

**INTUITIVE SURGICAL, INC.**  
**TABLE OF CONTENTS**

<b>Section</b>	<b>Page No.</b>
<a href="#"><u>Trended Unaudited Quarterly and Annual Condensed Consolidated Statements of Income (GAAP) and Other Metrics</u></a>	<a href="#"><u>2</u></a>
<a href="#"><u>Trended Unaudited Quarterly and Annual Non-GAAP Financial Measures</u></a>	<a href="#"><u>3</u></a>
<a href="#"><u>Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics - Worldwide</u></a>	<a href="#"><u>4</u></a>
<a href="#"><u>Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics - By Geography</u></a>	<a href="#"><u>5</u></a>
<a href="#"><u>Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics - Da Vinci Worldwide</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics - Da Vinci by Geography</u></a>	<a href="#"><u>7</u></a>
<a href="#"><u>Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics - Ion Worldwide</u></a>	<a href="#"><u>8</u></a>
<a href="#"><u>Reconciliation of Unaudited GAAP to Non-GAAP Financial Measures</u></a>	<a href="#"><u>9</u></a>

**Intuitive Surgical, Inc.**  
**Trended Unaudited Quarterly and Annual Condensed Consolidated Statements of Income (GAAP) and Other Metrics**  
**(in millions, except per share data and headcount)**  
**2024 - 2026**

	<u>Q1'24</u>	<u>Q2'24</u>	<u>Q3'24</u>	<u>Q4'24</u>	<u>Q1'25</u>	<u>Q2'25</u>	<u>Q3'25</u>	<u>Q4'25</u>	<u>Q1'26</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u> <u>YTD</u>
<b><u>Condensed Consolidated Statements of Income</u></b>												
Revenue	\$1,890.6	\$2,009.9	\$2,038.1	\$2,413.5	\$2,253.4	\$2,440.0	\$2,505.1	\$2,866.2	\$2,770.8	\$8,352.1	\$10,064.7	\$2,770.8
Gross Profit	1,245.4	1,372.7	1,373.9	1,642.2	1,457.7	1,617.9	1,662.4	1,904.3	1,830.5	5,634.2	6,642.3	1,830.5
<i>Gross Profit Margin</i>	65.9%	68.3%	67.4%	68.0%	64.7%	66.3%	66.4%	66.4%	66.1%	67.5%	66.0%	66.1%
Selling, General, and Administrative (“SG&A”) Expenses	491.5	525.3	510.6	612.6	563.4	561.2	573.3	687.1	613.3	2,140.0	2,385.0	613.3
Research and Development (“R&D”) Expenses	284.5	280.1	286.0	294.7	316.2	313.3	329.4	352.9	361.9	1,145.3	1,311.8	361.9
Total Operating Expenses	776.0	805.4	796.6	907.3	879.6	874.5	902.7	1,040.0	975.2	3,285.3	3,696.8	975.2
Income from Operations	469.4	567.3	577.3	734.9	578.1	743.4	759.7	864.3	855.3	2,348.9	2,945.5	855.3
<i>Operating Margin</i>	24.8%	28.2%	28.3%	30.4%	25.7%	30.5%	30.3%	30.2%	30.9%	28.1%	29.3%	30.9%
Interest and Other Income, Net	69.1	87.2	93.7	74.9	90.4	88.7	95.5	91.3	85.1	324.9	365.9	85.1
Income Before Taxes	538.5	654.5	671.0	809.8	668.5	832.1	855.2	955.6	940.4	2,673.8	3,311.4	940.4
Income Tax Expense (Benefit)	(8.9)	123.0	100.4	121.8	(35.2)	167.9	146.0	156.1	114.4	336.3	434.8	114.4
<i>Effective Tax Rate</i>	(1.7)%	18.8%	15.0%	15.0%	(5.3)%	20.2%	17.1%	16.3%	12.2%	12.6%	13.1%	12.2%
Net Income	547.4	531.5	570.6	688.0	703.7	664.2	709.2	799.5	826.0	2,337.5	2,876.6	826.0
Less: Net Income Attributable to Noncontrolling Interest in Joint Venture	2.5	4.6	5.5	2.3	5.3	5.8	4.8	4.7	4.5	14.9	20.6	4.5
Net Income Attributable to Intuitive Surgical, Inc.	\$ 544.9	\$ 526.9	\$ 565.1	\$ 685.7	\$ 698.4	\$ 658.4	\$ 704.4	\$ 794.8	\$ 821.5	\$ 2,322.6	\$ 2,856.0	\$ 821.5
Net Income Per Share Attributable to Intuitive Surgical, Inc.	\$ 1.51	\$ 1.46	\$ 1.56	\$ 1.88	\$ 1.92	\$ 1.81	\$ 1.95	\$ 2.21	\$ 2.28	\$ 6.42	\$ 7.87	\$ 2.28
Diluted Shares Outstanding	360.5	361.0	362.7	363.9	364.6	364.1	361.8	360.4	359.8	362.0	362.7	359.8
<b><u>Other Metrics</u></b>												
Cash and Investments	\$ 7,323	\$ 7,683	\$ 8,312	\$ 8,832	\$ 9,101	\$ 9,533	\$ 8,433	\$ 9,034	\$ 7,979	\$ 8,832	\$ 9,034	\$ 7,979
Capital Expenditures and Acquisitions	\$ 243.6	\$ 310.3	\$ 248.3	\$ 313.0	\$ 116.6	\$ 156.5	\$ 105.4	\$ 175.2	\$ 631.5	\$ 1,115.2	\$ 553.7	\$ 631.5
Share Repurchases	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 181.0	\$ 1,919.6	\$ 200.3	\$ 1,127.5	\$ —	\$ 2,301.0	\$ 1,127.5
Headcount	14,118	14,668	15,333	15,638	16,173	16,475	16,813	17,021	17,446	15,638	17,021	17,446

**Intuitive Surgical, Inc.**  
**Trended Unaudited Quarterly and Annual Non-GAAP Financial Measures (#)**  
**(in millions, except per share data)**  
**2024 - 2026**

