknowledge the way our employees rallied in the face of these challenges to support each other and minimize the impact on our customers. We recovered well from both issues by the end of the year and expect only modest headwinds to linger into 2018.

Cost transformation

Our efforts to systematically reduce costs, which is a multi-year process, continue to progress. We are focused on product-line rationalization; indirect procurement optimization; global enterprise resource planning (ERP) system implementation; shared services transformation; and manufacturing-site consolidation.

Looking ahead

Stryker continues to have a bright future. We remain confident in our ability to grow sales at the high end of the medical technology industry, while driving leveraged earnings. Our strategy, people and culture will enable us to maintain our strong performance in the years ahead, which is evident in our financial guidance for 2018.

I would like to thank our management teams, our Board of Directors, and our 33,000 employees worldwide who make healthcare better each and every day.

Kevin A. Lobo
Chairman and Chief Executive Officer

Mission

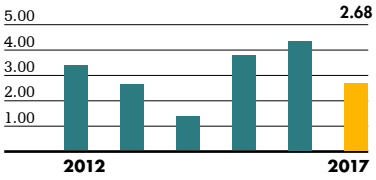
Together with our customers, we are driven to make healthcare better.

Values

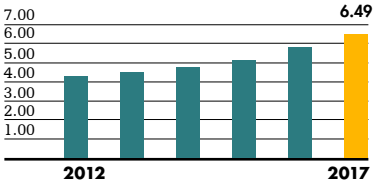
Integrity	Accountability	People	Performance
We do what's right	We do what we say	We grow talent	We deliver

Financial highlights

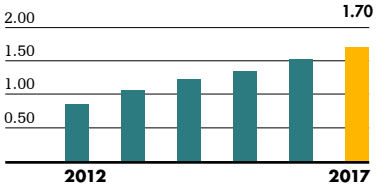
Net earnings
$ per diluted share



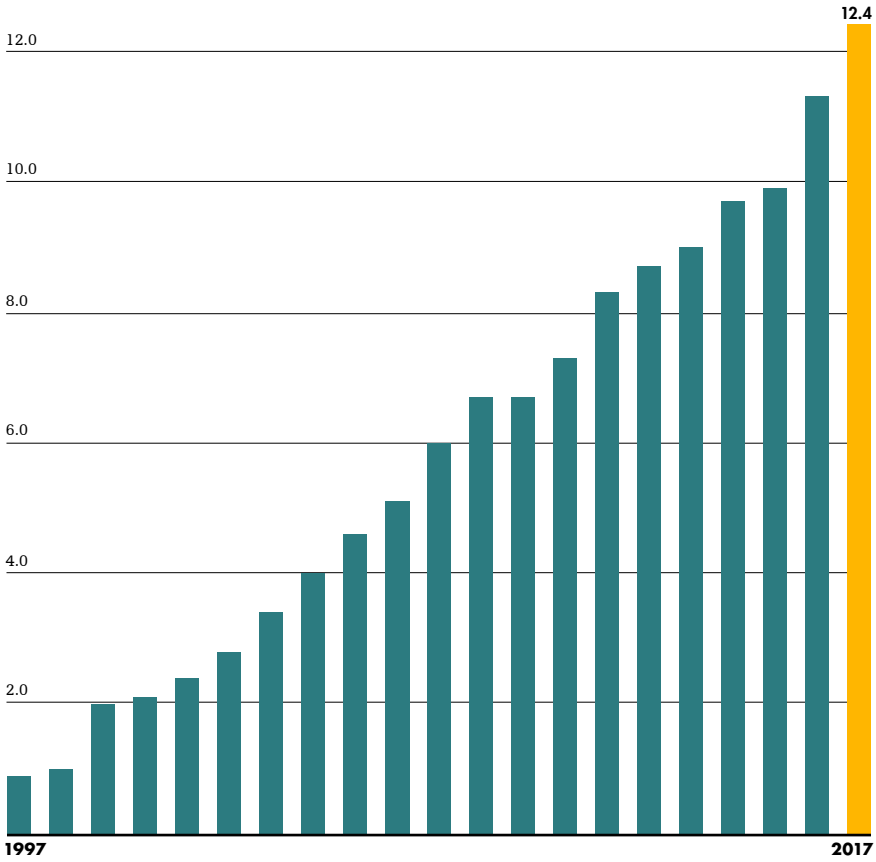
Adjusted net earnings[1]
$ per diluted share



