

STRYKER CORP
Form 424B3
April 28, 2014
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Registration No. 333-186953

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement Dated April 28, 2014

PROSPECTUS SUPPLEMENT

(To prospectus dated February 28, 2013)

\$

STRYKER CORPORATION

\$ % Notes due 2024

\$ % Notes due 2044

We are offering for sale two series of notes consisting of \$ aggregate principal amount of % notes due 2024 (the 2024 notes) and \$ aggregate principal amount of % notes due 2044 (the 2044 notes, and together with the 2024 notes, the notes). We will pay interest on each series of notes on and of each year, beginning , 2014. The 2024 notes will mature on , 2024, and the 2044 notes will mature on , 2044.

We may redeem the notes of any series prior to their maturity at our option for cash, any time in whole or from time to time in part, at the applicable redemption prices described in this prospectus supplement under Description of the Notes Optional Redemption. If a change of control repurchase event as described in this prospectus supplement under the heading Description of the Notes Repurchase at the Option of Holders Upon Change of Control Repurchase Event occurs, we will be required to offer to purchase the notes from their holders for cash.

The notes will be our senior unsecured obligations and will rank equally with our other existing and future senior unsecured indebtedness. The notes of each series will be issued only in registered form in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The notes are new issues of securities for which there is currently no established trading market. We do not intend to list the notes of any series on a national securities exchange.

Investing in the notes involves risks that are described under Risk Factors beginning on page S-5 of this prospectus supplement.

	Per 2024 Note	Total	Per 2044 Note	Total
Public Offering Price (1)	%	\$	%	\$
Underwriting Discount	%	\$	%	\$
Proceeds, before expenses, to us (1)	%	\$	%	\$

(1) Plus accrued interest, if any, from May , 2014.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, on or about May , 2014.

Joint Book-Running Managers

Barclays

Goldman, Sachs & Co.

Wells Fargo Securities

The date of this prospectus supplement is April , 2014.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which contains the terms of this offering of notes. The second part is the accompanying prospectus dated February 28, 2013, which is part of our Registration Statement on Form S-3.

This prospectus supplement may add to, update or change the information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with information in the accompanying prospectus, the information in this prospectus supplement will apply and will supersede the information in the accompanying prospectus.

It is important for you to read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in [Where You Can Find More Information](#) in this prospectus supplement and the accompanying prospectus.

You should rely only on information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus issued by us. No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus issued by us and, if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this prospectus supplement and the accompanying prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date of this prospectus supplement, or that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any time subsequent to the date of such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or the underwriters or any of them, to subscribe to or purchase any of the notes and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See [Underwriting](#).

Unless otherwise stated or the context otherwise requires, as used in this prospectus supplement, the words [we](#), [us](#), [our](#), [the Company](#), or [Stryker](#) refer to Stryker Corporation and its consolidated subsidiaries.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information about us and this offering. It does not contain all of the information that may be important to you in deciding whether to purchase the notes. We encourage you to read the entire prospectus supplement, the accompanying prospectus and the documents that we have filed with the Securities and Exchange Commission, or the SEC, that are incorporated by reference herein.

Our Company

We are one of the world's leading medical technology companies. We are dedicated to helping healthcare professionals perform their jobs more efficiently while enhancing patient care. We offer a diverse array of innovative medical technologies, including reconstructive, medical and surgical, and neurotechnology and spine products, to help people lead more active and more satisfying lives. Our products include implants used in joint replacement and trauma surgeries; surgical equipment and surgical navigation systems; endoscopic and communications systems; patient handling and emergency medical equipment; neurosurgical, neurovascular and spinal devices; as well as other medical device products used in a variety of medical specialties.

We segregate our operations into three reportable business segments: Reconstructive, MedSurg, and Neurotechnology and Spine. Our Reconstructive segment includes orthopaedic reconstructive (hip and knee) and trauma implant systems as well as other related products. Our MedSurg segment includes surgical equipment and surgical navigation systems; endoscopic and communications systems; patient handling and emergency medical equipment; and other related products. Our Neurotechnology and Spine segment includes neurovascular products, spinal implant systems and other related products.

We have business operations in over 100 countries, with 32 manufacturing locations spread around the world, and we have approximately 25,000 employees.

Stryker was incorporated in Michigan in 1946 as the successor company to a business founded in 1941 by Dr. Homer H. Stryker, a prominent orthopaedic surgeon and the inventor of several orthopaedic products.

