



Stryker Corporation (SYK)

Updated May 6th, 2026, by Nathan Parsh

Key Metrics

Current Price:	\$297	5 Year Annual Expected Total Return:	19.0%	Market Cap:	\$114 B
Fair Value Price:	\$390	5 Year Growth Estimate:	12.0%	Ex-Dividend Date:	06/30/26 ¹
% Fair Value:	76%	5 Year Valuation Multiple Estimate:	5.6%	Dividend Payment Date:	07/31/26 ²
Dividend Yield:	1.2%	5 Year Price Target	\$687	Years Of Dividend Growth:	32
Dividend Risk Score:	A	Sector:	Health Care	Rating:	Buy

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 April 30th, 2026, Stryker reported first quarter results for the period ending March 31st, 2026. For the quarter, revenue grew 1.7% to \$6 billion, which missed estimates by \$330 million. Adjusted earnings-per-share of \$2.60 compared unfavorably to \$2.84 in the prior year and was \$0.38 less than expected.

Organic revenue growth of 2.4% wasn't as strong as the company has typically produced. This was due to a cyberattack that occurred in March. This attack disrupted worldwide operations. For the quarter, volume was up 2.1% and higher prices added 0.3% to results. MedSurg and Neurotechnology had sales of \$3.2 billion, which represented organic growth of 0.9%. Orthopaedics grew 0.1% to \$2.8 billion. Volume increased 2.1% for MedSurg and Neurotechnology and was up 4.1% for Orthopaedics. Prices were higher by 0.6% for MedSurg and Neurotechnology and while Orthopaedics was unchanged.

Stryker reaffirmed guidance for 2026 as well. The company still 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.

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
Shares³	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	19.8	26.0
Avg. Yld.	1.4%	1.3%	1.2%	1.0%	1.1%	0.9%	1.1%	1.0%	0.9%	1.0%	1.2%	0.7%

Shares of Stryker have declined \$73, or 19.7%, since our January 31st, 2026 report. Shares currently trade at 19.8 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 5.6% tailwind to annual returns over this period.

Safety, Quality, Competitive Advantage, & Recession Resiliency

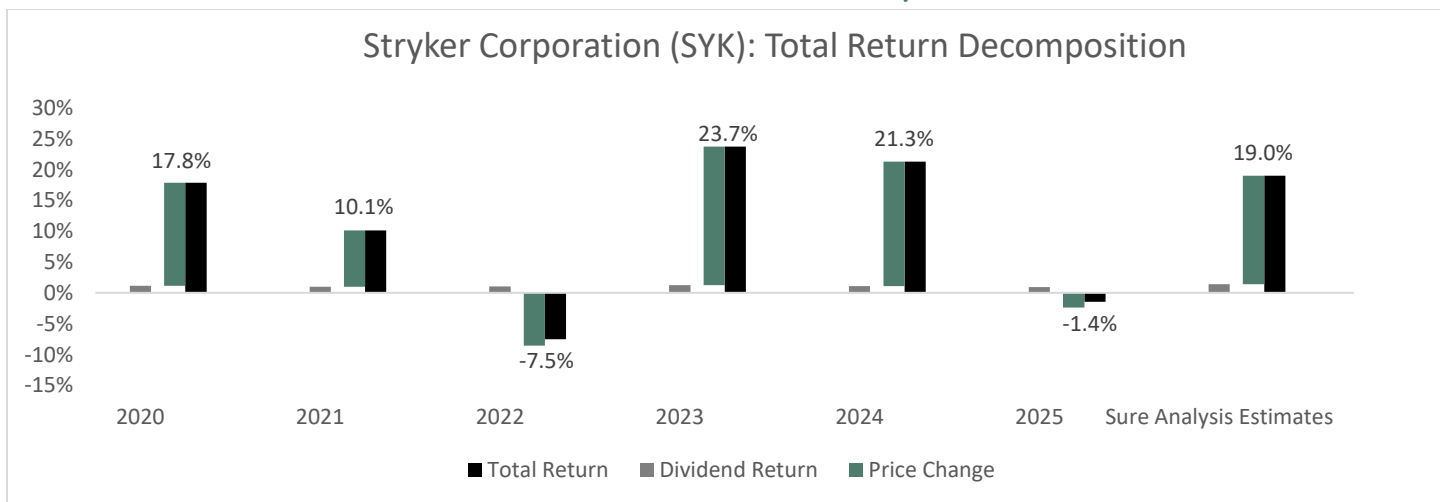
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	36%	35%	27%	25%	32%	28%	30%	28%	26%	25%	23%	18%

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

After first quarter results, Stryker Corporation is now projected to return 19.0% annually over the next five years, up from our prior estimate of 13.9%. Our projected return stems from a 12% earnings growth rate, a starting yield of 1.2%, and a mid-single-digit contribution from multiple expansion. A cyberattack near the end of the quarter impacted results, but Stryker remains a leading name in its industry. We reaffirm our 2026 price target of \$687. We now rate shares of Stryker as a buy as well as 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.

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