Dividends paid
$ per share of common stock



History of net sales growth
$ in billions

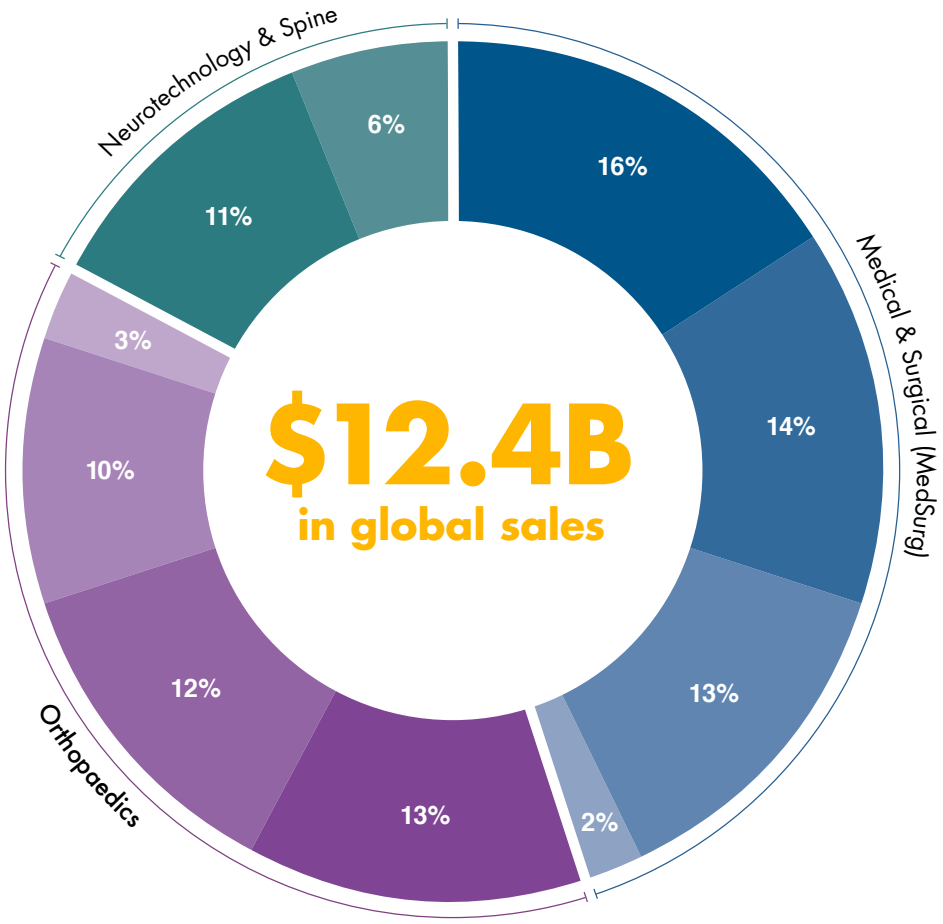


Financial overview
($ in millions, except per share amounts)

	2017	2016	% Change
Net sales	**$12,444**	$11,325	9.9
Earnings before income taxes	**2,063**	1,921	7.4
Income taxes	**1,043**	274	280.7
Net earnings	**1,020**	1,647	(38.1)
Adjusted net earnings[1]	**2,465**	2,194	12.3
Net earnings per diluted share of common stock			
Reported	**$ 2.68**	$ 4.35	(38.4)
Adjusted[1]	**6.49**	5.80	11.9
Dividends paid per share of common stock	**$ 1.70**	$ 1.52	11.8
Cash, cash equivalents and marketable securities	**2,793**	3,384	(17.5)

1. Adjusted net earnings and adjusted net earnings per diluted share are non-GAAP financial measures. Refer to page 17 for a reconciliation to the most directly comparable GAAP financial measures, net earnings and net earnings per diluted share.