	<u>Q1'24</u>	<u>Q2'24</u>	<u>Q3'24</u>	<u>Q4'24</u>	<u>Q1'25</u>	<u>Q2'25</u>	<u>Q3'25</u>	<u>Q4'25</u>	<u>Q1'26</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u> <u>YTD</u>
Non-GAAP Gross Profit Margin	67.6%	70.0%	69.1%	69.5%	66.4%	67.9%	68.0%	67.8%	67.8%	69.1%	67.6%	67.8%
Non-GAAP SG&A Expenses	\$ 422.2	\$ 438.1	\$ 432.7	\$ 522.2	\$ 482.2	\$ 472.4	\$ 476.7	\$ 599.3	\$ 522.5	\$ 1,815.2	\$ 2,030.6	\$ 522.5
Non-GAAP R&D Expenses	\$ 226.4	\$ 214.0	\$ 220.2	\$ 228.5	\$ 246.9	\$ 238.1	\$ 251.2	\$ 272.4	\$ 279.8	\$ 889.1	\$ 1,008.6	\$ 279.8
Non-GAAP Operating Margin	33.3%	37.5%	37.0%	38.4%	34.1%	38.8%	39.0%	37.3%	38.9%	36.7%	37.4%	38.9%
Non-GAAP Income Before Taxes	\$ 702.5	\$ 833.5	\$ 849.5	\$ 1,015.3	\$ 858.5	\$ 1,039.7	\$ 1,068.4	\$ 1,156.8	\$ 1,161.3	\$ 3,400.8	\$ 4,123.4	\$ 1,161.3
Non-GAAP Net Income Attributable to Intuitive Surgical, Inc.	\$ 541.1	\$ 641.0	\$ 669.1	\$ 804.7	\$ 661.5	\$ 797.9	\$ 867.2	\$ 913.6	\$ 901.1	\$ 2,655.9	\$ 3,240.2	\$ 901.1
Non-GAAP Net Income Per Share Attributable to Intuitive Surgical, Inc.	\$ 1.50	\$ 1.78	\$ 1.84	\$ 2.21	\$ 1.81	\$ 2.19	\$ 2.40	\$ 2.53	\$ 2.50	\$ 7.34	\$ 8.93	\$ 2.50
Diluted Shares Outstanding	360.5	361.0	362.7	363.9	364.6	364.1	361.8	360.4	359.8	362.0	362.7	359.8

**Intuitive Surgical, Inc.**  
**Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics**  
**Worldwide**  
**2024 - 2026**

	<b>Q1'24</b>	<b>Q2'24</b>	<b>Q3'24</b>	<b>Q4'24</b>	<b>Q1'25</b>	<b>Q2'25</b>	<b>Q3'25</b>	<b>Q4'25</b>	<b>Q1'26</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26 YTD</b>
<b>Revenue and Related Metrics</b>												
Instruments and Accessories Revenue (millions)	\$ 1,158.9	\$ 1,244.4	\$ 1,264.2	\$ 1,411.5	\$ 1,367.7	\$ 1,474.1	\$ 1,518.8	\$ 1,658.3	\$ 1,686.4	\$ 5,079.0	\$ 6,018.9	\$ 1,686.4
<i>Year-over-year growth</i>	18%	16%	18%	23%	18%	18%	20%	17%	23%	19%	19%	23%
<i>Quarter-over-quarter growth (decline)</i>	1%	7%	2%	12%	(3)%	8%	3%	9%	2%			
<i>Year-over-year da Vinci procedure growth</i>	16%	17%	18%	18%	17%	17%	19%	17%	16%	17%	18%	16%
<i>Quarter-over-quarter da Vinci procedure growth</i>	2%	6%	1%	8%	1%	6%	3%	7%	—%			
Service Revenue (millions)	\$ 313.5	\$ 317.3	\$ 328.9	\$ 347.4	\$ 363.0	\$ 391.2	\$ 395.9	\$ 422.0	\$ 433.7	\$ 1,307.1	\$ 1,572.1	\$ 433.7
<i>Year-over-year growth</i>	11%	10%	12%	14%	16%	23%	20%	21%	19%	12%	20%	19%
<i>Quarter-over-quarter growth</i>	3%	1%	4%	6%	4%	8%	1%	7%	3%			
Operating Lease Revenue (millions)	\$ 148.0	\$ 156.9	\$ 167.8	\$ 181.5	\$ 195.2	\$ 213.8	\$ 223.0	\$ 242.3	\$ 250.2	\$ 654.2	\$ 874.3	\$ 250.2
<i>Year-over-year growth</i>	32%	28%	32%	31%	32%	36%	33%	33%	28%	31%	34%	28%
<i>Quarter-over-quarter growth</i>	7%	6%	7%	8%	8%	10%	4%	9%	3%			
Total Recurring Revenue (millions) <sup>(1)</sup>	\$ 1,620.4	\$ 1,718.6	\$ 1,760.9	\$ 1,940.4	\$ 1,925.9	\$ 2,079.1	\$ 2,137.7	\$ 2,322.6	\$ 2,370.3	\$ 7,040.3	\$ 8,465.3	\$ 2,370.3
<i>Year-over-year growth</i>	17%	16%	18%	22%	19%	21%	21%	20%	23%	18%	20%	23%
<i>Quarter-over-quarter growth (decline)</i>	2%	6%	2%	10%	(1)%	8%	3%	9%	2%			
<i>% Recurring Revenue</i>	86%	86%	86%	80%	85%	85%	85%	81%	86%	84%	84%	86%
Systems Revenue (millions)	\$ 418.2	\$ 448.2	\$ 445.0	\$ 654.6	\$ 522.7	\$ 574.7	\$ 590.4	\$ 785.9	\$ 650.7	\$ 1,966.0	\$ 2,473.7	\$ 650.7
<i>Year-over-year growth (decline)</i>	(2)%	14%	17%	36%	25%	28%	33%	20%	24%	17%	26%	24%
<i>Quarter-over-quarter growth (decline)</i>	(13)%	7%	(1)%	47%	(20)%	10%	3%	33%	(17)%			
Total Revenue (millions) <sup>(2)</sup>	\$ 1,890.6	\$ 2,009.9	\$ 2,038.1	\$ 2,413.5	\$ 2,253.4	\$ 2,440.0	\$ 2,505.1	\$ 2,866.2	\$ 2,770.8	\$ 8,352.1	\$ 10,064.7	\$ 2,770.8
<i>Year-over-year growth</i>	11%	14%	17%	25%	19%	21%	23%	19%	23%	17%	21%	23%
<i>Quarter-over-quarter growth (decline)</i>	(2)%	6%	1%	18%	(7)%	8%	3%	14%	(3)%			

<sup>(1)</sup> We present operating lease revenue, which is classified as systems revenue, as a component of total recurring revenue.