Stryker Corporation is a Michigan corporation. Our common stock is listed on the New York Stock Exchange under the symbol SYK. Our principal executive offices are located at 2825 Airview Boulevard, Kalamazoo, Michigan 49002, and our telephone number is (269) 385-2600. Our Internet website address is www.stryker.com. The information contained on our website is not incorporated by reference in this prospectus supplement or the accompanying prospectus, and you should not consider it a part of this prospectus supplement or the accompanying prospectus.

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THE OFFERING

Issuer	Stryker Corporation
Securities Offered	\$ aggregate principal amount of notes, consisting of \$ aggregate principal amount of % notes due 2024, which we refer to herein as the 2024 notes, and \$ aggregate principal amount of % notes due 2044, which we refer to herein as the 2044 notes, and together with the 2024 notes, the notes.
Maturity	The 2024 notes will mature on , 2024, and the 2044 notes will mature on , 2044.
Interest	Interest on the notes of each series will accrue from , 2014 and will be payable semi-annually in arrears on and of each year, commencing , 2014.
Optional Redemption	<p>We may redeem the notes of any series at our option for cash, any time in whole or from time to time in part, upon not less than 30 days notice, at a redemption price equal to the greater of:</p> <p style="padding-left: 40px;">100% of the principal amount of the notes being redeemed; and</p> <p style="padding-left: 40px;">a make-whole premium equal to the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in this prospectus supplement), plus basis points in the case of the 2024 notes and basis points in the case of the 2044 notes; however, no make-whole premium will be paid for (i) redemptions of the 2024 notes during the three-month period prior to their maturity or (ii) redemptions of the 2044 notes during the six-month period prior to their maturity.</p> <p>We will also pay the accrued and unpaid interest on the notes to the redemption date.</p>
Repurchase at the Option of Holders Upon Change of Control Repurchase Event	If a Change of Control Repurchase Event (as defined in this prospectus supplement) occurs, we will be required to offer to repurchase the notes for cash at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of such repurchase. See Description of the Notes Repurchase at the Option of Holders Upon Change of Control Repurchase Event.
Ranking	The notes will be our senior unsecured obligations and will rank equally with our other existing and future senior unsecured indebtedness. At March 31, 2014, we had

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approximately \$24 million of indebtedness outstanding on a consolidated basis that would rank structurally senior to the notes and approximately \$3,040 million of indebtedness outstanding on a consolidated basis that would rank equally with the notes.

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Certain Covenants	The Indenture governing the notes contains certain restrictions, including restrictions on our ability and the ability of certain of our subsidiaries to create or incur secured indebtedness and our ability to enter into certain sale and leaseback transactions. See Description of the Notes Certain Covenants.
Use of Proceeds	We estimate that the net proceeds from this offering will be approximately \$ million after deducting the underwriting discounts and our expenses related to the offering. We intend to use these net proceeds for refinancing of indebtedness, including existing commercial paper at its maturity and all of our 3.00% Notes due January 15, 2015 at their maturity, working capital and other general corporate purposes, including acquisitions, stock repurchases and other business opportunities. See Use of Proceeds.
Further Issues	We may from time to time, without notice to or the consent of the holders of the applicable series of notes, create and issue additional notes of that series having the same ranking and terms and conditions as the notes of the applicable series offered hereby, except for the issue date, the public offering price and, in some cases, the first interest payment date, as described under Description of the Notes General. Any additional notes of any series having such similar terms, together with the notes of that series, will constitute a single series of securities under the Indenture.
Denomination and Form	We will issue each series of notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company, or DTC. Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, société anonyme and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositories, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the Indenture. The notes will be issued only in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.
Risk Factors	Investing in the notes involves risks. See Risk Factors for a description of certain risks you should particularly consider before investing in the notes.
Trustee	U.S. Bank National Association
Governing Law	New York

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The following table sets forth our summary consolidated financial information as of and for the fiscal years ended December 31, 2013, 2012, 2011, 2010 and 2009 and as of and for the three months ended March 31, 2014 and 2013. The information as of and for the fiscal years ended December 31, 2013, 2012, 2011, 2010 and 2009 was derived from our audited annual consolidated financial statements. The information as of and for the three months ended March 31, 2014 and 2013 was derived from our unaudited interim consolidated financial statements that include, in the opinion of management, all normal and recurring adjustments necessary to present fairly the information for the periods and at the dates presented. The results of operations for the three months ended March 31, 2014 are not necessarily indicative of the results to be expected for the full year ending December 31, 2014. You should read the following summary consolidated financial information together with Management's Discussion and Analysis of Financial Condition and our historical consolidated financial statements, including the related notes, in each case in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information.

