

Investor Presentation

Q2 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...

2018

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

2018 Commentary

Objectives

- Continue adoption in General Surgery
- Continue to develop core European markets and Asian market access
- Advance new platforms – da Vinci SP System, Ion, and advanced instrumentation
- Support additional clinical and economic validation by region

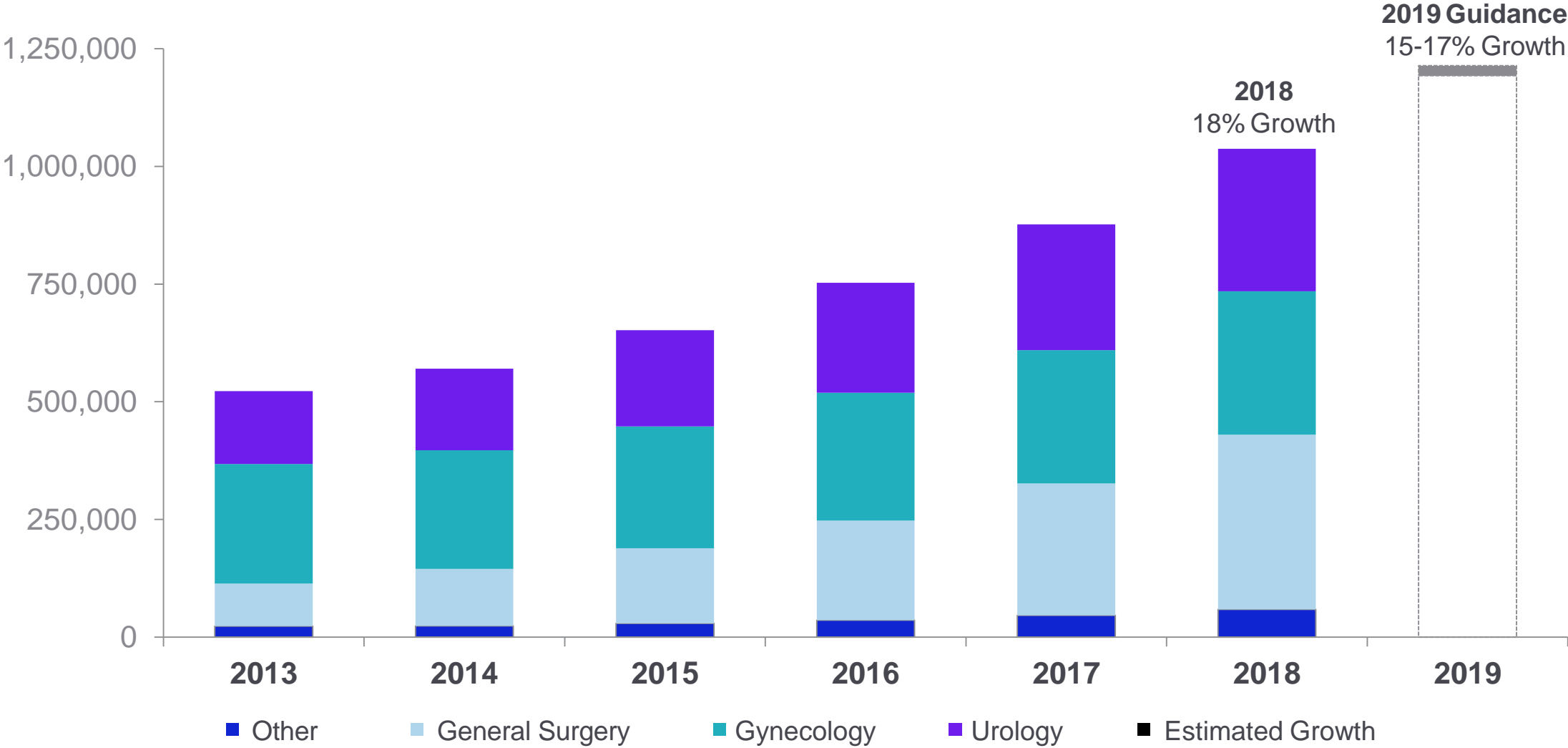
Areas of Strength

- U.S. general surgery growth
- New system installs
- Innovation pipeline

Challenges

- Performance in some EU countries
- Macro trade environment

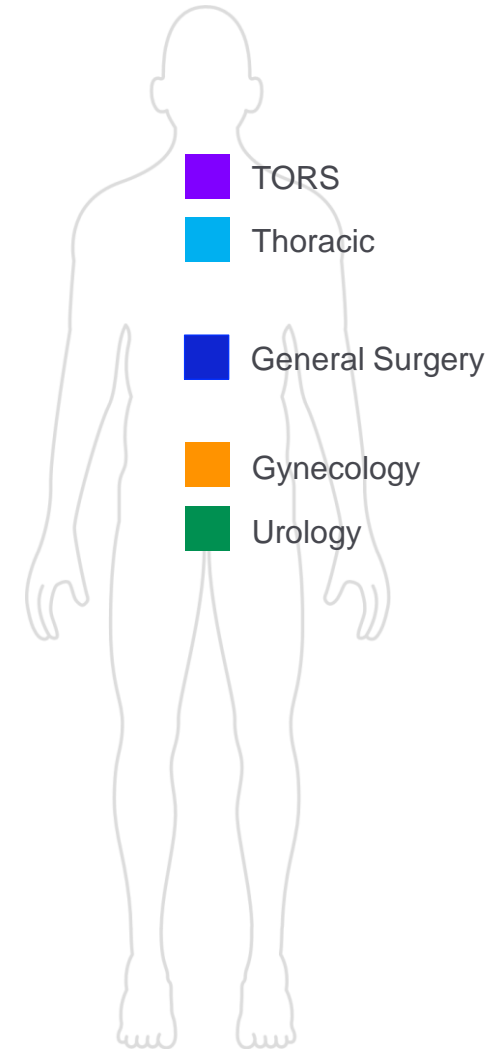
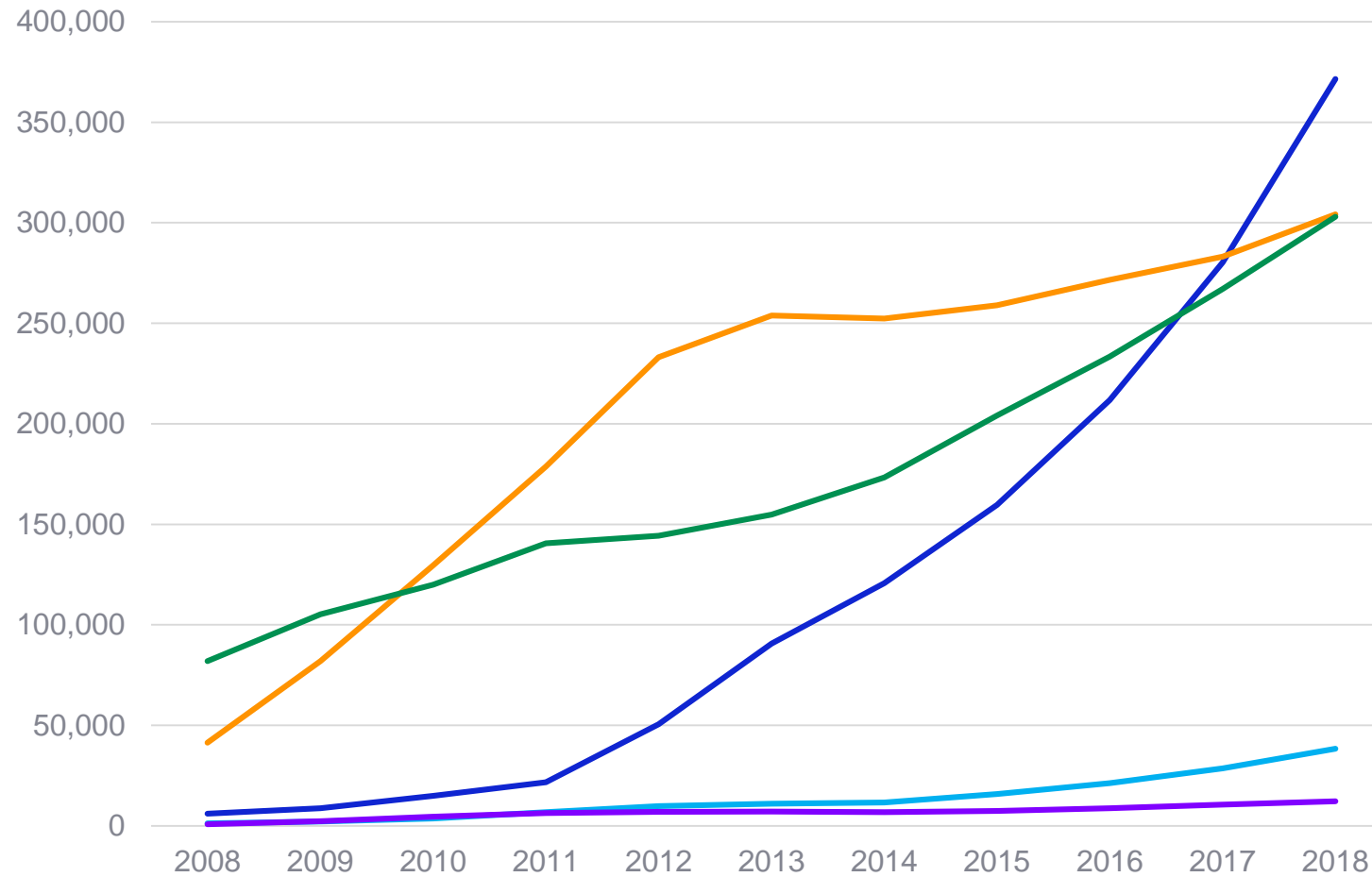
Worldwide Procedure Trend