Leading
in medtech



MedSurg

45%

16% Medical
14% Instruments
13% Endoscopy
2% Sustainability Solutions

Orthopaedics

38%

13% Knees
12% Trauma & Extremities
10% Hips
3% Other

Neurotechnology & Spine

17%

11% Neurotechnology
6% Spine

Enhancing patient care

Our mission is clear: "Together with our customers, we are driven to make healthcare better" through collaboration, innovative technologies and our commitment to successful patient outcomes.

The LUCAS 3 Chest Compression System

A miracle rescue

When paramedics in Gloucester, Massachusetts, arrived on the scene, they didn't know they were about to lead one of the most dramatic lifesaving rescues of their careers.

Responding to a 911 call about a man who had collapsed and stopped breathing while at work, veteran firefighter-paramedics Doug Sherman and Jack Brancaleone found a police officer performing CPR on a 56-year-old who was in cardiac arrest.

In less than a minute, Sherman and Brancaleone placed a LUCAS 2 Chest Compression System on the patient to assist with CPR. The battery-powered device is designed to maintain a steady flow of oxygen to the heart and brain through uninterrupted chest compressions.

The first responders kept the patient alive for more than three hours, from the time he first received treatment through his time at Addison Gilbert Hospital. At the hospital, Sherman and Brancaleone stayed on the scene to help with treatment and make sure the LUCAS device remained powered at all times. The treatment included delivering some 20 defibrillation shocks to restore the patient's heart to a normal rhythm. This required the use of four new batteries, each lasting 45 minutes.

When the patient was finally stabilized, he was flown to Lahey Hospital & Medical Center in Burlington for continued treatment. The patient made a full recovery and was released approximately two weeks later.

As it turns out, the case set the record for the longest continual usage of the LUCAS device in Massachusetts and New England—and the second longest documented save with continual use in the country.

The LUCAS Chest Compression System standardizes chest compressions in accordance with the latest scientific guidelines, providing the same quality for all patients, independent of transport conditions, rescuer fatigue or variability in the experience level of the caregiver. This frees up rescuers to focus on other lifesaving tasks. Studies show that the controlled mechanical LUCAS compressions can sustain a higher blood flow to the brain and heart compared to manual compressions.[1]

Setting a record in tight corners

"The patient's survival would not have been possible without the LUCAS Chest Compression System," says Sherman. "Even after five or 10 minutes, paramedics doing manual CPR get tired, and it's almost impossible to keep up, especially when we're moving the patient."

"And with the LUCAS, there's no interference with the other tasks we're performing, like supplying medications intravenously, which we often do in tight quarters or in a high-speed ambulance where paramedics can get hurt."

"This case and several others we've been involved with prove that LUCAS saves lives. Patients who might not have made it were able to go home to their families," says Fire Department Captain Jamie Santos. "That's why we have them in each of our ambulances and two more in the engine company."

"It was a team effort from the very beginning," Gloucester Fire Chief Eric Smith adds. "We are so grateful to have the LUCAS device at our disposal, as it provides nonstop compressions. Coupled with the high quality of care, this patient is alive today."

"The patient's survival would not have been possible without the LUCAS Chest Compression System."

Doug Sherman
Paramedic
Gloucester, Massachusetts

From left to right: Doug Sherman, Jack Brancaleone and Captain Jamie Santos

1. Mechanical Chest Compressions and Simultaneous Defibrillation vs Conventional Cardiopulmonary Resuscitation in Out-of-Hospital Cardiac Arrest: the LINC Randomized Trial. Rubertsson et al *JAMA*. 2014 Jan 1;311(1):53–61. doi:10.1001/jama.2013.282538.

Mako System creating the future of hip and knee replacement surgeries

"The feedback I'm getting as I take a patient through a dynamic arc of motion is something we've never had before."

Matthew Abdel, M.D.
Rochester, Minnesota

Mako Robotic-Arm Assisted Surgery features three phases—enhanced planning, dynamic joint balancing and robotic-arm assisted bone preparation. The Mako System aims to aid surgeons in achieving functional implant positioning for patients, which occurs when the surgeon places the hip or knee implant, using Mako, according to the pre-operative plan.

