

# Investor Presentation

## Q4 2019

INTUITIVE

# Forward looking statement

These slides and any accompanying oral presentation by Intuitive Surgical, Inc. contain estimates and forward-looking statements. Actual results may differ materially from those expressed or implied as a result of certain risks and uncertainties. These risks and uncertainties are described in detail in the Company's Securities and Exchange Commission filings.

Note: Some products shown in this presentation may not yet have obtained regulatory clearances in this country. These products are therefore not for sale in this market. Please check with your local Regulatory contact for current status.

# As of 2018, there were...

**1500+**

peer reviewed  
articles published

**1,000,000+**

procedures  
performed

**900**

da Vinci systems  
placed

Cumulative

**18,000+**

peer reviewed  
articles published

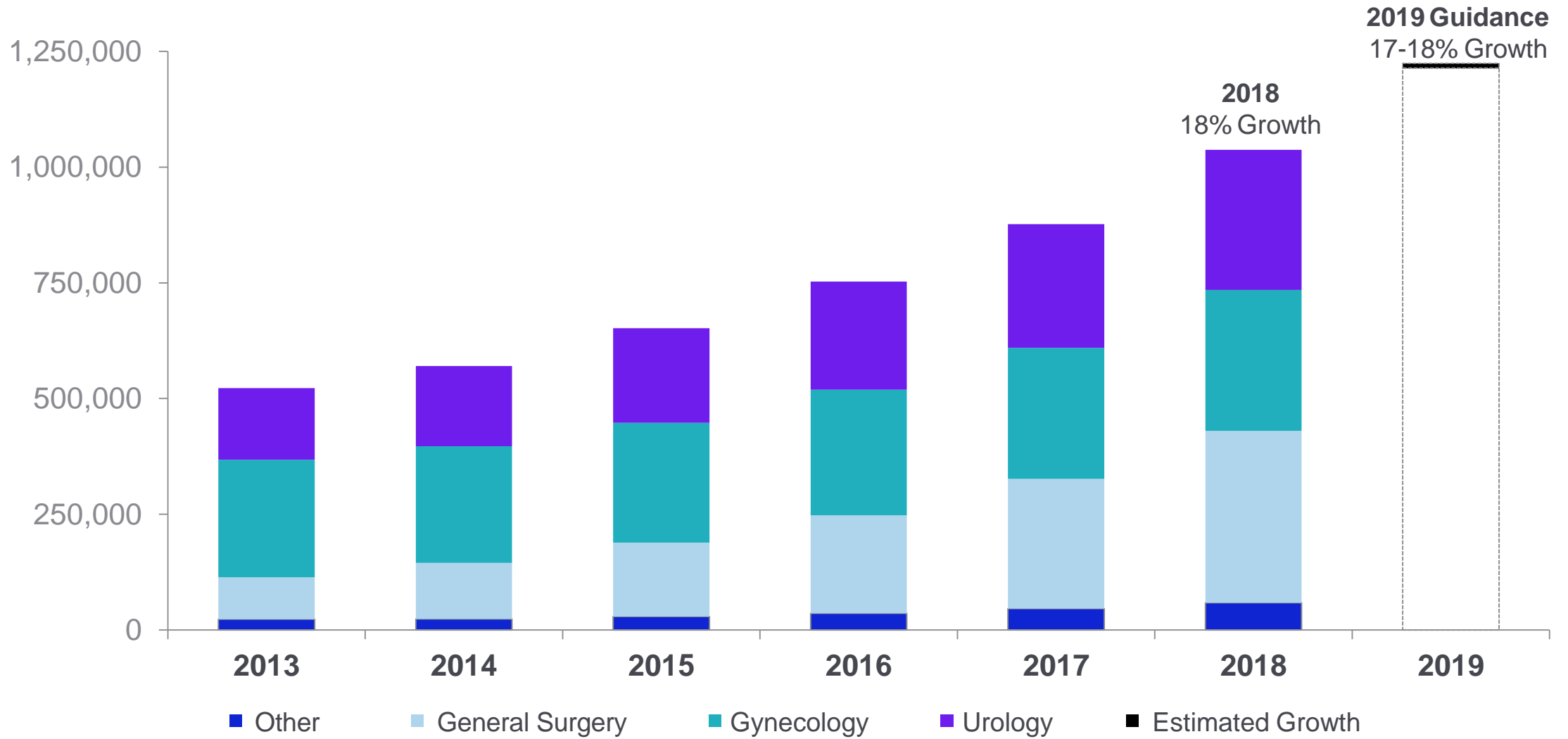
**6,000,000+**

procedures  
performed

**4986**

da Vinci systems  
placed globally

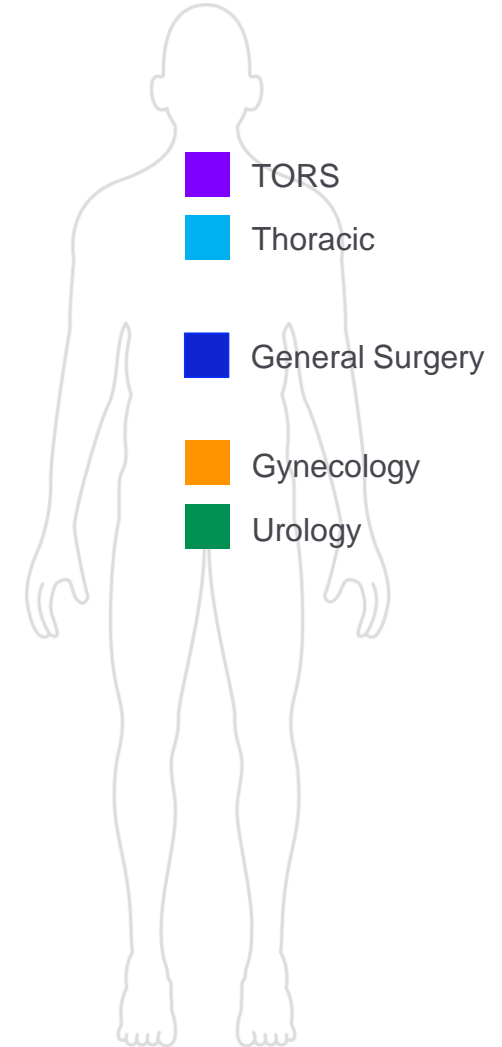
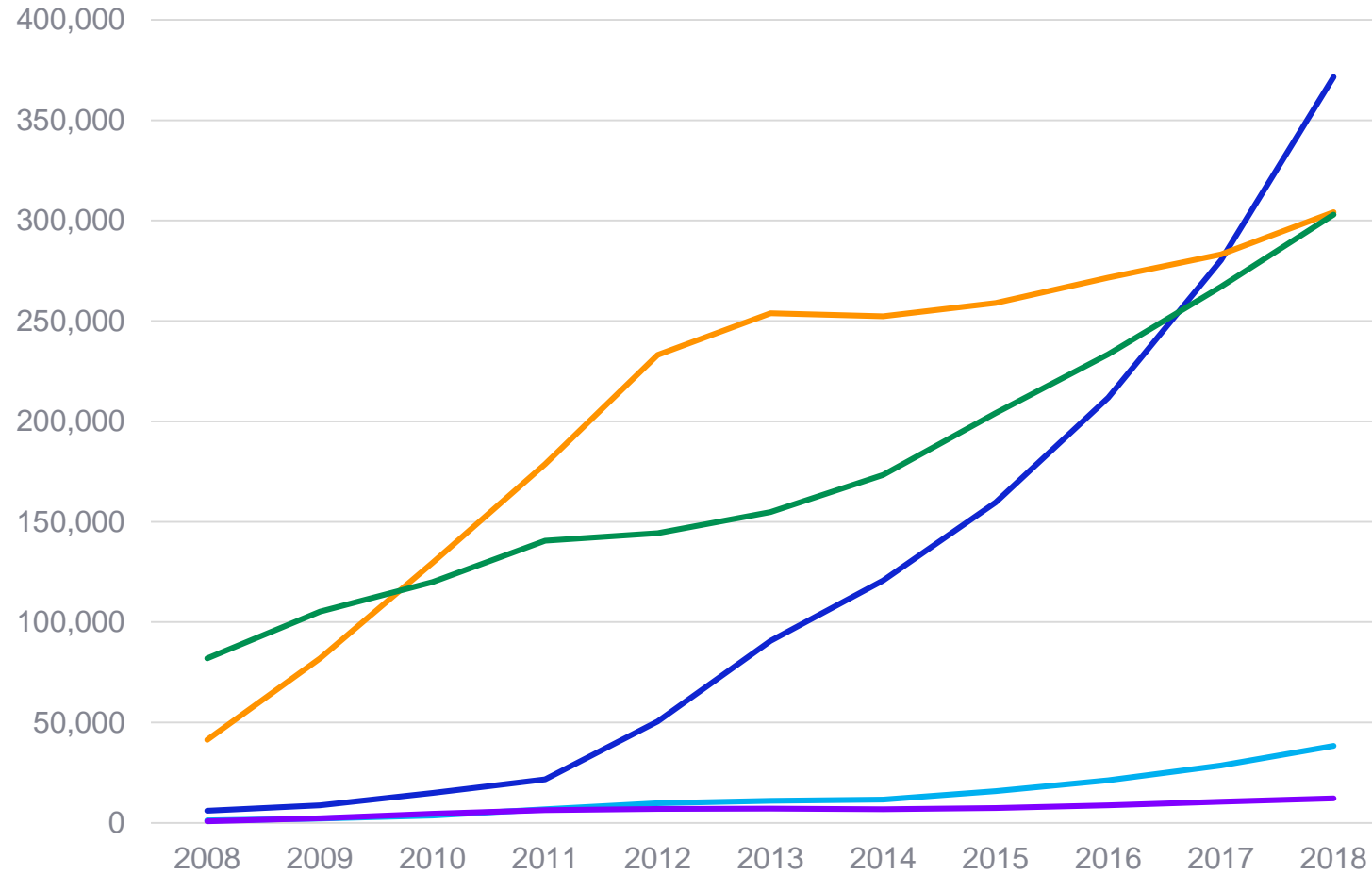
# Worldwide Procedure Trend