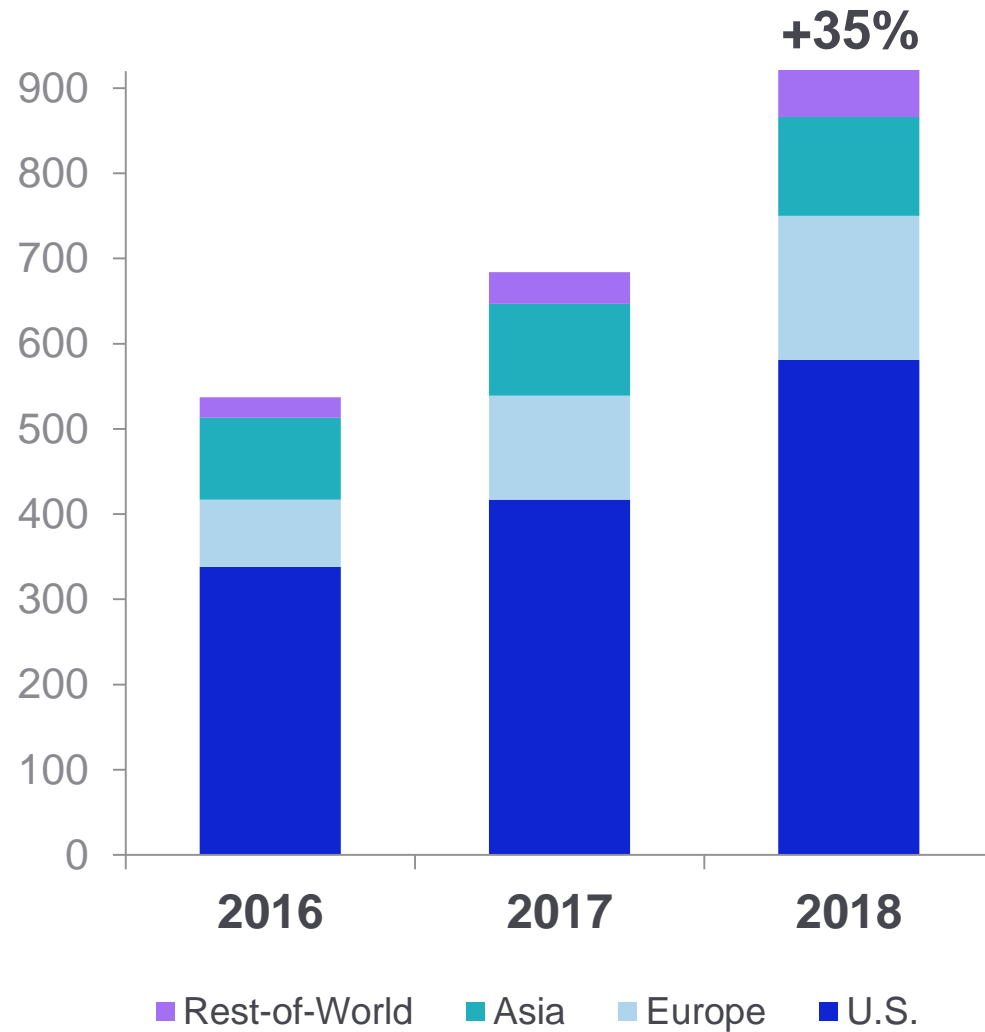
Growth in procedure categories

Global over past 10 years

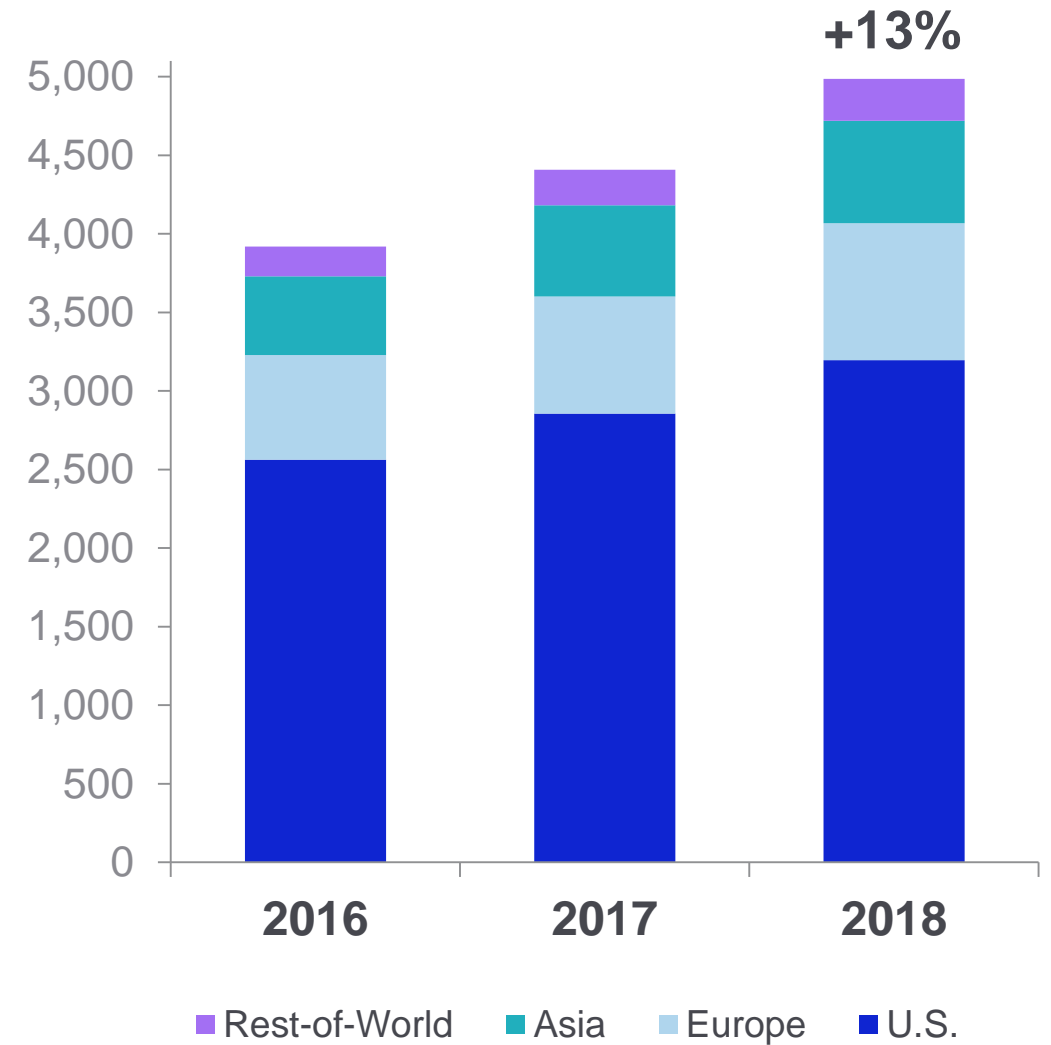
As of December 31, 2018



System Placements

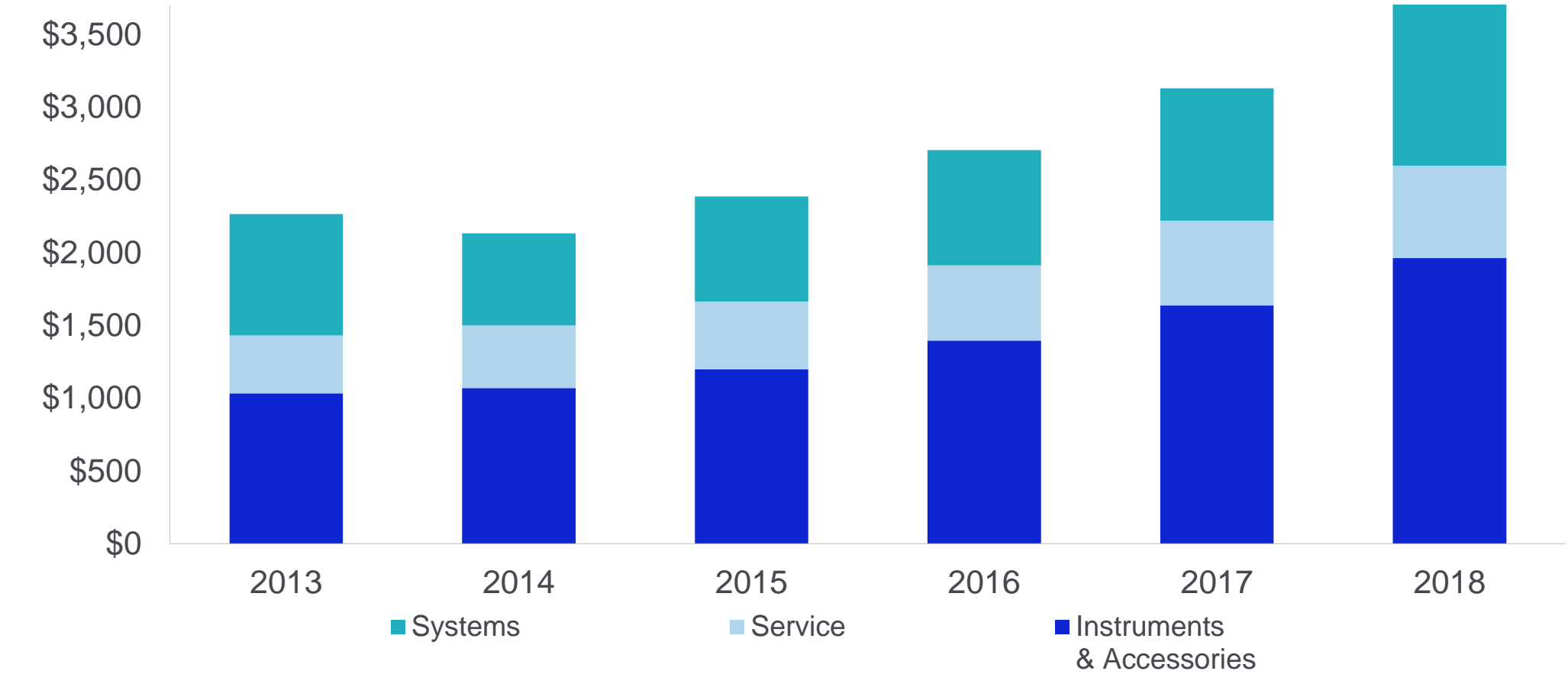


Installed Base



Total Revenue*

2018
19% Growth
71% Recurring



*Dollar amounts in millions

Q1 2019 Highlights

Da Vinci Procedure Growth