Applications are available for Mako Total Hip, Partial Knee and Total Knee Surgery. Through 2017, more than 125,000 Mako procedures had been performed, including nearly 16,000 Mako Total Knee surgeries.[1]

Launched in 2017, Mako Total Knee has already achieved several milestones. In November, we added a cementless option—Mako Total Knee with Triathlon Tritanium—combining three of our most innovative technologies: Mako, our Triathlon single-radius design, and additive-manufactured Tritanium.

Also in 2017, the first clinical outcomes data on Mako Total Knee were detailed in *The Journal of Knee Surgery* by lead author Robert C. Marchand, M.D. This single-center prospective study, performed at a high-volume hospital, showed Mako Total Knee had significantly lower mean pain (p=<0.05) and mean total patient satisfaction scores (p=<0.05), indicating greater patient satisfaction and clinical outcome for the Mako cohort compared to manual TKA.[2]

"This technology has made me a better surgeon."

Kirby Hitt, M.D.
Temple, Texas

1. Stryker's sales data.
2. Marchand, M.D., R., Sodhi, BA, N., Khlopas, M.D., A., Sultan, M.D., A. A., Harwin, M.D., S., Malkani, M.D., A. L., & Mont, M.D., M. A. (2017). "Patient Satisfaction Outcomes after Robotic Arm-Assisted Total Knee Arthroplasty: A Short-Term Evaluation." *The Journal of Knee Surgery.*

Note: Drs. Hitt and Abdel are paid consultants of Stryker. The opinions expressed by Drs. Hitt and Abdel are those of Drs. Hitt and Abdel and not necessarily those of Stryker. Individual experiences may vary.

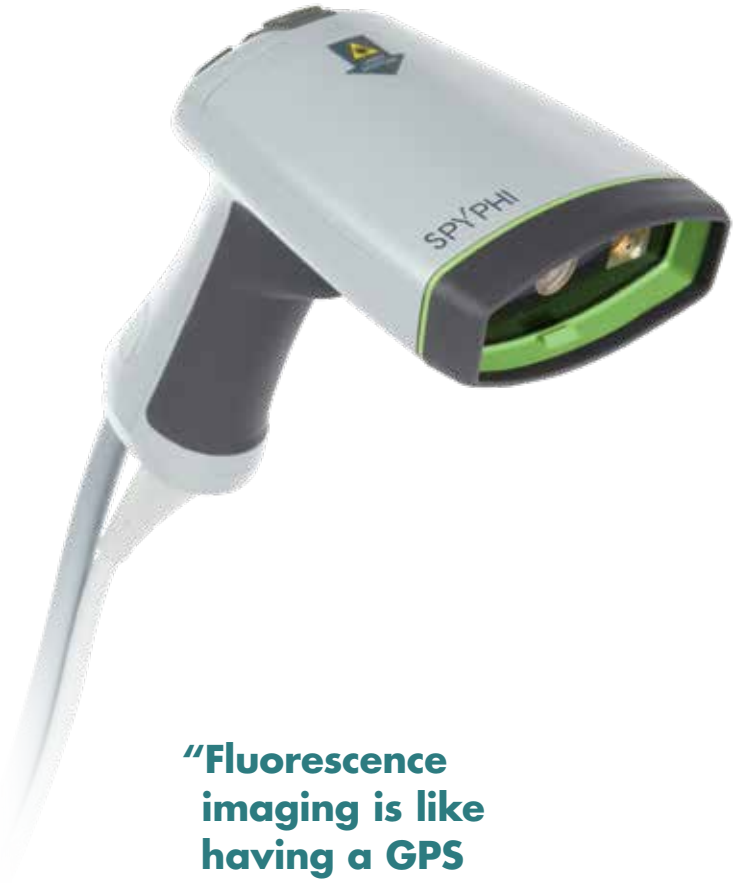
Allowing surgeons to see and do more

Statistics show that roughly one in eight women in the United States will develop breast cancer in her lifetime. In fact, about 266,120 new cases of invasive breast cancer will be diagnosed in American women this year.[1] These are just a few of the reasons why Stryker, a leader in advanced imaging and O.R. connectivity, acquired NOVADAQ. NOVADAQ's SPY fluorescence imaging technology allows surgeons to visualize real-time tissue perfusion during a range of procedures, including mastectomy and breast reconstruction.