<sup>(2)</sup> Total revenue consists of instruments and accessories revenue, service revenue, and systems revenue.

**Intuitive Surgical, Inc.**  
**Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics**  
**By Geography**  
**2024 - 2026**

	<b>Q1'24</b>	<b>Q2'24</b>	<b>Q3'24</b>	<b>Q4'24</b>	<b>Q1'25</b>	<b>Q2'25</b>	<b>Q3'25</b>	<b>Q4'25</b>	<b>Q1'26</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26 YTD</b>
<b><u>U.S. Revenue and Related Metrics</u></b>												
Instruments and Accessories Revenue (millions)	\$ 822.4	\$ 891.4	\$ 904.8	\$ 1,007.8	\$ 963.8	\$ 1,017.3	\$ 1,062.0	\$ 1,160.3	\$ 1,121.8	\$ 3,626.4	\$ 4,203.4	\$ 1,121.8
<i>Year-over-year growth</i>	17%	17%	17%	23%	17%	14%	17%	15%	16%	19%	16%	16%
<i>Quarter-over-quarter growth (decline)</i>	—%	8%	2%	11%	(4)%	6%	4%	9%	(3)%			
<i>Year-over-year da Vinci procedure growth</i>	14%	14%	16%	15%	13%	14%	16%	15%	14%	15%	15%	14%
<i>Quarter-over-quarter da Vinci procedure growth (decline)</i>	—%	5%	1%	8%	(2)%	6%	2%	7%	(3)%			
Service Revenue (millions)	\$ 203.6	\$ 203.5	\$ 209.2	\$ 224.1	\$ 238.5	\$ 258.1	\$ 258.1	\$ 275.9	\$ 281.7	\$ 840.4	\$ 1,030.6	\$ 281.7
<i>Year-over-year growth</i>	9%	7%	11%	13%	17%	27%	23%	23%	18%	10%	23%	18%
<i>Quarter-over-quarter growth</i>	2%	—%	3%	7%	6%	8%	—%	7%	2%			
Systems Revenue (millions)	\$ 212.5	\$ 224.3	\$ 265.4	\$ 420.4	\$ 335.9	\$ 354.0	\$ 397.5	\$ 494.4	\$ 379.8	\$ 1,122.6	\$ 1,581.8	\$ 379.8
<i>Year-over-year growth (decline)</i>	(4)%	18%	23%	77%	58%	58%	50%	18%	13%	30%	41%	13%
<i>Quarter-over-quarter growth (decline)</i>	(11)%	6%	18%	58%	(20)%	5%	12%	24%	(23)%			
Total Revenue (millions)	\$ 1,238.5	\$ 1,319.2	\$ 1,379.4	\$ 1,652.3	\$ 1,538.2	\$ 1,629.4	\$ 1,717.6	\$ 1,930.6	\$ 1,783.3	\$ 5,589.4	\$ 6,815.8	\$ 1,783.3
<i>Year-over-year growth</i>	12%	15%	17%	32%	24%	24%	25%	17%	16%	19%	22%	16%
<i>Quarter-over-quarter growth (decline)</i>	(1)%	7%	5%	20%	(7)%	6%	5%	12%	(8)%			
<b><u>OUS Revenue and Related Metrics</u></b>												
Instruments and Accessories Revenue (millions)	\$ 336.5	\$ 353.0	\$ 359.4	\$ 403.7	\$ 403.9	\$ 456.8	\$ 456.8	\$ 498.0	\$ 564.6	\$ 336.5	\$ 403.9	\$ 564.6
<i>Year-over-year growth</i>	18%	13%	22%	24%	20%	29%	27%	23%	40%	19%	20%	40%
<i>Quarter-over-quarter growth</i>	4%	5%	2%	12%	—%	13%	—%	9%	13%			
<i>Year-over-year da Vinci procedure growth</i>	20%	22%	24%	25%	24%	23%	24%	21%	19%	23%	23%	19%
<i>Quarter-over-quarter da Vinci procedure growth</i>	7%	6%	2%	8%	6%	5%	3%	5%	5%			
Service Revenue (millions)	\$ 109.9	\$ 113.8	\$ 119.7	\$ 123.3	\$ 124.5	\$ 133.1	\$ 137.8	\$ 146.1	\$ 152.0	\$ 109.9	\$ 124.5	\$ 152.0
<i>Year-over-year growth</i>	14%	16%	15%	17%	13%	17%	15%	18%	22%	15%	16%	22%
<i>Quarter-over-quarter growth</i>	4%	4%	5%	3%	1%	7%	4%	6%	4%			
Systems Revenue (millions)	\$ 205.7	\$ 223.9	\$ 179.6	\$ 234.2	\$ 186.8	\$ 220.7	\$ 192.9	\$ 291.5	\$ 270.9	\$ 205.7	\$ 186.8	\$ 270.9
<i>Year-over-year growth (decline)</i>	—%	10%	10%	(3)%	(9)%	(1)%	7%	24%	45%	4%	6%	45%
<i>Quarter-over-quarter growth (decline)</i>	(15)%	9%	(20)%	30%	(20)%	18%	(13)%	51%	(7)%			
Total Revenue (millions)	\$ 652.1	\$ 690.7	\$ 658.7	\$ 761.2	\$ 715.2	\$ 810.6	\$ 787.5	\$ 935.6	\$ 987.5	\$ 652.1	\$ 715.2	\$ 987.5
<i>Year-over-year growth</i>	11%	13%	17%	13%	10%	17%	20%	23%	38%	13%	18%	38%
<i>Quarter-over-quarter growth (decline)</i>	(3)%	6%	(5)%	16%	(6)%	13%	(3)%	19%	6%			

**Intuitive Surgical, Inc.**  
**Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics**  
**Da Vinci Worldwide**  
**2024 - 2026**