	For the Three Months Ended March 31,			For The Year Ended December 31,			
	2014	2013	2013	2012	2011	2010	2009
(In millions)							
Statement of Earnings:							
Net sales	\$ 2,305	\$ 2,190	\$ 9,021	\$ 8,657	\$ 8,307	\$ 7,320	\$ 6,723
Cost of sales	769	713	2,977	2,781	2,811	2,286	2,184
Gross profit	1,536	1,477	6,044	5,876	5,496	5,034	4,539
Research, development and engineering expenses	150	129	536	471	462	394	336
Selling, general and administrative expenses	1,205	916	4,066	3,466	3,150	2,707	2,506
Intangibles amortization	45	32	138	123	122	58	36
Other (1)	5	14	48	75	76	124	67
Total operating expenses	1,405	1,091	4,788	4,135	3,810	3,283	2,945
Operating income	131	386	1,256	1,741	1,686	1,751	1,594
Other income (expense)	(24)	(11)	(44)	(36)		(22)	30
Earnings before income taxes	107	375	1,212	1,705	1,686	1,729	1,624
Income taxes	37	71	206	407	341	456	517
Net earnings	\$ 70	\$ 304	\$ 1,006	\$ 1,298	\$ 1,345	\$ 1,273	\$ 1,107
Financial and Statistical Data (end of period):							
Cash, cash equivalents and current marketable securities	\$ 4,047	\$ 4,487	\$ 3,980	\$ 4,285	\$ 3,418	\$ 4,380	\$ 2,955
Property, plant and equipment, net	1,117	1,002	1,081	948	888	798	948
Total assets	\$ 16,159	\$ 14,089	\$ 15,743	\$ 13,206	\$ 12,146	\$ 10,895	\$ 9,071
Debt, including current maturities	\$ 3,064	\$ 2,772	\$ 2,764	\$ 1,762	\$ 1,768	\$ 1,021	\$ 18
Shareholders' equity	\$ 9,063	\$ 8,456	\$ 9,047	\$ 8,597	\$ 7,683	\$ 7,174	\$ 6,595

(1) Includes restructuring and asset impairment charges.

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RISK FACTORS

*An investment in the notes involves a high degree of risk. Before deciding to purchase any notes, you should carefully consider the risks and uncertainties set forth below and the risks and uncertainties incorporated by reference in this prospectus supplement and the accompanying prospectus, including the information included under **Risk Factors** in our Annual Report on Form 10-K for the year ended December 31, 2013, and in other documents that we subsequently file with the SEC.*

These risks and uncertainties are not the only ones facing us. There may be other risks that a prospective investor should consider that are relevant to that investor's own particular circumstances or generally.

Risks Related to the Notes

The notes are effectively junior to our existing and future secured debt and the existing and future liabilities of our subsidiaries.

The notes are our senior obligations and will rank equally in right of payment with our other existing and future senior unsecured obligations. The notes are not secured by any of our assets. Any future claims of our secured lenders with respect to assets securing their loans will be prior to any claim of the holders of the notes with respect to those assets. Holders of secured debt that we have now or may issue in the future may foreclose on the assets securing such debt, reducing the cash flow from the foreclosed property available for payment of unsecured debt, including the notes. Holders of our secured debt also would have priority over unsecured creditors in the event of our bankruptcy, liquidation or similar proceeding. As a result, the notes will be effectively junior to any secured debt that we may issue in the future.

Our operations are partially conducted through our subsidiaries that are separate and distinct legal entities from us. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds to meet our payment obligations on the notes, whether in the form of dividends, distributions, loans or other payments. In addition, any payment of dividends, loans or advances by our subsidiaries could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries are contingent upon the subsidiaries' earnings, cash flow and other business considerations. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we are a creditor of any of our subsidiaries, our right as a creditor would be subordinate to any security interest in such assets of our subsidiaries and any indebtedness of our subsidiaries senior in right of payment to that held by us. At March 31, 2014, we had approximately \$24 million of indebtedness outstanding on a consolidated basis that would rank structurally senior to the notes and approximately \$3,040 million of indebtedness outstanding on a consolidated basis that would rank equally with the notes.

We may issue additional notes.

Under the terms of the Indenture that governs each series of notes, we may from time to time without notice to, or the consent of, the holders of the applicable series of notes, create and issue additional notes of a new or existing series, which notes, if of an existing series, will be equal in rank to the notes of that series in all material respects so that the new notes may be consolidated and form a single series with such notes and have the same terms as to status, redemption or otherwise (except for the issue date, the public offering price and, in some cases, the first interest payment date) as such notes.

Redemption may adversely affect your return on the notes.

The notes are redeemable at our option, and therefore we may choose to redeem the notes at times when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the proceeds you receive from the redemption in a comparable security at an effective interest rate as high as the interest rate on your notes being redeemed.