NOVADAQ's innovative SPY technology not only complements Stryker's advanced imaging products, its use in breast reconstruction has been shown to reduce postoperative complications—which can occur in up to 31 percent of cases.[2,3] Studies have also indicated that the use of SPY may result in lower costs to hospitals.[4]

More than 250 clinical articles support the use of SPY technology in a variety of surgical procedures. Of the multiple clinical studies, more than 40 feature the economic and clinical benefits of using SPY during breast reconstruction.[5]

"Fluorescence imaging is like having a GPS system during surgery," says Dr. Santiago Horgan, from the School of Medicine & Center for the Future of Surgery at the University of California, San Diego. "It will become the standard of care."



"Fluorescence imaging is like having a GPS system during surgery."

Santiago Horgan, M.D.
School of Medicine & Center for the Future of Surgery
University of California, San Diego

1. "U.S. Breast Cancer Statistics." Breastcancer.org, www.breastcancer.org/symptoms/understand_bc/statistics.
2. Sood M, Glat P. "Potential of the SPY intraoperative perfusion assessment system to reduce ischemic complications in immediate postmastectomy breast reconstruction." *Annals of Surgical Innovation and Research*. 7.1(2013):9.
3. Gorai K, et al. "Prediction of skin necrosis after mastectomy for breast cancer using indocyanine green angiography imaging." *Plastic and Reconstructive Surgery—Global Open*. 2017;5(4):1321.
4. Murray JD, Jones GE, Elwood ET, Whitty LA, Garcia C. "Fluorescent intraoperative tissue angiography with indocyanine green: The evaluation of nipple-areolar vascularity during breast reduction surgery." *Plastic and Reconstructive Surgery*. 2009;124(4 Suppl):60.
5. SPY bibliography.

New facilities help drive innovation

We have built or are in the process of building several new facilities to accelerate the development of product innovations. These strategic investments are being made responsibly and in alignment with our company strategy, which includes a long-standing commitment to innovation and an intense focus on the needs of our customers.

Investments include a new Salt Lake City facility that not only manufactures specialized products used to treat strokes but also houses a state-of-the-art Neurovascular Learning Center to train physicians from around the world. Product assembly, R&D and engineering personnel are based there.

We also launched a global technology development center and centralized additive technology manufacturing hub, the AMagine Institute, in Carrigtwohill, Cork, Ireland. Since 2001, we have invested in additive manufacturing and collaborated with top Ph.D. programs at leading universities in the United Kingdom to industrialize 3D porous printing for the healthcare industry.

In addition, we built sales and customer experience offices, designed to deepen customer relationships, in San Jose, California; Cary, Illinois; Flower Mound, Texas; Hamilton, Ontario, Canada; Italy; Singapore; South Korea and Thailand.

Other facilities currently under construction include:

- A 485,000-square-foot research and development center for our Instruments business in Portage, Michigan, expected to be completed in late 2019. The facility will feature a customer experience center, showroom, and R&D and bio-skills labs, with space for sales, marketing and support functions. The new facility will encourage collaboration and communication among product and marketing teams.
- The Freiburg Innovation Center is expected to open in Germany in 2018 and will host R&D teams from five divisions under one roof. We designed the building to maximize collaboration and bring innovative products and technology platforms to market faster.
- A new 120,000-square-foot corporate office for our Canada business will serve as our local hub. The move will bring together employees who have been spread across three facilities and is expected to take place in September 2018.

New global technology center

AMagine Institute, our new global technology development center and centralized additive technology manufacturing hub, located in Carrigtwohill, Cork, Ireland, opened in May 2017.

Additive manufacturing

3D printing—also known as additive manufacturing (AM)—is one of our pillars of innovation in Orthopaedics. This technique takes a computer model of a medical device and grows the part layer by layer in a three-dimensional environment, fusing one layer of fine metal powder to the previous layers.