	<u>Q1'24</u>	<u>Q2'24</u>	<u>Q3'24</u>	<u>Q4'24</u>	<u>Q1'25</u>	<u>Q2'25</u>	<u>Q3'25</u>	<u>Q4'25</u>	<u>Q1'26</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u> <u>YTD</u>
<b><u>Da Vinci System Installed Base Rollforward</u></b>												
Beginning da Vinci System Installed Base	8,606	8,887	9,203	9,539	9,902	10,189	10,488	10,763	11,106	8,606	9,902	11,106
Systems Placed:												
Dual Console da Vinci X Systems	—	3	—	2	—	2	1	3	3	5	6	3
Single Console da Vinci X Systems	38	38	47	47	38	47	41	35	38	170	161	38
Dual Console da Vinci Xi Systems	58	44	45	76	40	21	34	32	34	223	127	34
Single Console da Vinci Xi Systems	185	165	156	164	123	122	81	124	90	670	450	90
Dual Console da Vinci 5 Systems	—	4	8	46	35	56	77	130	93	58	298	93
Single Console da Vinci 5 Systems	8	66	102	128	112	124	163	173	139	304	572	139
Da Vinci SP Systems	24	21	21	30	19	23	30	35	34	96	107	34
Total System Units Placed <sup>(1)</sup>	313	341	379	493	367	395	427	532	431	1,526	1,721	431
Trade-Ins, Lease Upgrades, and Retirements <sup>(3)</sup>	(32)	(25)	(43)	(130)	(80)	(96)	(152)	(189)	(142)	(230)	(517)	(142)
Ending da Vinci System Installed Base <sup>(2)</sup>	8,887	9,203	9,539	9,902	10,189	10,488	10,763	11,106	11,395	9,902	11,106	11,395

<sup>(1)</sup> Includes da Vinci systems placed under the following operating leasing arrangements:

Fixed-Payment	65	83	79	82	91	69	116	100	125	309	376	125
% of Total da Vinci Units Placed	21%	24%	21%	17%	25%	17%	27%	19%	29%	20%	22%	29%
Usage-Based	94	92	141	140	107	124	115	150	118	467	496	118
% of Total da Vinci Units Placed	30%	27%	37%	28%	29%	31%	27%	28%	27%	31%	29%	27%

<sup>(2)</sup> Includes da Vinci systems under the following operating leasing arrangements:

Fixed-Payment	1,223	1,261	1,289	1,307	1,308	1,301	1,379	1,400	1,477	1,307	1,400	1,477
% of Total da Vinci Installed Base	14%	14%	14%	13%	13%	12%	13%	13%	13%	13%	13%	13%
Usage-Based	1,112	1,208	1,352	1,492	1,598	1,686	1,736	1,810	1,848	1,492	1,810	1,848
% of Total da Vinci Installed Base	13%	13%	14%	15%	16%	16%	16%	16%	16%	15%	16%	16%

<sup>(3)</sup> During the fourth quarter of 2025 and 2024, we performed a verification audit of our installed base records that identified 22 and 54 systems, respectively, mostly older S and Si models, which had been retired. We removed these systems from our installed base estimate during the fourth quarter of 2025 and 2024.

**Other Metrics** (in thousands)

Da Vinci Procedures	627	661	670	725	732	775	797	849	847	2,683	3,153	847
U.S.	412	433	438	474	465	495	507	545	528	1,757	2,012	528
OUS	215	228	232	251	267	280	290	304	319	926	1,141	319
Da Vinci Instruments and Accessories Revenue per Procedure	\$ 1.78	\$ 1.79	\$ 1.80	\$ 1.86	\$ 1.78	\$ 1.80	\$ 1.80	\$ 1.85	\$ 1.88	\$ 1.81	\$ 1.81	\$ 1.88
Da Vinci System Average Selling Price	\$ 1,380	\$ 1,440	\$ 1,510	\$ 1,590	\$ 1,620	\$ 1,500	\$ 1,600	\$ 1,680	\$ 1,740	\$ 1,500	\$ 1,600	\$ 1,740

**Intuitive Surgical, Inc.**  
**Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics**  
**Da Vinci by Geography**  
**2024 - 2026**

	<u>Q1'24</u>	<u>Q2'24</u>	<u>Q3'24</u>	<u>Q4'24</u>	<u>Q1'25</u>	<u>Q2'25</u>	<u>Q3'25</u>	<u>Q4'25</u>	<u>Q1'26</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u> <u>YTD</u>
<b><u>U.S. da Vinci System Installed Base Rollforward</u></b>												
<b>Beginning da Vinci System Installed Base</b>	5,111	5,243	5,385	5,582	5,807	5,957	6,087	6,223	6,364	5,111	5,807	6,364
Systems Placed:												
Single Console da Vinci X Systems	1	1	4	2	1	1	1	1	—	8	4	—
Dual Console da Vinci Xi Systems	36	17	28	36	18	5	10	11	3	117	44	3
Single Console da Vinci Xi Systems	94	54	71	62	34	26	18	23	19	281	101	19
Dual Console da Vinci 5 Systems	—	4	8	45	35	56	73	116	82	57	280	82
Single Console da Vinci 5 Systems	8	66	102	126	111	122	155	144	110	302	532	110
Da Vinci SP Systems	9	7	6	13	5	6	6	9	12	35	26	12
Total System Units Placed <sup>(1)</sup>	148	149	219	284	204	216	263	304	226	800	987	226
Trade-Ins, Lease Upgrades, and Retirements <sup>(2)</sup>	(16)	(7)	(22)	(59)	(54)	(86)	(127)	(163)	(113)	(104)	(430)	(113)
<b>Ending da Vinci System Installed Base</b>	<b>5,243</b>	<b>5,385</b>	<b>5,582</b>	<b>5,807</b>	<b>5,957</b>	<b>6,087</b>	<b>6,223</b>	<b>6,364</b>	<b>6,477</b>	<b>5,807</b>	<b>6,364</b>	<b>6,477</b>

<sup>(1)</sup> Includes da Vinci system units placed under the following operating leasing arrangements:

Fixed-Payment	25	28	35	37	46	45	82	53	69	125	226	69
Usage-Based	86	86	134	131	94	110	101	131	98	437	436	98

<sup>(2)</sup> During the fourth quarter of 2025 and 2024, we performed a verification audit of our installed base records that identified 16 and 25 systems, respectively, mostly older S and Si models, which had been retired. We removed these systems from our installed base estimate during the fourth quarters of 2025 and 2024, respectively.