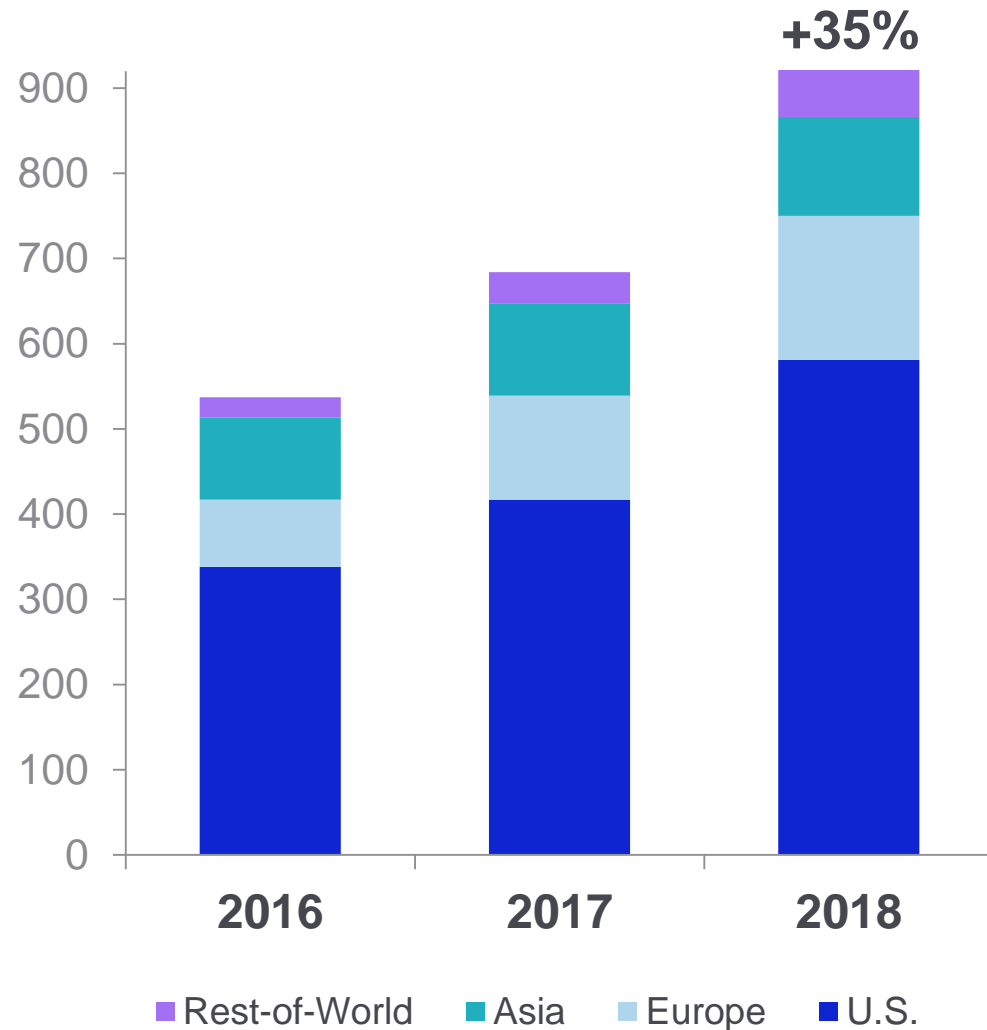
# Growth in procedure categories

Global over past 10 years

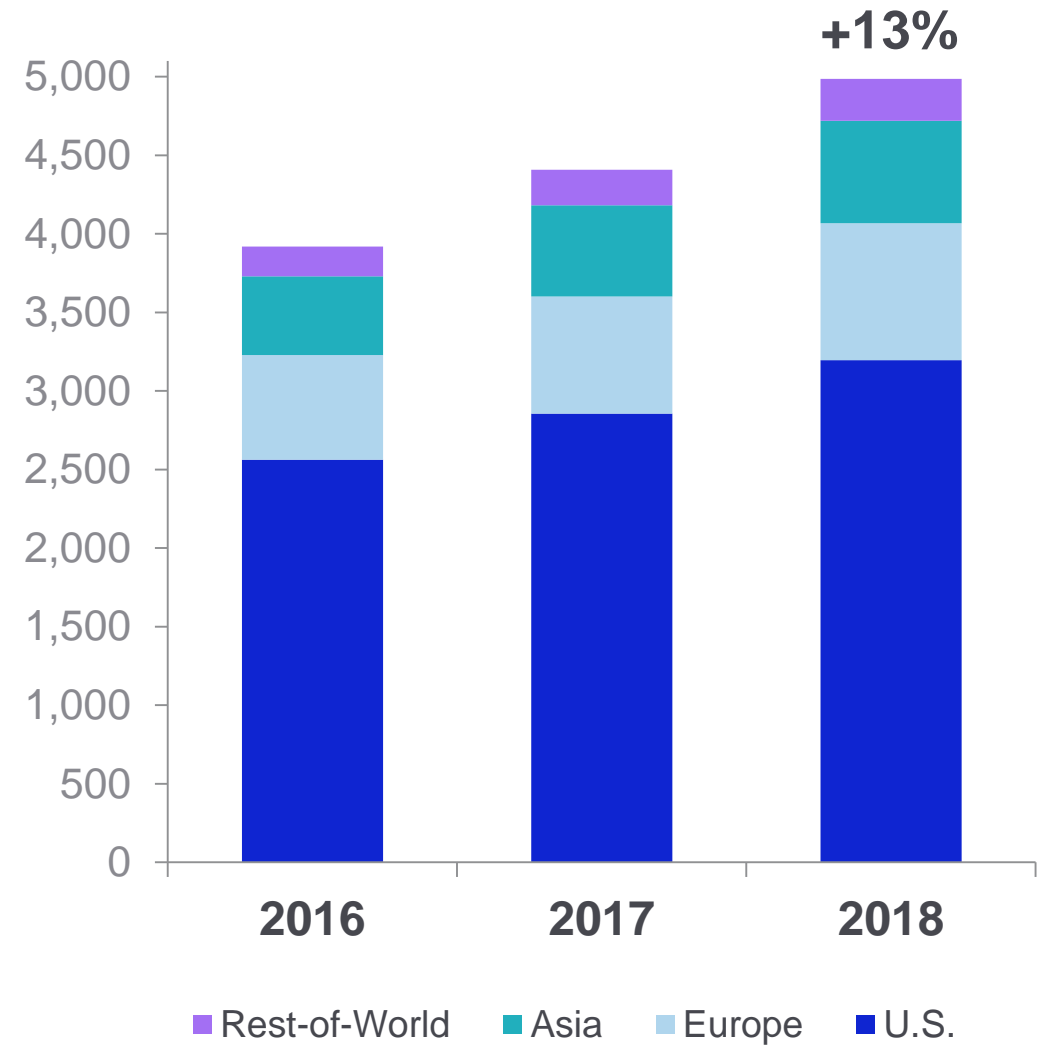
As of December 31, 2018



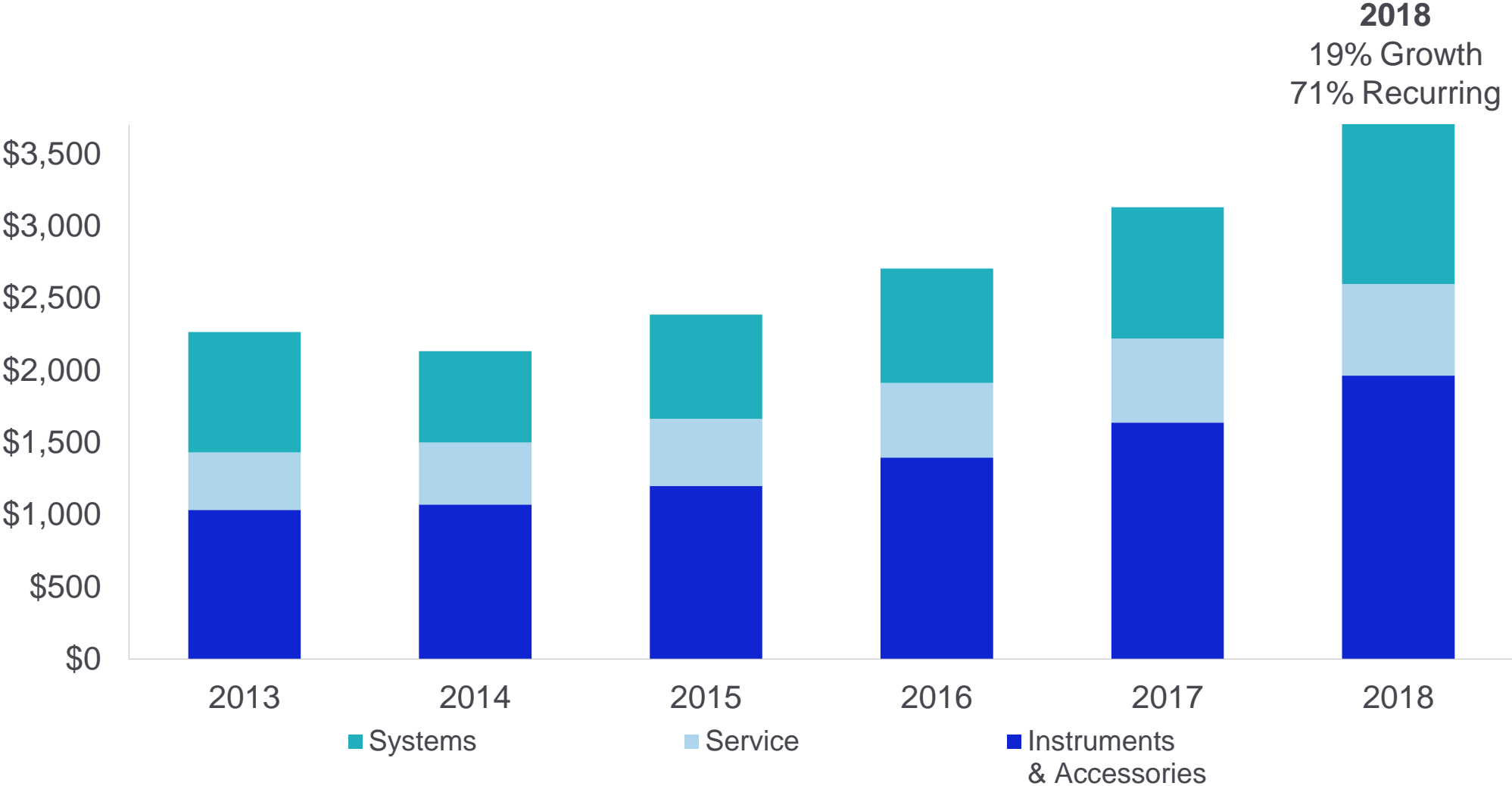
# System Placements



# Installed Base



# Total Revenue\*



\*Dollar amounts in millions

# Q3 YTD 2019 Highlights

## Da Vinci Procedure Growth

**18%** vs Q3 YTD 2018

**17% US** Driven by general surgery, thoracic, urology, and benign gynecology procedures

**21% OUS** Driven by