Through AM, we design and bring to market novel implants for the knee, spine and hip. We are investing for the future with this technology—expanding R&D, opening new facilities, collaborating with other industry leaders like GE Additive and launching new products.

Since 2001, we have invested in additive manufacturing with academic research institutions, initially to find a scalable model for controlling solid and porous metal zones during production. In 2012, we validated the large-scale manufacturing capabilities of our proprietary process: AMagine.

AMagine encompasses everything from the creative implant design to our patented Tritanium porous metal geometry, SOMA data inputs, production set-up, and numerous in-process quality controls—elements that differentiate our process from 3D printing alone.

The result of years of foresight, hard work and innovation: unique Tritanium implants that can be made only with additive manufacturing by Stryker.

Commercial launches

Since 2014, we have led the industry with a steady commercial output of additive manufactured Tritanium implants across multiple indications.

Commercial launches timeline

2014

Triathlon Tritanium Baseplate

2014

Triathlon Tritanium Patella

2015

Triathlon Tritanium Cones

2016

Tritanium PL Cage

2017

Tritanium C Cage

2018

Trident II Tritanium

Serving those in need — around the world and in our backyard

Partnerships, like the one we have with Operation Smile, allow us to advance healthcare through medical education initiatives as well as medical missions that directly serve those in need.

In 2017, our Sustainability Solutions business helped our customers:

Save

$326M

in supply costs

Divert

13.4M

pounds of waste from landfills

With our partners, we help alleviate suffering, restore function and bring hope to some of the most under-resourced people in the world. We are also focused on communities where our employees live and work. We look for opportunities to advance healthcare and support education and strengthen the vitality of the community.

Caring for people and planet

We are committed to operating in a responsible manner to deliver lasting social, environmental and economic value across our operations, products and services.

Our Environment, Health and Safety (EHS) program is a shared responsibility, dedicated to identifying and eliminating hazards, managing risks and improving the overall quality of life for our employees and communities. Our collective efforts aim to promote a feeling of safety and security among our employees and make significant contributions toward preserving and protecting our planet.

Creating smiles all over the world

The international medical charity Operation Smile has provided hundreds of thousands of free surgeries for children and young adults in developing countries who are born with cleft lip, cleft palate or other facial deformities.

In addition to our product donations, which help Operation Smile deliver safe and effective surgical care for these young patients, our financial contributions help it expand surgical services and conduct targeted education programs for surgeons in countries that critically lack trained healthcare professionals and surgical specialists.

Building surgical capacity

Operation Smile has been able to leverage our support to expand educational and training programs for surgeons and maximize its impact on local health systems in marginalized communities across the globe.

To learn how our support helped triple the number of cleft care providers in Rwanda, visit Smile.Stryker.com.

Providing crucial nonmedical support

We also sponsor groups of Stryker employees as nonmedical mission volunteers. In November 2017, eight employees traveled to Managua, Nicaragua, as part of a team of 97 volunteers from around the world who comforted and supported patients and their families before, during and after 116 surgeries performed over five days.

"As a volunteer, you are able to follow the entire cycle of emotions that these families experience firsthand," says Kris Sanders, a Senior Business Program Manager. "The process is so personal, and there aren't words for the joy and happiness that these parents display when they first see their child [after surgery]."

Raising funds

Meanwhile, our employees back home volunteer to raise funds each year for Operation Smile programs. In 2017, they raised nearly $55,000, with the company providing a dollar-for-dollar match.

"With success comes responsibility."

Kevin Lobo
Chairman and Chief Executive Officer
Stryker

Managua, Nicaragua
November 2017

116

surgeries performed over 5 days

Global recognition

People Companies That Care

#45 in 2017
out of 50 companies—recipient for the first time

LinkedIn Top Companies

Where the World Wants to Work Now

#30 in 2018
recipient for the second time

The Sunday Times 100 Best Companies to Work For

#14 in 2018
Stryker U.K. recipient for the 12th consecutive year

Top Employer Deutschland (Germany)

2018 award
on list for the second consecutive year

Best Workplaces

International

#1 for Australia, 2017
recipient for the fourth consecutive year

Brazil, 2017
recipient for the fourth time

Canada, 2017
recipient for the eighth consecutive year

China, 2017
recipient for the first time

Japan, 2018
recipient for the first time

Mexico, 2017
recipient for the fourth time

Spain, 2017
recipient for the second time

FORTUNE Best Workplaces (U.S.)

