# Stryker Corporation (SYK)

*Updated January 31st, 2026, by Nathan Parsh*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $370 | **5 Year Annual Expected Total Return:** | 13.9% | **Market Cap:** | $141 B |
| **Fair Value Price:** | $390 | **5 Year Growth Estimate:** | 12.0% | **Ex-Dividend Date:** | 03/31/26[1] |
| **% Fair Value:** | 95% | **5 Year Valuation Multiple Estimate:** | 1.1% | **Dividend Payment Date:** | 04/30/26[2] |
| **Dividend Yield:** | 1.0% | **5 Year Price Target** | $687 | **Years Of Dividend Growth:** | 32 |
| **Dividend Risk Score:** | A | **Sector:** | Health Care | **Rating:** | Hold |

## Overview & Current Events

Stryker is a global leader in the medical device sector. The company's product lines include surgical equipment, neurovascular products and orthopedic implants. The company was founded in 1941 by Dr. Homer Stryker because he felt that products that the medical device industry offered were not meeting the needs of his patients. Today, the company employs more than 53,000 people worldwide. In November of 2021, Stryker reorganized its businesses into two reporting segments: MedSurg and Neurotechnology and Orthopaedics.

On December 11th, 2025, Stryker reported that it was raising its quarterly dividend 4.8% to $0.88 per share, extending the company's dividend growth streak to 32 consecutive years.

On January 29th, 2026, Stryker announced fourth quarter and full year results for the period ending December 31st, 2025. For the quarter, revenue grew 11.8% to $7.2 billion, which beat estimates by $80 million. Adjusted earnings-per-share of $4.47 compared favorably to $4.01 in the prior year and was $0.07 better than expected. For the year, revenue increased 11.2% to $25.1 billion while adjusted earnings-per-share of $13.63 compared to $12.19 in 2024.

Organic revenue growth remains strong, with the company posting growth of 11% for the quarter and 10.3% for the year. For the quarter, volume was up 10.9% and higher prices added 0.1% to results. MedSurg and Neurotechnology had sales of $4.6 billion, which represented 12.6% organic growth. Orthopaedics grew 8.4% to $2.6 billion. Volume grew 12.5% for MedSurg and Neurotechnology and was up 8.5% for Orthopaedics. Prices were higher by 0.1% for MedSurg and Neurotechnology and while Orthopaedics fell 0.1%.

Stryker provided guidance for 2026 as well. The company expects organic revenue growth in a range of 8.0% to 9.5%. Adjusted earnings-per-share are forecasted to be in a range of $14.90 to $15.10. At the midpoint, this would represent growth of 10.1% from 2025. We have initiated our forecast accordingly.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $4.35 | $6.49 | $7.28 | $8.26 | $7.43 | $9.09 | $9.34 | $10.60 | $12.19 | $13.63 | ***$15.00*** | ***$26.44*** |
| **DPS** | $1.57 | $1.70 | $1.93 | $2.14 | $2.36 | $2.52 | $2.78 | $3.00 | $3.20 | $3.36 | ***$3.52*** | ***$4.71*** |
| **Shares[3]** | 375 | 374 | 373 | 380 | 376 | 377 | 382 | 384 | 381 | 383 | ***383*** | ***370*** |

Stryker has grown earnings-per-share at a rate of 13.5% per year since 2016 and 10.5 over the last five years. We reaffirm our earnings growth rate of 12% due to the company's long track record of growth. The ongoing recovery in elective procedures should also aid results. The company was very resilient during the last recession, only seeing a $0.01 decline in earnings in 2009. The company did see earnings declines in 2013, 2014, and 2020 as well, but growth quickly returned in the ensuing years in each situation.

[1] Estimated ex-dividend date
[2] Estimated dividend payment date
[3] Share count in millions
*Disclosure: This analyst has a long position in the security discussed in this research report.*

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Stryker has increased its dividend at an average rate of 8.8% per year over the past 10 years, though that growth has slowed somewhat in the medium-term to 6.9%. We have lowered our expected dividend growth rate to 6% to reflect the pace of recent raises.

## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 25.4 | 28.7 | 22.8 | 24 | 26.9 | 29.4 | 26.2 | 28.3 | 29.5 | 25.8 | ***24.7*** | ***26.0*** |
| **Avg. Yld.** | 1.4% | 1.3% | 1.2% | 1.0% | 1.1% | 0.9% | 1.1% | 1.0% | 0.9% | 1.0% | ***1.0%*** | ***0.7%*** |

Shares of Stryker have gained $8, or 2.2%, since our November 4th, 2025 report. Shares currently trade at 24.7 times earnings based off estimates for 2026. We are reaffirming our target P/E of 26 as this is more in-line with the long-term average valuation. If shares reverted to our target price-to-earnings ratio by 2031, then multiple expansion would be a 1.1% tailwind to annual returns over this period.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

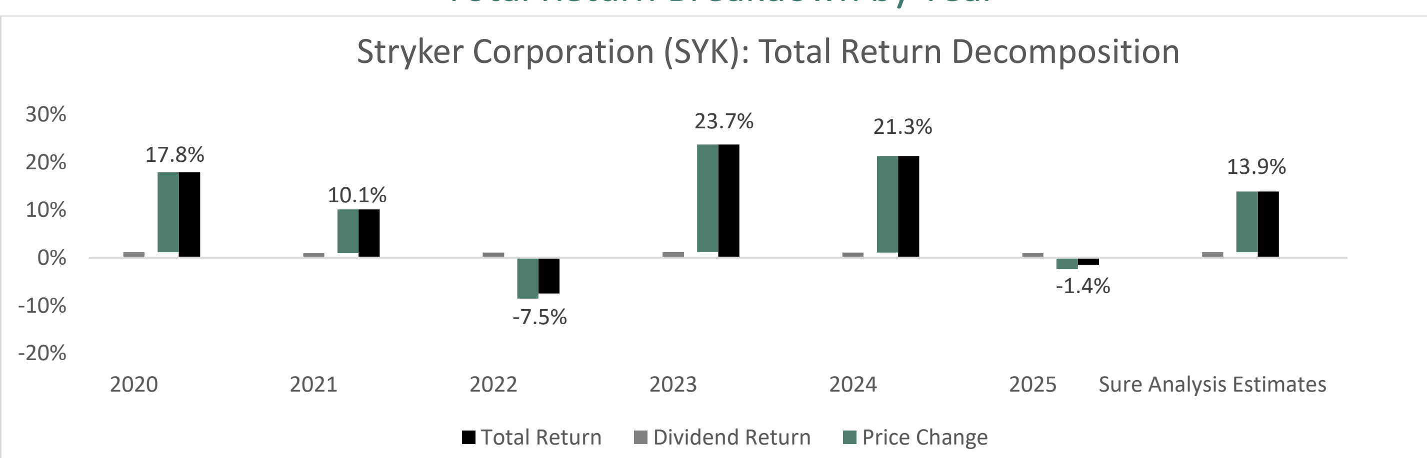
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 36% | 35% | 27% | 25% | 32% | 28% | 30% | 28% | 26% | 25% | ***23%*** | ***18%*** |

Stryker's strength during the most recent recession should give shareholders the confidence that the company can thrive in a difficult economic climate. As the leader in the medical device sector, Stryker's products are in demand around the world. For example, the company continues to see growth in its Mako robot installations, as well as a higher number of procedures performed. These figures are likely to grow as more surgeons become comfortable with using a robot during surgery. Another competitive advantage Stryker has over its peers is its organic growth. Over the past decade years, Stryker has consistently outperformed in peer group in the medical device sector in terms of organic growth. Investors are willing to pay up for that type of growth, which is why the company's price-to-earnings ratio has been higher than normal in recent years.

## Final Thoughts & Recommendation

Following fourth quarter results, Stryker Corporation is now projected to return 13.9% annually over the next five years, up from our prior estimate of 12.2%. Our projected return stems from a 12% earnings growth rate, a starting yield of 1.0%, and a small contribution from multiple expansion. Organic growth continues to be strong for the company, with both segments continuing to see high growth rates for volume. Stryker is one of the leading names in its industry. We have raised our 2031 price target $66 to $687 to reflect updated earnings estimates. We continue to rate shares of Stryker as a hold, but we note the attractive return potential and the strong dividend risk score.