urology, early stage general surgery, and gynecology

Strength in Germany, France, Japan, and Korea

## Da Vinci Surgical Systems Shipped

**783** vs 636 Q3 YTD 2018

## Da Vinci Installed Base

**5,406 globally, up 12%** vs Sep 30, 2018

## FDA 510(k) Clearances

**Ion™**: endoluminal system for lung biopsy

**Iris™**: augmented reality overlay software

**Da Vinci SP®**: transoral surgery indication

**SureForm™**: 45mm stapler

**Da Vinci** Handheld Camera

## Revenue

**\$3.2 billion**

**20% growth** vs Q3 YTD 2018

## Proforma Operating Profit \*

**\$1.3 billion** (40% of net revenue)

**14% growth** vs Q3 YTD 2018



# Recurring Revenue Model

## 2018: 71% Recurring Revenue

- Including \$51M Systems Leasing



da Vinci® Surgical System

\$0.5M - \$2.5M

2018 Rev: \$1,127M



Instruments & Accessories

\$700-\$3,500 per Procedure

2018 Rev: \$1,962M



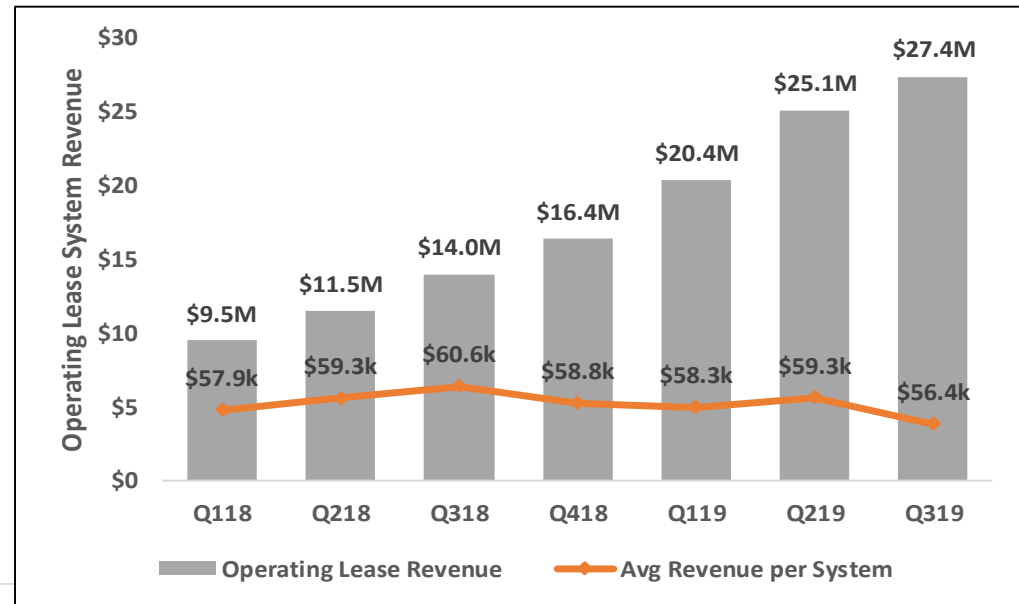
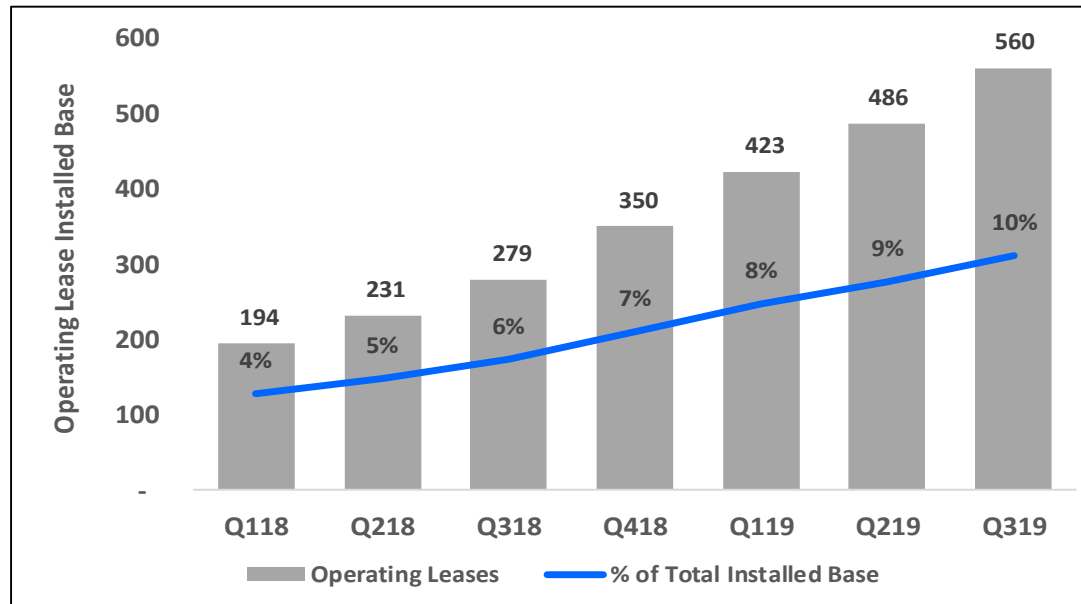
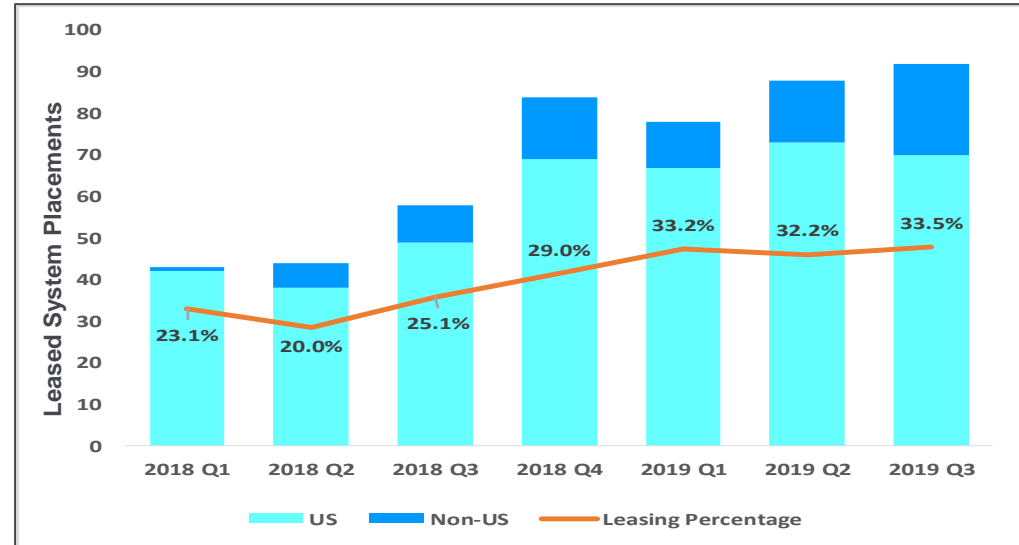
Service