For Women, 2017
recipient for the first time

For Diversity, 2017
out of 100 companies—recipient for the first time

For Giving Back, 2018
out of 50 companies recognized—recipient for the second consecutive year

FORTUNE World's Most Admired Companies

#5 in 2018
Medical Products & Equipment
award recipient for the 17th consecutive year

FORTUNE 500 Largest U.S.-Based Companies

#252 in 2017
joined the list in 2003 as #493
on the list for the 15th consecutive year

FORTUNE World's Best Workplaces

#10 in 2017
out of 25 companies—recipient for the first time

FORTUNE 100 Best Companies to Work For (U.S.)

#16 in 2018
recipient for the eighth consecutive year

Board of Directors

Pictured below from left to right

Louise L. Francesconi † ‡
Andrew K. Silvernail **
Kevin A. Lobo *
Srikant M. Datar, Ph.D. † ‡
Ronda E. Stryker ‡
Allan C. Golston ♦ **
Mary K. Brainerd
Howard E. Cox, Jr. **
Roch Doliveux, D.V.M. † ‡

* Chairman of the Board
♦ Lead Independent Director
** Audit Committee
† Compensation Committee
‡ Governance and Nominating Committee

Chairman Emeritus

John W. Brown
Chairman Emeritus and Former Chairman, President and Chief Executive Officer

Other Officers

Dean H. Bergy
VP, Corporate Secretary

William E. Berry, Jr.
VP, Corporate Controller

Jeanne M. Blondia
VP, Finance and Treasurer

Irene B. Corbe
VP, Internal Audit

William J. Cymbaluk
VP, Corporate Regulatory Affairs and Quality Assurance

David G. Furgason
VP, Tax

Bronwen R. Taylor
VP, Compliance and Risk Management

With appreciation

After 44 years of distinguished service, Howard E. Cox, Jr. has decided to retire from our Board of Directors. Because of Howard's immense contributions to Stryker—since before it was a publicly traded company to its current position as a leading global medical technology firm—he will be named Director Emeritus.

Stryker's Board and management team sincerely appreciate Howard's unwavering dedication, his more than four decades of service and his championing of our growth ambitions and consistent success. On behalf of the Board and everyone at Stryker, we wish him all the best and salute him for his wisdom and guidance in helping Stryker deliver on its mission.

Leadership team

Pictured below from left to right

Kevin A. Lobo
Chairman and Chief Executive Officer

Yin C. Becker
Vice President, Communications and Public Affairs

Timothy J. Scannell
Group President, MedSurg and Neurotechnology

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

David K. Floyd
Group President, Orthopaedics

Bijoy S. N. Sagar
Vice President, Chief Information Officer

Glenn S. Boehnlein
Vice President, Chief Financial Officer

Katherine A. Owen
Vice President, Strategy and Investor Relations

Graham A. McLean
President, Asia Pacific

M. Kathryn Fink
Vice President, Chief Human Resources Officer

Michael D. Hutchinson
General Counsel

Division Presidents

Businesses

Xavier M. C. Berling
Trauma & Extremities

Bradley W. Paddock
Spine

Mark H. Paul
Neurovascular

J. Andrew Pierce
Endoscopy

Bradford L. Saar
Medical

Stuart F. Simpson
Joint Replacement

Spencer S. Stiles
Instruments

Brian J. White
Sustainability Solutions

Regions

Maurice Ben-Mayor
South Pacific

Laurence F. I. Hipkin
Eastern Europe, Middle East, Africa

Scott A. MacNair
Canada

Hiroyuki Saeki
Japan

Fabrizio Signorin
Latin America

Stuart A. J. Silk
Europe, Middle East, Africa & Latin America

Additional information

Independent registered public accounting firm
Ernst & Young LLP
Grand Rapids, Michigan