18% Q1 vs Q1 '18

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

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

Strength in France, Germany, and Japan

Da Vinci Surgical Systems Shipped

235 vs 185 in Q1 '18

Da Vinci Installed Base

5,114 globally, up 13% vs Q1 '18

FDA 510(k) Clearances

Ion™: endoluminal system for lung biopsy

Iris™: augmented reality overlay software

Da Vinci SP®: transoral surgery indication

SureForm™: 45mm stapler

Revenue

\$974 million

15% growth vs Q1 '18

Proforma Operating Profit

\$362 million

4% growth vs Q1 '18

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



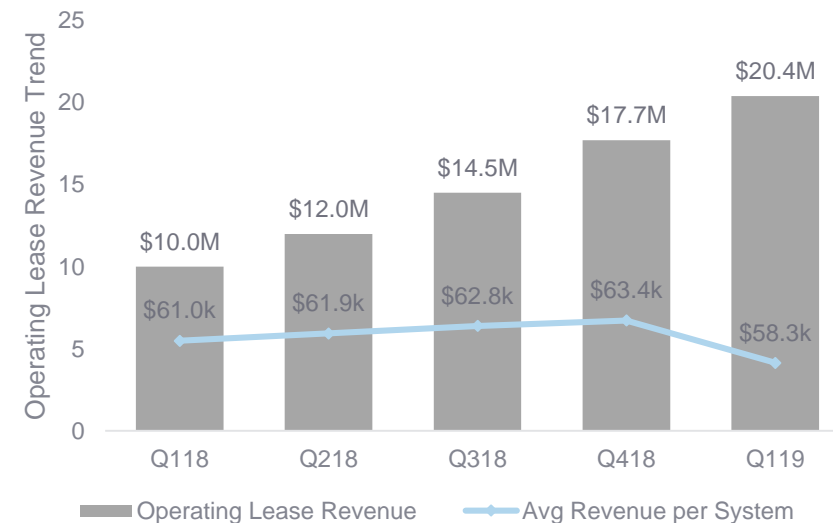
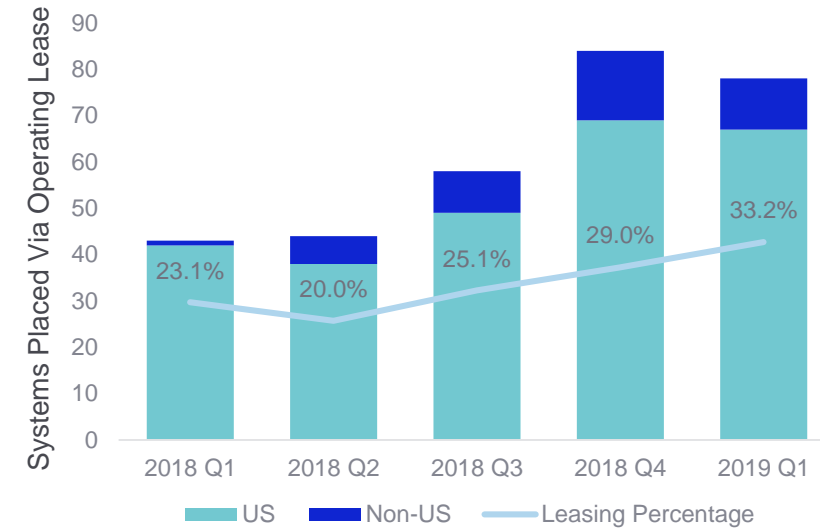
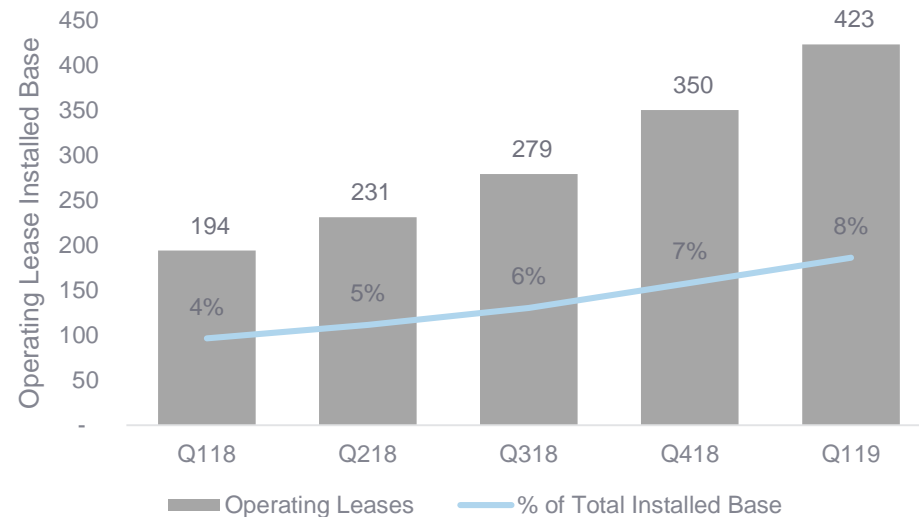
Service