\$80K - \$190K/Year

2018 Rev: \$635M

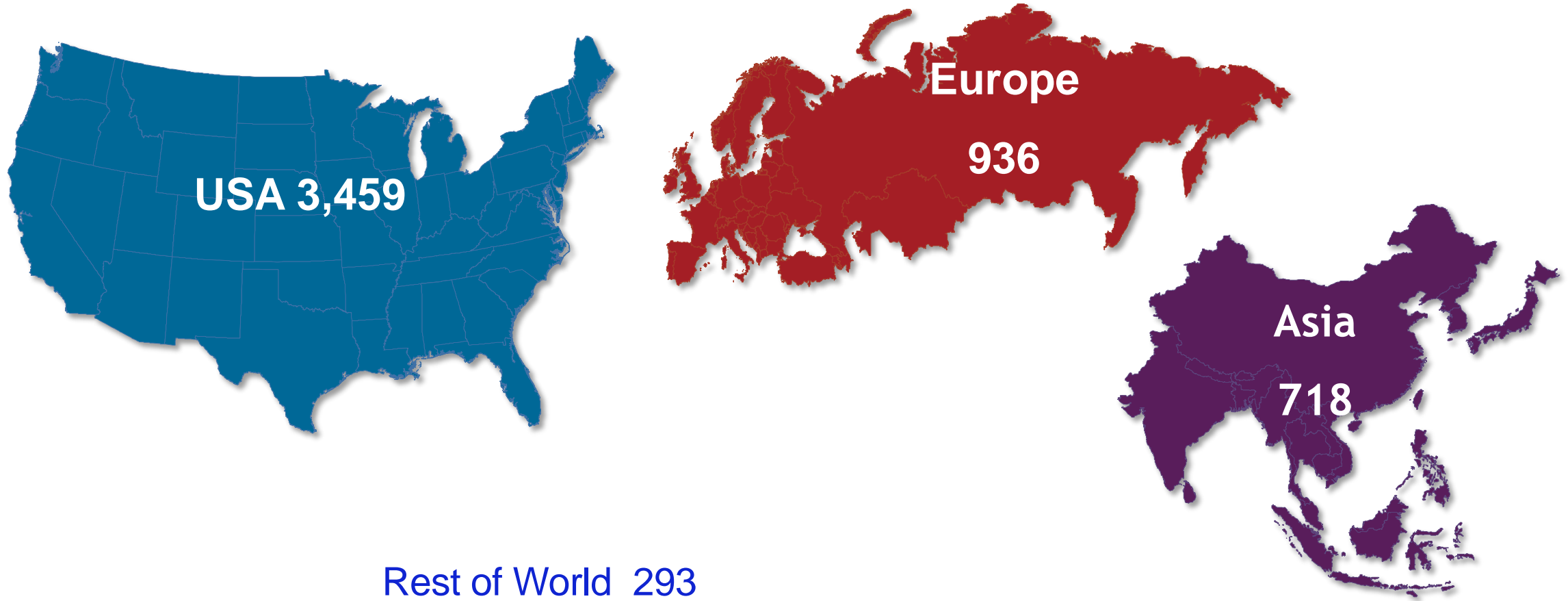
# Da Vinci Systems Operating Leasing Program

- Da Vinci direct leasing program established in 2013 with expansion to date.
- Enables customers to establish or expand their robotics programs without the initial capital investment.
- Revenue and gross profit earned ratably over the lease term rather than at the time of placement for systems sold.
- Gross margins for leasing arrangements during the term of the lease are similar to gross margins for purchased systems.
- 33% of Q3 YTD 2019 system placements and 10% of Q3 2019 ending installed base were under operating leases.