Transfer agent and registrar
American Stock Transfer & Trust Company, LLC
New York, New York

Shareholders needing information regarding their certificates or dividends should contact:

American Stock Transfer & Trust Company, LLC
Operations Center
6201 15th Avenue
New York, New York 11219
800 937 5449
info@amstock.com

Investor contact
Katherine A. Owen
Vice President, Strategy and Investor Relations

Media contact
Yin C. Becker
Vice President, Communications and Public Affairs

Business development contact
Bryant S. Zanko
Vice President, Business Development

Annual meeting
The Annual Meeting of Shareholders of Stryker Corporation will be held at the Radisson Plaza Hotel at the Kalamazoo Center in Kalamazoo, Michigan, on Wednesday, May 2, 2018, at 2:00 p.m. ET.

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

Form 10-K
The company files an Annual Report on Form 10-K with the Securities and Exchange Commission. Shareholders may view the 2017 report at www.stryker.com or www.sec.gov.

Trademarks
The following trademarks or service marks of Stryker Corporation, its divisions or other corporate affiliated entities appear in this annual review: AMagine, Apex, Colorado, Hoffmann, LUCAS, Mako, NOVADAQ, Physio-Control, Sage, SOMA, SPY, Stryker, Together with our customers, we are driven to make healthcare better., Triathlon, Trident, Tritanium.

Operation Smile is a registered trademark of Operation Smile, Inc.

The products referenced within this review may not all be approved or cleared for sale, distribution or use in the United States.

Diversity and inclusion
We are committed to building an inclusive, engaging work environment. Our goal is to encourage, value and leverage differences in people and perspectives to maximize business outcomes. Diversity and inclusion is a business imperative that aligns with our mission and values.

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

	Net earnings ($ millions)						Net earnings per diluted share					
	2012	2013	2014	2015	2016	**2017**	2012	2013	2014	2015	2016	**2017**
Reported	$1,298	$1,006	$ 515	$1,439	$1,647	**$1,020**	$3.39	$2.63	$1.34	$3.78	$4.35	**$2.68**
Acquisition and integration-related charges	37	72	65	24	100	**51**	0.09	0.19	0.17	0.06	0.26	**0.14**
Amortization of purchased intangible assets	88	98	133	147	221	**250**	0.23	0.26	0.35	0.39	0.59	**0.67**
Restructuring-related and other charges	59	46	78	97	98	**155**	0.15	0.12	0.20	0.26	0.26	**0.41**
Rejuvenate and other recall matters	133	460	628	210	127	**131**	0.35	1.20	1.65	0.55	0.34	**0.34**
Regulatory and legal matters	33	63	—	(46)	(7)	**25**	0.09	0.17	—	(0.12)	(0.02)	**0.06**
Donations	—	15	—	—	—	**—**	—	0.04	—	—	—	**—**
Tax matters	—	(46)	391	78	8	**833**	—	(0.12)	1.02	0.20	0.02	**2.19**
Adjusted	$1,648	$1,714	$1,810	$1,949	$2,194	**$2,465**	$4.30	$4.49	$4.73	$5.12	$5.80	**$6.49**
Effective Tax Rate — Reported	23.9%	17.0%	55.6%	17.1%	14.3%	**50.6%**						
Effective Tax Rate — Adjusted	24.1%	22.7%	22.3%	17.3%	17.3%	**15.6%**						
Weighted average diluted shares outstanding							383.0	382.1	382.8	380.9	378.5	**380.1**

Refer to our 2017 Annual Report on Form 10-K, available at www.stryker.com, for additional information regarding our non-GAAP financial measures.

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stryker

Orthopaedics

Hips

Knees

Robotic-Arm Assisted Technology

Trauma

Extremities

Sports Medicine

Medical and Surgical equipment

Power Tools & Surgical Equipment

Computer Assisted Surgery

Minimally-Invasive & Open Surgical Solutions

Infrastructure & Integration

Pre-hospital and Acute Care

Reprocessing and remanufacturing

Neurotechnology and Spine

Craniomaxillo-facial

Interventional Spine

Neurosurgical, Spine & ENT

Neurovascular

Spinal Implants and Biologics

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