**OUS da Vinci System Installed Base Rollforward**

<b>Beginning da Vinci System Installed Base</b>	3,495	3,644	3,818	3,957	4,095	4,232	4,401	4,540	4,742	3,495	4,095	4,742
Systems Placed:												
Dual Console da Vinci X Systems	—	3	—	2	—	2	1	3	3	5	6	3
Single Console da Vinci X Systems	37	37	43	45	37	46	40	34	38	162	157	38
Dual Console da Vinci Xi Systems	22	27	17	40	22	16	24	21	31	106	83	31
Single Console da Vinci Xi Systems	91	111	85	102	89	96	63	101	71	389	349	71
Dual Console da Vinci 5 Systems	—	—	—	1	—	—	4	14	11	1	18	11
Single Console da Vinci 5 Systems	—	—	—	2	1	2	8	29	29	2	40	29
Da Vinci SP Systems	15	14	15	17	14	17	24	26	22	61	81	22
Total System Units Placed <sup>(1)</sup>	165	192	160	209	163	179	164	228	205	726	734	205
Trade-Ins, Lease Upgrades, and Retirements <sup>(2)</sup>	(16)	(18)	(21)	(71)	(26)	(10)	(25)	(26)	(29)	(126)	(87)	(29)
<b>Ending da Vinci System Installed Base</b>	<b>3,644</b>	<b>3,818</b>	<b>3,957</b>	<b>4,095</b>	<b>4,232</b>	<b>4,401</b>	<b>4,540</b>	<b>4,742</b>	<b>4,918</b>	<b>4,095</b>	<b>4,742</b>	<b>4,918</b>

<sup>(1)</sup> Includes da Vinci system units placed under the following operating leasing arrangements:

Fixed-Payment	40	55	44	45	45	24	34	47	56	184	150	56
Usage-Based	8	6	7	9	13	14	14	19	20	30	60	20

<sup>(2)</sup> During the fourth quarters of 2025 and 2024, we performed a verification audit of our installed base records that identified 6 and 29 systems, respectively, mostly older S and Si models, which had been retired. We removed these systems from our installed base estimate during the fourth quarters of 2025 and 2024, respectively.

**Intuitive Surgical, Inc.**  
**Trended Unaudited Quarterly and Annual Procedures, Revenue, and Related Metrics**  
**Ion Worldwide**  
**2024 - 2026**

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	FY24	FY25	FY26 YTD
<b>Revenue and Related Metrics</b>												
Ion Instruments and Accessories Revenue (millions)	\$ 44.5	\$ 57.7	\$ 58.1	\$ 61.9	\$ 67.7	\$ 77.5	\$ 84.0	\$ 88.3	\$ 95.2	\$ 222.2	\$ 317.5	\$ 95.2
<i>Year-over-year growth</i>	83%	84%	79%	62%	52%	34%	45%	43%	41%	76%	43%	41%
<i>Quarter-over-quarter growth</i>	17%	30%	1%	7%	9%	14%	8%	5%	8%			
<i>Year-over-year Ion procedure growth</i>	91%	83%	72%	70%	57%	52%	52%	44%	39%	78%	51%	39%
<i>Quarter-over-quarter Ion procedure growth</i>	19%	19%	7%	12%	10%	15%	7%	6%	6%			
Ion Service Revenue (millions)	\$ 7.2	\$ 8.5	\$ 10.0	\$ 10.8	\$ 11.2	\$ 12.5	\$ 13.1	\$ 13.8	\$ 14.4	\$ 36.5	\$ 50.6	\$ 14.4
<i>Year-over-year growth</i>	64%	70%	79%	69%	56%	47%	31%	28%	29%	71%	39%	29%
<i>Quarter-over-quarter growth</i>	13%	18%	18%	8%	4%	12%	5%	5%	4%			
Ion Systems Revenue (millions)	\$ 26.3	\$ 29.7	\$ 26.4	\$ 31.2	\$ 27.9	\$ 24.1	\$ 34.4	\$ 33.9	\$ 28.3	\$ 113.6	\$ 120.3	\$ 28.3
<i>Year-over-year growth (decline)</i>	39%	27%	15%	94%	6%	(19)%	30%	9%	1%	40%	6%	1%
<i>Quarter-over-quarter growth (decline)</i>	63%	13%	(11)%	18%	(11)%	(14)%	43%	(1)%	(17)%			
Total Ion Revenue (millions)	\$ 78.0	\$ 95.9	\$ 94.5	\$ 103.9	\$ 106.8	\$ 114.1	\$ 131.5	\$ 136.0	\$ 137.9	\$ 372.3	\$ 488.4	\$ 137.9
<i>Year-over-year growth</i>	64%	60%	55%	71%	37%	19%	39%	31%	29%	63%	31%	29%
<i>Quarter-over-quarter growth (decline)</i>	29%	23%	(1)%	10%	3%	7%	15%	3%	1%			
<b>Ion System Installed Base Rollforward</b>												
Beginning Ion System Installed Base	534	604	678	736	805	853	905	954	995	534	805	995
Systems Placed <sup>(1)</sup>	70	74	58	69	49	54	50	42	52	271	195	52
Trade-Ins and Retirements	—	—	—	—	(1)	(2)	(1)	(1)	(6)	—	(5)	(6)
Ending Ion System Installed Base <sup>(2)</sup>	604	678	736	805	853	905	954	995	1,041	805	995	1,041
Ending Ion Installed System Base – U.S.	597	669	722	784	828	873	913	948	986	784	948	986
Ending Ion Installed System Base – OUS	7	9	14	21	25	32	41	47	55	21	47	55
<sup>(1)</sup> Includes Ion Systems Placed under Operating Lease Arrangements	39	40	36	38	29	34	17	16	36	39	29	36
<sup>(2)</sup> Includes Ion System Installed Base under Operating Lease Arrangements	244	275	296	319	334	358	362	360	380	319	360	380
<b>Other Metrics</b> (in thousands)												
Ion Procedures	19.5	23.2	24.9	27.9	30.7	35.3	37.9	40.2	42.7	95.5	144.1	42.7
Ion Instruments and Accessories Revenue per Procedure	\$ 2.28	\$ 2.49	\$ 2.33	\$ 2.22	\$ 2.21	\$ 2.20	\$ 2.22	\$ 2.20	\$ 2.23	\$ 2.33	\$ 2.20	\$ 2.23
Ion System Average Selling Price	\$ 550	\$ 570	\$ 590	\$ 580	\$ 550	\$ 610	\$ 580	\$ 590	\$ 630	\$ 570	\$ 580	\$ 630