## Total Return Breakdown by Year

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## Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | 11325 | 12444 | 13601 | 14884 | 14351 | 17108 | 18449 | 20498 | 22595 | 25116 |
| **Gross Profit** | 7,246 | 7,903 | 8,600 | 9,382 | 8,753 | 10,709 | 11,040 | 12,494 | 13,980 | 15,432 |
| **Gross Margin** | 64.0% | 63.5% | 63.2% | 63.0% | 61.0% | 62.6% | 59.8% | 61.0% | 61.9% | 61.4% |
| **SG&A Exp.** | 4,137 | 4,552 | 5,099 | 5,356 | 5,361 | 6,427 | 6,455 | 7,129 | 7,685 | - |
| **D&A Exp.** | 546 | 642 | 723 | 778 | 812 | 990 | 998 | 1,028 | 1,050 | 1,193 |
| **Operating Profit** | 2,577 | 2,767 | 3,104 | 3,388 | 2,949 | 3,661 | 3,734 | 4,281 | 5,061 | 5,625 |
| **Operating Margin** | 22.8% | 22.2% | 22.8% | 22.8% | 20.5% | 21.4% | 20.2% | 20.9% | 22.4% | 22.4% |
| **Net Profit** | 1,647 | 1,020 | 3,553 | 2,083 | 1,599 | 1,994 | 2,358 | 3,165 | 2,993 | 3,246 |
| **Net Margin** | 14.5% | 8.2% | 26.1% | 14.0% | 11.1% | 11.7% | 12.8% | 15.4% | 13.2% | 12.9% |
| **Free Cash Flow** | 1,425 | 961 | 2,038 | 1,542 | 2,790 | 2,738 | 2,036 | 3,136 | 3,487 | 4,283 |
| **Income Tax** | 274 | 1,043 | (1,197) | 479 | 355 | 287 | 325 | 508 | 499 | 1,268 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Assets** | 20,435 | 22,197 | 27,229 | 30,167 | 34,330 | 34,631 | 36,884 | 39,912 | 42,971 | 47,844 |
| **Cash & Equivalents** | 3,384 | 2,793 | 3,699 | 4,425 | 3,024 | 3,019 | 1,928 | 3,053 | 4,493 | 4,100 |
| **Accounts Receivable** | 1,967 | 2,198 | 2,332 | 2,893 | 2,701 | 3,022 | 3,565 | 3,765 | 3,987 | 4,039 |
| **Inventories** | 2,030 | 2,465 | 2,955 | | 3,494 | 3,314 | 3,995 | 4,843 | 4,774 | 5,310 |
| **Goodwill & Int. Ass.** | 9,864 | 10,645 | 12,726 | - | 18,332 | 17,758 | 19,765 | 19,836 | 20,250 | 24,972 |
| **Total Liabilities** | 10,885 | 12,217 | 15,499 | | 21,246 | 19,754 | 20,268 | 21,319 | 22,337 | 25,424 |
| **Accounts Payable** | 437 | 487 | 646 | 675 | 810 | 1,129 | 1,413 | 1,517 | 1,679 | |
| **Long-Term Debt** | 6,914 | 7,222 | 9,859 | 859 | 14,316 | 12,789 | 13,405 | 13,351 | 13,976 | 14,859 |
| **Shareholder's Equity** | 9,550 | 9,966 | 11,730 | 12,807 | 13,084 | 14,877 | 16,616 | 18,593 | 20,634 | |
| **LTD/E Ratio** | 0.72 | 0.72 | 0.84 | 0.90 | 1.10 | 0.87 | 0.81 | 0.73 | 0.68 | 0.66 |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Return on Assets** | 9.0% | 4.8% | 14.4% | 7.3% | 5.0% | 5.8% | 6.6% | 8.2% | 7.2% | 7.1% |
| **Return on Equity** | 18.2% | 10.4% | 32.7% | 17.0% | 12.4% | 14.3% | 15.0% | 18.0% | 15.3% | 15.1% |
| **ROIC** | 11.4% | 6.1% | 18.3% | 9.1% | 6.2% | 7.2% | 8.1% | 10.2% | 9.0% | 9.0% |
| **Shares Out.** | 375 | 374 | 373 | 380 | 376 | 377 | 382 | 384 | 381 | 383 |
| **Revenue/Share** | 29.92 | 32.74 | 35.76 | 39.18 | 37.74 | 44.75 | 48.27 | 53.42 | 58.60 | 65.71 |
| **FCF/Share** | 3.76 | 2.53 | 5.36 | 4.06 | 7.34 | 7.16 | 5.33 | 8.17 | 9.04 | 11.21 |

*Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.*