\$80K - \$190K/Year

2018 Rev: \$635M

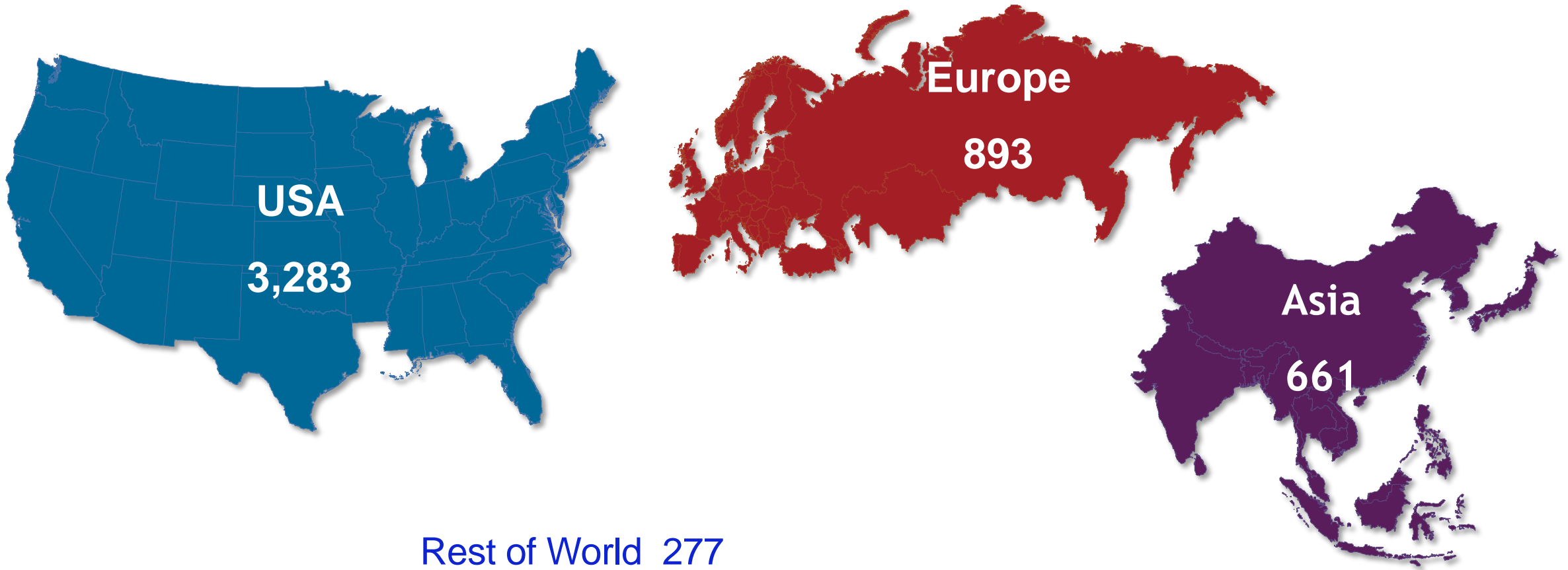
Da Vinci Systems Operating Leasing Program