**Intuitive Surgical, Inc.**  
**Reconciliation of Unaudited GAAP to Non-GAAP Financial Measures (#)**  
**(in millions, except per share data)**  
**2024 - 2026**

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	FY24	FY25	FY26 YTD
<b>GAAP gross profit</b>	<b>\$1,245.4</b>	<b>\$1,372.7</b>	<b>\$1,373.9</b>	<b>\$1,642.2</b>	<b>\$1,457.7</b>	<b>\$1,617.9</b>	<b>\$1,662.4</b>	<b>\$1,904.3</b>	<b>\$1,830.5</b>	<b>\$5,634.2</b>	<b>\$6,642.3</b>	<b>\$1,830.5</b>
<i>GAAP gross profit margin <sup>(1)</sup></i>	<i>65.9%</i>	<i>68.3%</i>	<i>67.4%</i>	<i>68.0%</i>	<i>64.7%</i>	<i>66.3%</i>	<i>66.4%</i>	<i>66.4%</i>	<i>66.1%</i>	<i>67.5%</i>	<i>66.0%</i>	<i>66.1%</i>
Share-based compensation expense	29.1	29.7	31.3	33.6	36.2	36.6	38.8	35.5	36.0	123.7	147.1	36.0
Long-term incentive plan expense	0.3	0.1	0.2	0.2	0.3	0.1	0.2	(0.1)	0.1	0.8	0.5	0.1
Amortization of intangible assets	3.8	3.7	2.4	2.4	2.4	2.5	2.4	2.4	6.6	12.3	9.7	6.6
Acquisition-related items	—	—	—	—	—	—	—	—	5.9	—	—	5.9
<b>Non-GAAP gross profit</b>	<b>\$1,278.6</b>	<b>\$1,406.2</b>	<b>\$1,407.8</b>	<b>\$1,678.4</b>	<b>\$1,496.6</b>	<b>\$1,657.1</b>	<b>\$1,703.8</b>	<b>\$1,942.1</b>	<b>\$1,879.1</b>	<b>\$5,771.0</b>	<b>\$6,799.6</b>	<b>\$1,879.1</b>
<i>Non-GAAP gross profit margin <sup>(2)</sup></i>	<i>67.6%</i>	<i>70.0%</i>	<i>69.1%</i>	<i>69.5%</i>	<i>66.4%</i>	<i>67.9%</i>	<i>68.0%</i>	<i>67.8%</i>	<i>67.8%</i>	<i>69.1%</i>	<i>67.6%</i>	<i>67.8%</i>
<b>GAAP SG&amp;A expenses</b>	<b>\$ 491.5</b>	<b>\$ 525.3</b>	<b>\$ 510.6</b>	<b>\$ 612.6</b>	<b>\$ 563.4</b>	<b>\$ 561.2</b>	<b>\$ 573.3</b>	<b>\$ 687.1</b>	<b>\$ 613.3</b>	<b>\$2,140.0</b>	<b>\$2,385.0</b>	<b>\$ 613.3</b>
Share-based compensation expense	(66.6)	(78.3)	(76.3)	(77.7)	(80.2)	(85.0)	(87.3)	(88.1)	(91.7)	(298.9)	(340.6)	(91.7)
Long-term incentive plan expense	(1.9)	(0.9)	(1.0)	(1.0)	(0.5)	(0.2)	(1.1)	1.3	(0.4)	(4.8)	(0.5)	(0.4)
Amortization of intangible assets	(0.8)	(0.8)	(0.6)	(0.2)	(0.5)	(0.1)	(0.1)	—	(0.2)	(2.4)	(0.7)	(0.2)
Litigation charges	—	(7.2)	—	(12.6)	—	(3.5)	(8.1)	(2.0)	(6.3)	(19.8)	(13.6)	(6.3)
Gains on sale of businesses and assets	—	—	—	1.1	—	—	—	1.0	7.9	1.1	1.0	7.9
Acquisition-related items	—	—	—	—	—	—	—	—	(0.1)	—	—	(0.1)
<b>Non-GAAP SG&amp;A expenses</b>	<b>\$ 422.2</b>	<b>\$ 438.1</b>	<b>\$ 432.7</b>	<b>\$ 522.2</b>	<b>\$ 482.2</b>	<b>\$ 472.4</b>	<b>\$ 476.7</b>	<b>\$ 599.3</b>	<b>\$ 522.5</b>	<b>\$1,815.2</b>	<b>\$2,030.6</b>	<b>\$ 522.5</b>
<b>GAAP R&amp;D expenses</b>	<b>\$ 284.5</b>	<b>\$ 280.1</b>	<b>\$ 286.0</b>	<b>\$ 294.7</b>	<b>\$ 316.2</b>	<b>\$ 313.3</b>	<b>\$ 329.4</b>	<b>\$ 352.9</b>	<b>\$ 361.9</b>	<b>\$1,145.3</b>	<b>\$1,311.8</b>	<b>\$ 361.9</b>
Share-based compensation expense	(57.6)	(65.6)	(65.3)	(65.7)	(68.8)	(74.6)	(77.4)	(79.6)	(81.8)	(254.2)	(300.4)	(81.8)
Amortization of intangible assets	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.6)	(0.8)	(0.9)	(0.3)	(2.0)	(2.8)	(0.3)
<b>Non-GAAP R&amp;D expenses</b>	<b>\$ 226.4</b>	<b>\$ 214.0</b>	<b>\$ 220.2</b>	<b>\$ 228.5</b>	<b>\$ 246.9</b>	<b>\$ 238.1</b>	<b>\$ 251.2</b>	<b>\$ 272.4</b>	<b>\$ 279.8</b>	<b>\$ 889.1</b>	<b>\$1,008.6</b>	<b>\$ 279.8</b>
<b>GAAP income from operations</b>	<b>\$ 469.4</b>	<b>\$ 567.3</b>	<b>\$ 577.3</b>	<b>\$ 734.9</b>	<b>\$ 578.1</b>	<b>\$ 743.4</b>	<b>\$ 759.7</b>	<b>\$ 864.3</b>	<b>\$ 855.3</b>	<b>\$2,348.9</b>	<b>\$2,945.5</b>	<b>\$ 855.3</b>
<i>GAAP operating margin <sup>(3)</sup></i>	<i>24.8%</i>	<i>28.2%</i>	<i>28.3%</i>	<i>30.4%</i>	<i>25.7%</i>	<i>30.5%</i>	<i>30.3%</i>	<i>30.2%</i>	<i>30.9%</i>	<i>28.1%</i>	<i>29.3%</i>	<i>30.9%</i>
Share-based compensation expense	153.3	173.6	172.9	177.0	185.2	196.2	203.5	203.2	209.5	676.8	788.1	209.5
Long-term incentive plan expense	2.2	1.0	1.2	1.2	0.8	0.3	1.3	(1.4)	0.5	5.6	1.0	0.5
Amortization of intangible assets	5.1	5.0	3.5	3.1	3.4	3.2	3.3	3.3	7.1	16.7	13.2	7.1
Litigation charges	—	7.2	—	12.6	—	3.5	8.1	2.0	6.3	19.8	13.6	12.2
Gains on sale of businesses and assets	—	—	—	(1.1)	—	—	—	(1.0)	(7.9)	(1.1)	(1.0)	(7.9)
Acquisition-related items	—	—	—	—	—	—	—	—	6.0	—	—	0.1
<b>Non-GAAP income from operations</b>	<b>\$ 630.0</b>	<b>\$ 754.1</b>	<b>\$ 754.9</b>	<b>\$ 927.7</b>	<b>\$ 767.5</b>	<b>\$ 946.6</b>	<b>\$ 975.9</b>	<b>\$1,070.4</b>	<b>\$1,076.8</b>	<b>\$3,066.7</b>	<b>\$3,760.4</b>	<b>\$1,076.8</b>
<i>Non-GAAP operating margin <sup>(4)</sup></i>	<i>33.3%</i>	<i>37.5%</i>	<i>37.0%</i>	<i>38.4%</i>	<i>34.1%</i>	<i>38.8%</i>	<i>39.0%</i>	<i>37.3%</i>	<i>38.9%</i>	<i>36.7%</i>	<i>37.4%</i>	<i>38.9%</i>