# da Vinci System Installed Base

5,406 Worldwide as of September 30, 2019



560 of 5,406 installed systems under operating lease.

**Where are we heading in 2019  
and beyond?**

# Our goal is not a mystery

Better outcomes

Better patient experience

Better care team experience

Lower total cost of care

requires



**more than minimally  
invasive tools.**

**more than digital  
technology.**

# How we get there: Through ingenuity and intelligent technology that expands the potential of physicians to heal without constraints

Better outcomes

Advanced tools & technologies



Better patient experience

Augmentation of care team capabilities



Better care team experience

Data analytics for deep insight and guidance

Lower total cost of care

Substitution of Invasive modalities



FDA 510(k)  
Clearance  
Q1 '19:

Da Vinci SP for  
transoral  
surgery  
indication.



FDA 510(k)  
Clearance  
Q1 '19:

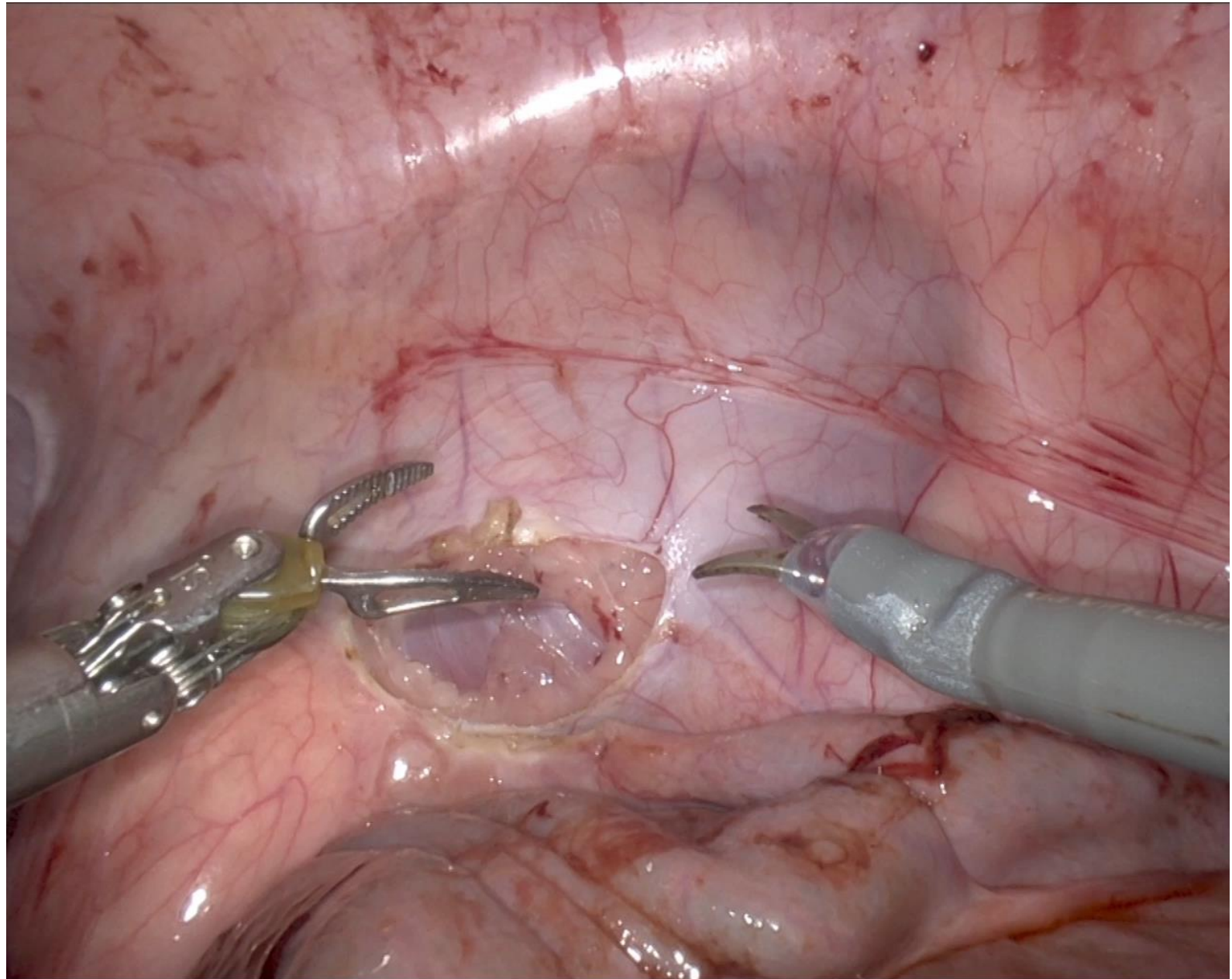
Ion™ endoluminal  
system to enable  
minimally invasive  
biopsy in the  
peripheral lung.





