

STRYKER CORP (SYK)

Date: 7/8/2010

Stock Prices

Current Price = \$52.48

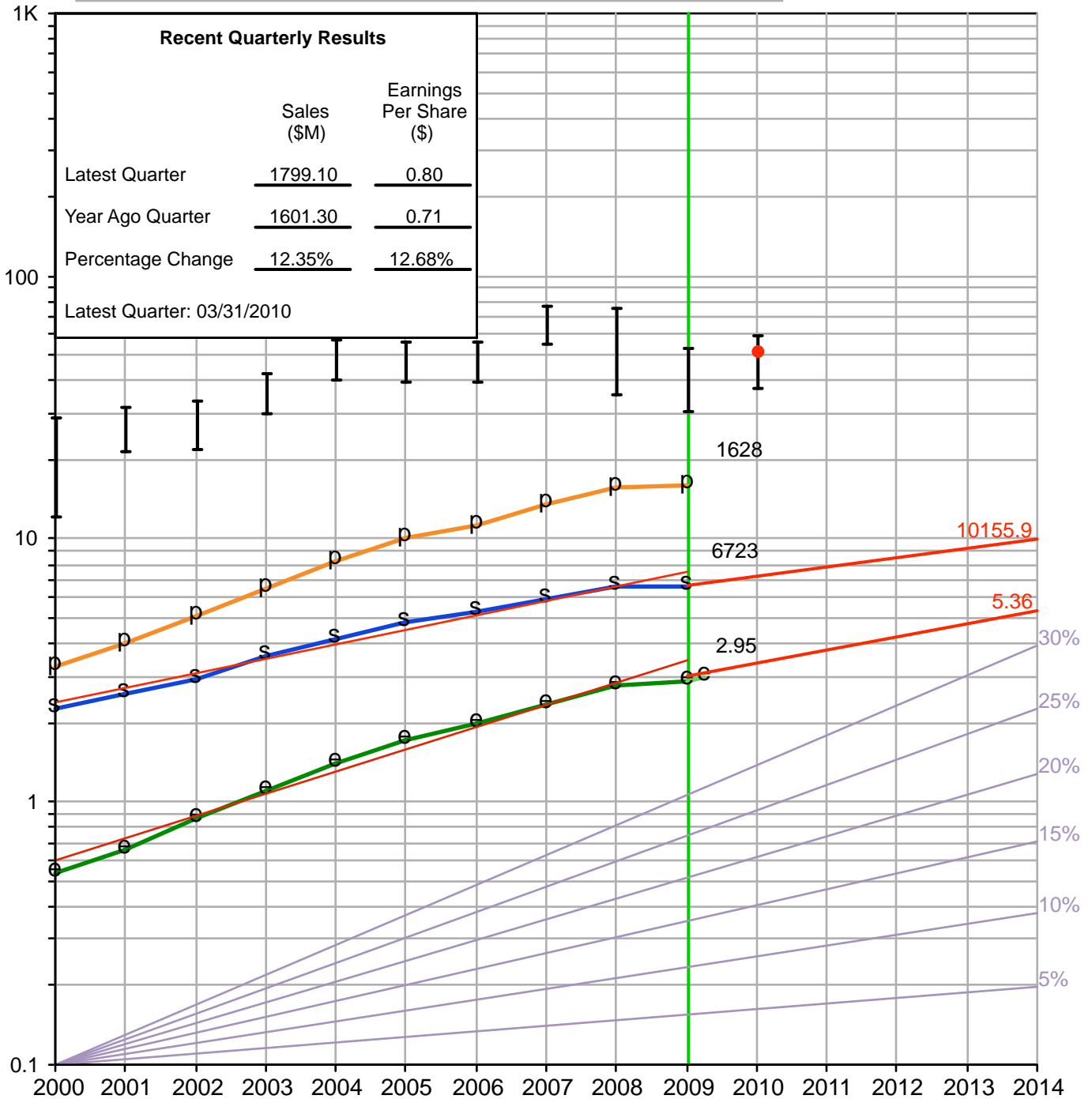
52 Week Range = \$37.14 to \$59.72

Exchange: NYSE

Industry:

Share Data

Authorized	Issued	Debt (\$M): 1023.80
Preferred:	0.000	% Total Cap.: 13.31%
Common: 400.100	396.700	
Preferred Stock Dividend:	Dilution: 2.900	



(1) Historical Sales Growth = 13.65%
 (2) Estimated Sales Growth = 8.60%

(3) Historical EPS Growth = 21.54%
 (4) Estimated EPS Growth = 12.0%

ACE 5-year EPS Growth Estimate = 12.6%

2 EVALUATING MANAGEMENT

STRYKER CORP (SYK) - 07/07/2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	5 Yr Ave	Trend
% Pretax Profit on Sales (Net Before Tax/Sales)	14.6	15.6	17.4	18.2	19.7	20.9	21.4	23.2	24.0	24.2	22.7	UP
% Earned on Invested Capital (EPS/Book Val)	25.2	24.9	23.3	20.8	20.9	21.8	19.6	18.3	20.7	17.8	19.6	DOWN
% Debt to Equity	102.6	68.1	32.8	0.9	0.0	5.7	0.0	0.0	0.0	0.0	1.1	DOWN

3 PRICE & EARNINGS HISTORY

Current Price: 52.48

52 Week High= 59.72

52 Week Low= 37.14

Year	High Price	Low Price	EPS	PE High	PE Low	Dividend	Payout	High Yield
2005	56.3	39.7	1.75	32.2	22.7	0.110	6.3	0.3
2006	55.9	39.8	2.02	27.7	19.7	0.220	10.9	0.6
2007	76.9	54.9	2.40	32.0	22.9	0.330	13.8	0.6
2008	74.9	35.4	2.83	26.5	12.5	0.400	14.1	1.1
2009	52.7	30.8	2.95	17.9	10.4	0.250	8.5	0.8
TOTAL	316.7	200.6						
AVE	63.3	40.1		27.3	17.6		10.7	
Average Price Earnings Ratio: 22.5					Current Price Earnings Ratio: 17.3			

Current PE Ratio Based on Current EPS [\$3.04]

Projected PE Ratio of [15.4] Based on Projected EPS [\$3.4]

4 EVALUATING BUY, HOLD, & SELL

A. CALCULATED HIGH PRICE - 5 YEARS

Ave High PE 22.0 X Estimated High Earnings/Share 5.36 Projected High Price = \$ 117.9

B. CALCULATED LOW PRICE - 5 YEARS

(a) Avg. Low P/E 17.6 X Estimated Low Earnings/Share 2.95 = \$ 51.92

(b) Avg. Low Price of Last 5 Years = \$40.1 (e) Price Variant = \$37.8

(c) Recent Market Low = \$30.8

(d) Dividend Price Support = \$22.7

Selected Estimated Low Price \$ 30.8

C. BUY/HOLD/SELL ZONES

Selected High of \$117.90 minus Selected Low of \$30.80 = \$87.10 Range. 1/4 of Range = \$21.775

Lower 1/3 = \$30.8 To \$52.58 (Buy)

25%/50%/25% Zoning

Center 1/3 = \$52.58 To \$96.12 (Hold)

Upper 1/3 = \$96.12 To \$117.9 (Sell)

D. UPSIDE RISK ANALYSIS

High Price 117.9 - Current Price 52.48 = **3.0** to 1

Current price of \$52.48 is in the BUY zone

Current Price 52.48 - Low Price 30.8

PEG Ratio = 1.44 Relative Value = 76.9%

Proj PEG = 1.28 Proj Rel Value = 68.5%

5 YIELD ANALYSIS

Current Yield = (100 * Current Dividend) ÷ Current Price = 100 * 0.60 / 52.5 = 1.1%

Ave. 5 Yr. Yield = (Ave. EPS(5Yr) * Ave. Payout) ÷ Current Price = (4.14 * 10.7) / 52.5 = 0.8%

Price Appreciation = ((100 * Projected High Price ÷ Current Price) - 100) ÷ 5 = 24.9 %

Average Total Return = Price Appreciation + Ave. 5 Yr. Yield = 25.7 %

	P.A.R	Tot. Ret.
Average Yield	0.5%	0.5%
Annual Appreciation	<u>15.1%</u>	<u>17.6%</u>
Compounded Annual Return	15.6%	18.1%