**Intuitive Surgical, Inc.**  
**Reconciliation of Unaudited GAAP to Non-GAAP Financial Measures (#)**  
**(in millions, except per share data)**  
**2024 - 2026**

	<u>Q1'24</u>	<u>Q2'24</u>	<u>Q3'24</u>	<u>Q4'24</u>	<u>Q1'25</u>	<u>Q2'25</u>	<u>Q3'25</u>	<u>Q4'25</u>	<u>Q1'26</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u> <u>YTD</u>
<b>GAAP income before taxes</b>	<b>\$ 538.5</b>	<b>\$ 654.5</b>	<b>\$ 671.0</b>	<b>\$ 809.8</b>	<b>\$ 668.5</b>	<b>\$ 832.1</b>	<b>\$ 855.2</b>	<b>\$ 955.6</b>	<b>\$ 940.4</b>	<b>\$2,673.8</b>	<b>\$3,311.4</b>	<b>\$ 940.4</b>
Share-based compensation expense	153.3	173.6	172.9	177.0	185.2	196.2	203.5	203.2	209.5	676.8	788.1	209.5
Long-term incentive plan expense	2.2	1.0	1.2	1.2	0.8	0.3	1.3	(1.4)	0.5	5.6	1.0	0.5
Amortization of intangible assets	5.1	5.0	3.5	3.1	3.4	3.2	3.3	3.3	7.1	16.7	13.2	7.1
Litigation charges	—	7.2	—	12.6	—	3.5	8.1	2.0	6.3	19.8	13.6	12.2
Gains on sale of businesses and assets	—	—	—	(1.1)	—	—	—	(1.0)	(7.9)	(1.1)	(1.0)	(7.9)
Acquisition-related items	—	—	—	—	—	—	—	—	6.0	—	—	0.1
(Gains) losses on strategic investments	3.4	(7.8)	0.9	12.7	0.6	4.4	(3.0)	(4.9)	(0.6)	9.2	(2.9)	(0.6)
<b>Non-GAAP income before taxes</b>	<b>\$ 702.5</b>	<b>\$ 833.5</b>	<b>\$ 849.5</b>	<b>\$1,015.3</b>	<b>\$ 858.5</b>	<b>\$1,039.7</b>	<b>\$1,068.4</b>	<b>\$1,156.8</b>	<b>\$1,161.3</b>	<b>\$3,400.8</b>	<b>\$4,123.4</b>	<b>\$1,161.3</b>
<b>GAAP net income attributable to Intuitive</b>	<b>\$ 544.9</b>	<b>\$ 526.9</b>	<b>\$ 565.1</b>	<b>\$ 685.7</b>	<b>\$ 698.4</b>	<b>\$ 658.4</b>	<b>\$ 704.4</b>	<b>\$ 794.8</b>	<b>\$ 821.5</b>	<b>\$2,322.6</b>	<b>\$2,856.0</b>	<b>\$ 821.5</b>
Share-based compensation expense	153.3	173.6	172.9	177.0	185.2	196.2	203.5	203.2	209.5	676.8	788.1	209.5
Long-term incentive plan expense	2.2	1.0	1.2	1.2	0.8	0.3	1.3	(1.4)	0.5	5.6	1.0	0.5
Amortization of intangible assets	5.1	5.0	3.5	3.1	3.4	3.2	3.3	3.3	7.1	16.7	13.2	7.1
Litigation charges	—	7.2	—	12.6	—	3.5	8.1	2.0	6.3	19.8	13.6	12.2
Gains on sale of businesses and assets	—	—	—	(1.1)	—	—	—	(1.0)	(7.9)	(1.1)	(1.0)	(7.9)
Acquisition-related items	—	—	—	—	—	—	—	—	6.0	—	—	0.1
(Gains) losses on strategic investments	3.4	(7.8)	0.9	12.7	0.6	4.4	(3.0)	(4.9)	(0.6)	9.2	(2.9)	(0.6)
Tax adjustments	(167.0)	(64.5)	(74.0)	(86.0)	(226.6)	(67.8)	(49.9)	(82.7)	(141.1)	(391.5)	(427.0)	(141.1)
Adjustments attributable to noncontrolling interest in joint venture	(0.8)	(0.4)	(0.5)	(0.5)	(0.3)	(0.3)	(0.5)	0.3	(0.2)	(2.2)	(0.8)	(0.2)
<b>Non-GAAP net income attributable to Intuitive</b>	<b>\$ 541.1</b>	<b>\$ 641.0</b>	<b>\$ 669.1</b>	<b>\$ 804.7</b>	<b>\$ 661.5</b>	<b>\$ 797.9</b>	<b>\$ 867.2</b>	<b>\$ 913.6</b>	<b>\$ 901.1</b>	<b>\$2,655.9</b>	<b>\$3,240.2</b>	<b>\$ 901.1</b>
<b>Non-GAAP net income per share attributable to Intuitive - diluted</b>	<b>\$ 1.50</b>	<b>\$ 1.78</b>	<b>\$ 1.84</b>	<b>\$ 2.21</b>	<b>\$ 1.81</b>	<b>\$ 2.19</b>	<b>\$ 2.40</b>	<b>\$ 2.53</b>	<b>\$ 2.50</b>	<b>\$ 7.34</b>	<b>\$ 8.93</b>	<b>\$ 2.50</b>
<b>Diluted shares outstanding</b>	<b>360.5</b>	<b>361.0</b>	<b>362.7</b>	<b>363.9</b>	<b>364.6</b>	<b>364.1</b>	<b>361.8</b>	<b>360.4</b>	<b>359.8</b>	<b>362.0</b>	<b>362.7</b>	<b>359.8</b>