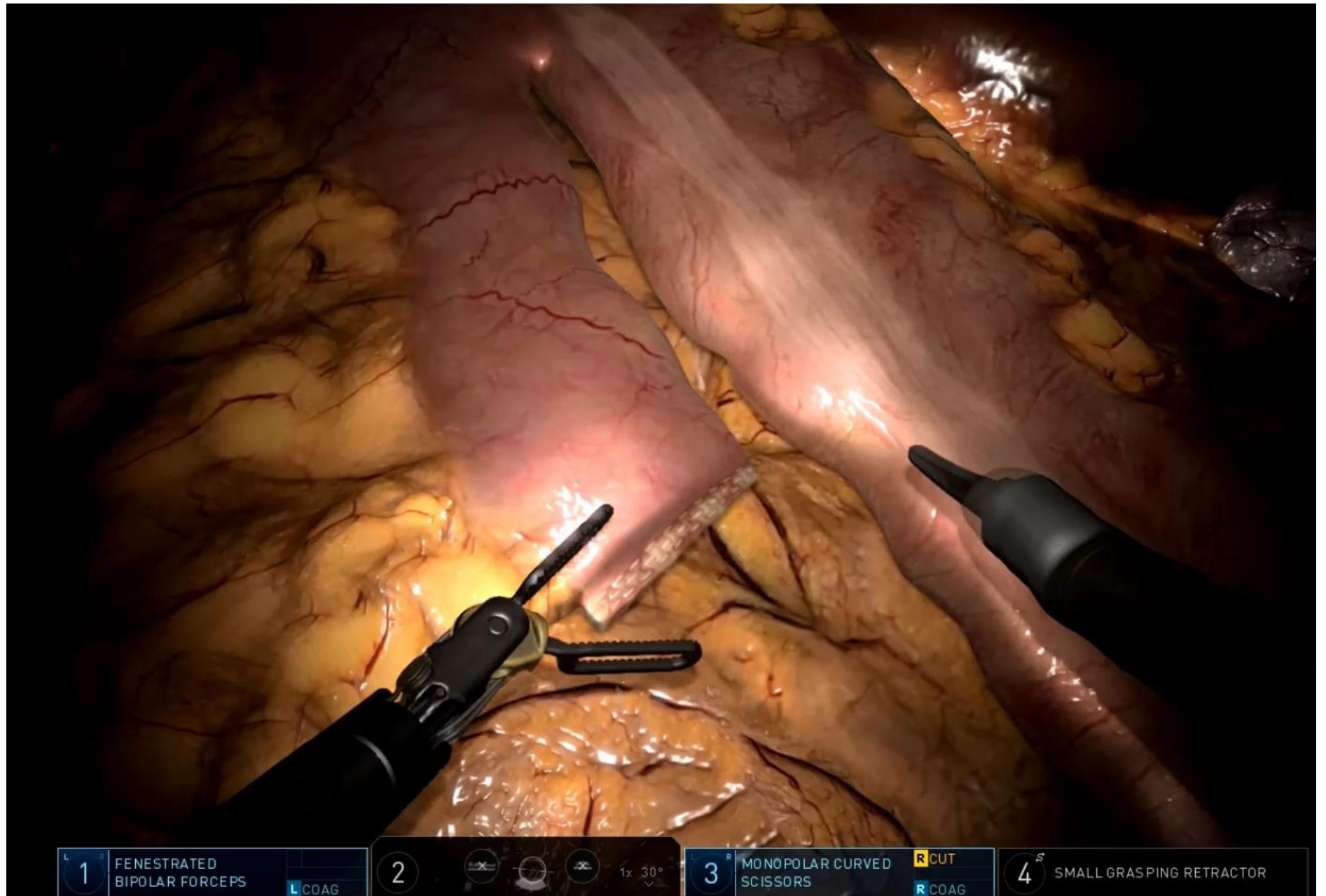
FDA 510(k)  
Clearance Q1 '19:

Iris™ augmented  
reality product.

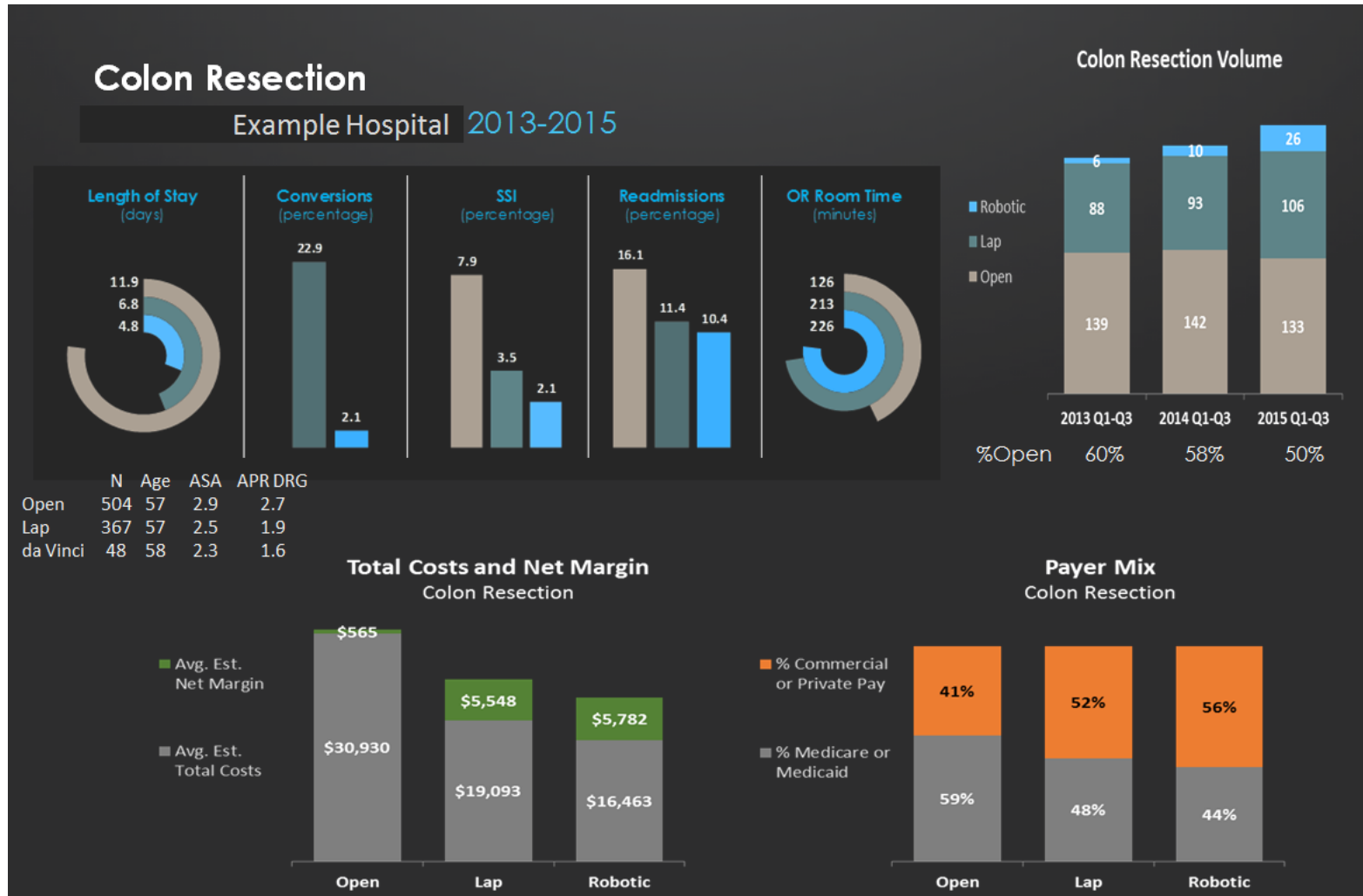


Simulation is becoming increasingly capable.

More than 3,200 da Vinci simulators installed as of 9/30/19.