<sup>(1)</sup> GAAP gross profit margin is calculated by dividing GAAP gross profit by revenue.

<sup>(2)</sup> Non-GAAP gross profit margin is calculated by dividing non-GAAP gross profit by revenue.

<sup>(3)</sup> GAAP operating margin is calculated by dividing GAAP income from operations by revenue.

<sup>(4)</sup> Non-GAAP operating margin is calculated by dividing non-GAAP income from operations by revenue.

This information is supplemental to the **first** quarter 2026 earnings press release issued by Intuitive Surgical, Inc., on April 21, 2026, and should be read in conjunction with that release and the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2026, when filed with the U.S. Securities and Exchange Commission.

#### **(#) About Non-GAAP Financial Measures**

To supplement our consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States ("GAAP"), we use the following non-GAAP financial measures: non-GAAP gross profit, non-GAAP gross profit margin, non-GAAP SG&A expenses, non-GAAP research and development ("R&D") expenses, non-GAAP income from operations, non-GAAP operating margin, non-GAAP income before taxes, non-GAAP net income attributable to Intuitive, and non-GAAP net income per diluted share attributable to Intuitive ("EPS"). The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We use these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding items such as amortization of intangible assets, share-based compensation ("SBC") and long-term incentive plan ("LTIP") expenses, and other special items. LTIP expense relates to phantom share awards granted in China by our Intuitive-Fosun joint venture, to its employees that vest over four years and can remain outstanding for seven to ten years. These awards are valued based on certain key performance metrics. Accordingly, they are subject to significant volatility based on the performance of these metrics and are not tied to performance of our business within the period. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance. We believe that these non-GAAP financial measures are useful to investors, because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making, and (2) they are used by institutional investors and the analyst community to help them analyze the performance of our business.

*Non-GAAP gross profit.* We define non-GAAP gross profit as gross profit, excluding SBC and LTIP expenses, amortization of intangible assets, and acquisition-related items.

*Non-GAAP SG&A expenses.* We define non-GAAP SG&A expenses as SG&A expenses, excluding SBC and LTIP expenses, amortization of intangible assets, litigation charges, gains on the sale of businesses and assets, and acquisition-related items.

*Non-GAAP R&D expenses.* We define non-GAAP R&D expenses as R&D expenses, excluding SBC expenses and amortization of intangible assets.

*Non-GAAP income from operations.* We define non-GAAP income from operations as income from operations, excluding SBC and LTIP expenses, amortization of intangible assets, litigation charges, gains on the sale of businesses and assets, and acquisition-related items.

*Non-GAAP income before taxes.* We define non-GAAP income before taxes as income before taxes, excluding SBC and LTIP expenses, amortization of intangible assets, litigation charges, gains on the sale of businesses and assets, acquisition-related items, and gains (losses) on strategic investments.

*Non-GAAP net income attributable to Intuitive and EPS.* We define non-GAAP net income as net income attributable to Intuitive, excluding SBC and LTIP expenses, amortization of intangible assets, litigation charges, gains on the sale of businesses and assets, acquisition-related items, gains (losses) on strategic investments, tax adjustments, including excess tax benefits associated with SBC arrangements and the net tax effects related to intra-entity transfers of non-inventory assets, and adjustments attributable to noncontrolling interest in joint venture, net of the related tax effects. We exclude the excess tax benefits associated with SBC arrangements as well as the tax effects associated with non-cash amortization of deferred tax assets related to intra-entity non-inventory transfers, because we do not believe these items correlate with the on-going results of our core operations. The tax effects of the non-GAAP items are determined by applying a calculated non-GAAP effective tax rate, which is commonly referred to as the with-and-without method. Without excluding these tax effects, investors would only see the gross effect that these non-GAAP adjustments had on our operating results. Our calculated non-GAAP effective tax rate is generally higher than our GAAP effective tax rate. We define non-GAAP EPS as non-GAAP net income attributable to Intuitive divided by diluted shares outstanding, which are calculated as GAAP weighted-average outstanding shares plus dilutive potential shares outstanding during the period.

There are a number of limitations related to the use of non-GAAP measures versus measures calculated in accordance with GAAP. Non-GAAP gross profit, non-GAAP SG&A expenses, non-GAAP R&D expenses, non-GAAP income from operations, non-GAAP income before taxes, non-GAAP net income attributable to Intuitive, and non-GAAP EPS exclude

items such as amortization of intangible assets, SBC and LTIP expenses, excess tax benefits associated with SBC arrangements, and non-cash amortization of deferred tax assets related to intra-entity transfer of non-inventory assets, which are primarily recurring items. SBC expense has been, and will continue to be for the foreseeable future, a significant recurring expense in our business. In addition, the components of the costs that we exclude in our calculation of non-GAAP net income attributable to Intuitive and non-GAAP EPS may differ from the components that our peer companies exclude when they report their results of operations. Management addresses these limitations by providing specific information regarding the GAAP amounts excluded from non-GAAP net income attributable to Intuitive and non-GAAP EPS and evaluating non-GAAP net income attributable to Intuitive and non-GAAP EPS together with net income attributable to Intuitive and net income per share attributable to Intuitive calculated in accordance with GAAP.