# Meaningful insights are key to achieving more predictable outcomes



**Minimally invasive interventions are a sophisticated ecosystem of highly trained professionals organized around the care for an ill person.**



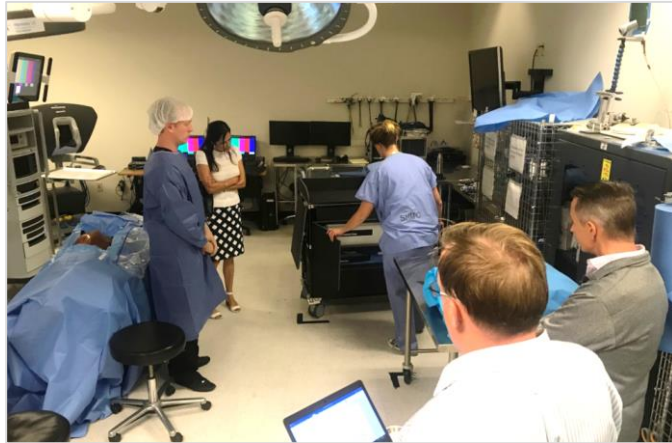
# Care team



# Control center



# Intelligent Surgery



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## Human understanding

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Time and Motion Studies

Design

Human Factors

## Smart systems & instruments

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Cloud-based systems

EndoWrist instruments

Advanced visualization

## Digital insights

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Procedure reports

Strategic and financial insights

OR operational Insights

# Our investment philosophy

The need for improvement in acute interventions is substantial and durable; we are assertive in pursuit of organic innovation in products and regions as first priority.

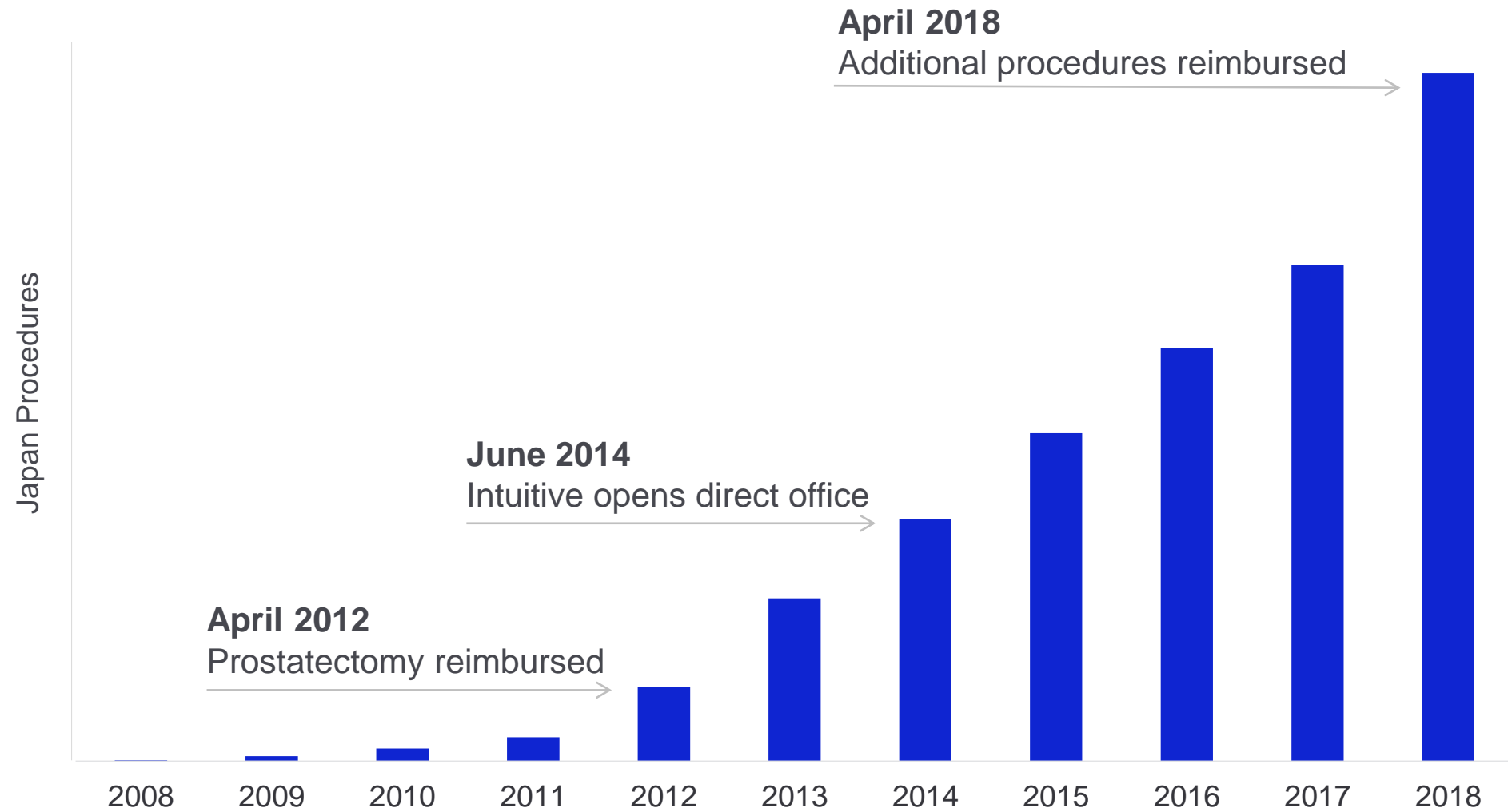
As we grow, we invest in operational efficiencies at scale to allow for flexibility in pricing for customers and re-investment in our business.

We pursue collaborations and acquisitions that can accelerate outcome and efficiency improvements.

We return capital to shareholders with a focus on *long-term* value.

At this point in time, we believe we have a unique opportunity to expand the benefits of minimally invasive medical interventions around the world and will continue to invest in the business accordingly.

# Intuitive Japan





# Recent Regional Investments

Invested in China through Intuitive Fosun  
Pharma joint venture – Chindex division of Fosun  
Pharma integration into JV starting in Q1 2019

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Acquired Intuitive business in Taiwan in Q4 2018

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Acquired Intuitive business in India in Q2 2018

Germany - Acquired Schölly Fiberoptic's robotic  
endoscope business



# 2019 Priorities

Accelerate access to and quality of surgery and acute interventions

Support Adoption in General Surgery and in key procedures in OUS markets

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Launch da Vinci SP and Ion platforms

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Drive intelligent surgery innovation

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Drive clinical and economic validation in emerging regions & procedures

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INTUITIVE

[Intuitive.com](https://Intuitive.com)