- 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
- Overall economics roughly equivalent to systems sold outright
- Revenue and gross profit earned ratably over the lease term rather than at the time of placement for systems sold
- 33% of Q119 system placements and 8% of installed systems were under operating leases



da Vinci System Installed Base

Approximately 5,114 Worldwide as of March 31, 2019



423 of 5,114 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

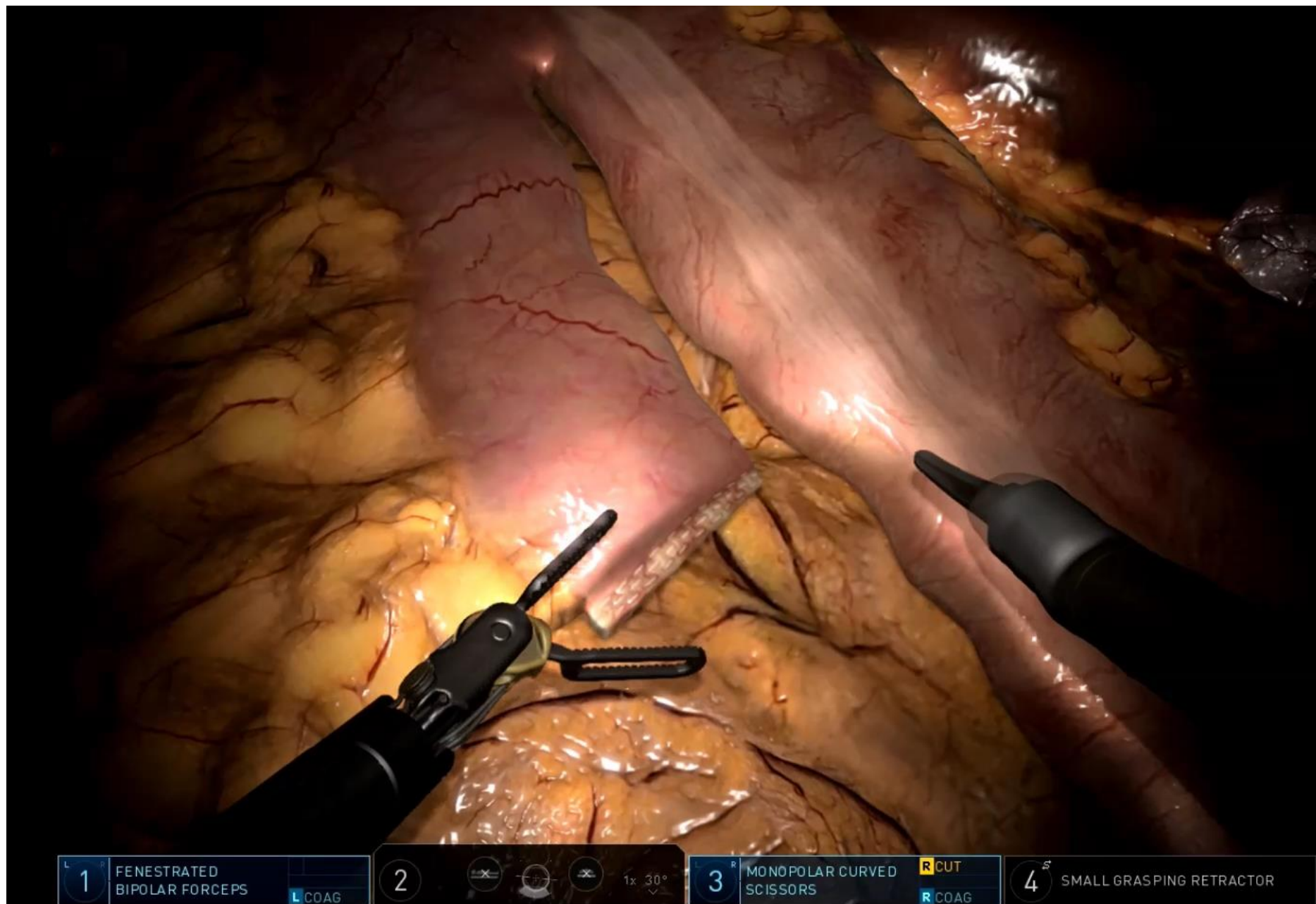


FDA Clearance
Q1 '19:

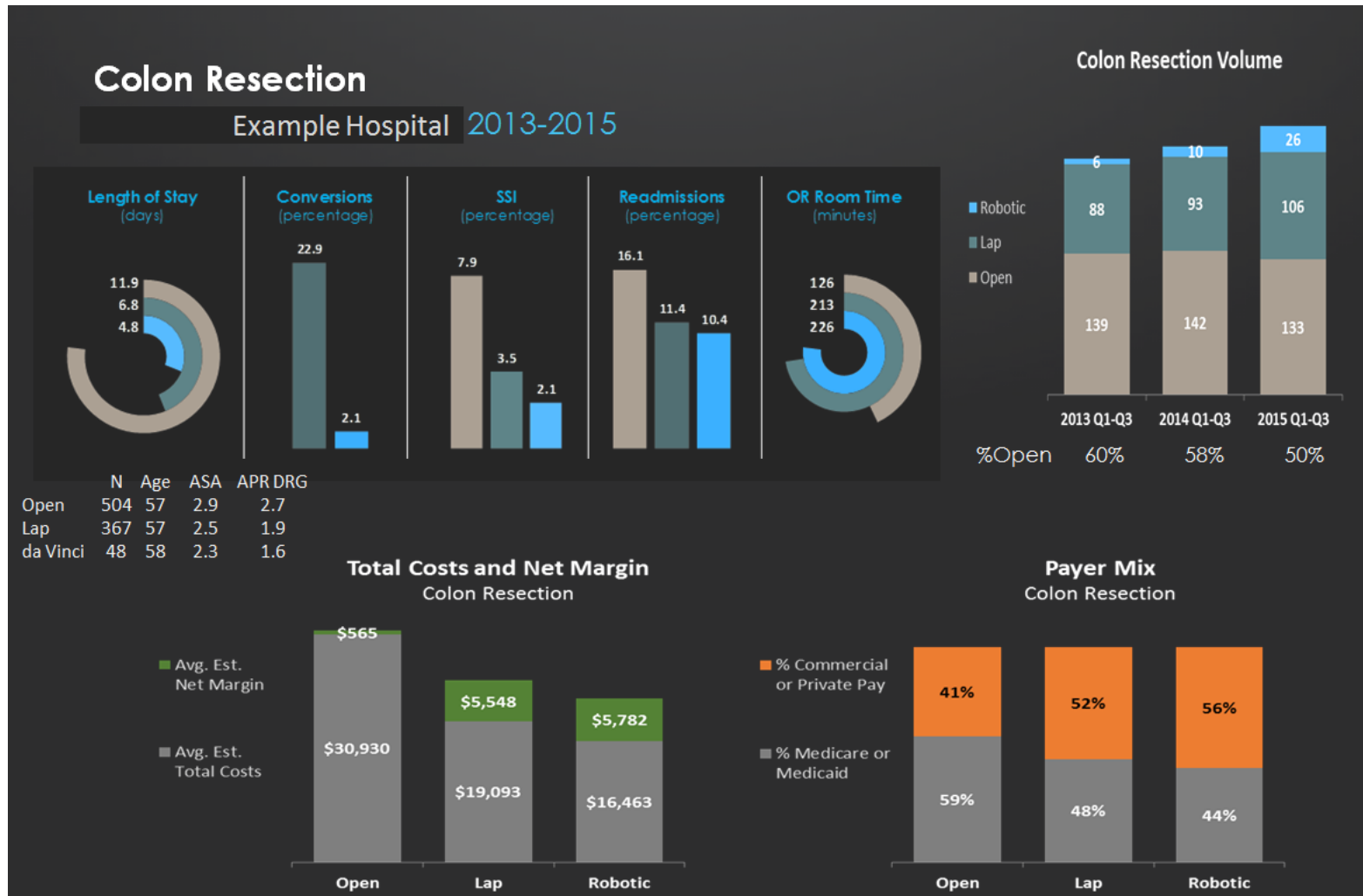
Ion™ endoluminal
system to enable
minimally invasive
biopsy in the
peripheral lung



Simulation
is becoming
increasingly
capable!



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.

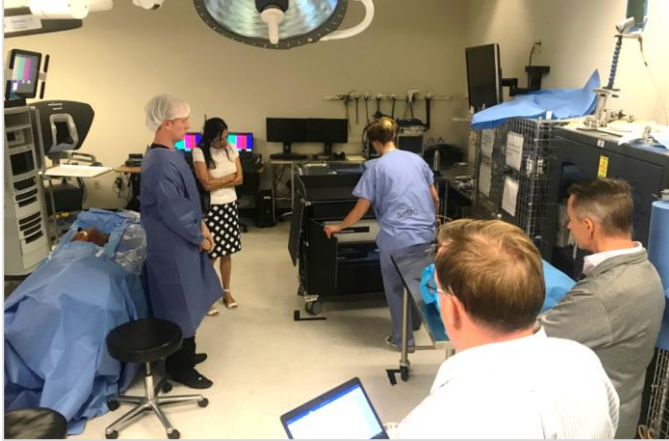
Care team



Control center



Intelligent Surgery



Human understanding

Time and Motion Studies

Design

Human Factors

+



Smart systems & instruments

Cloud-based systems

EndoWrist instruments

Advanced visualization

+



Digital insights

Procedure reports

Strategic and financial insights

OR operational Insights

Our investment philosophy

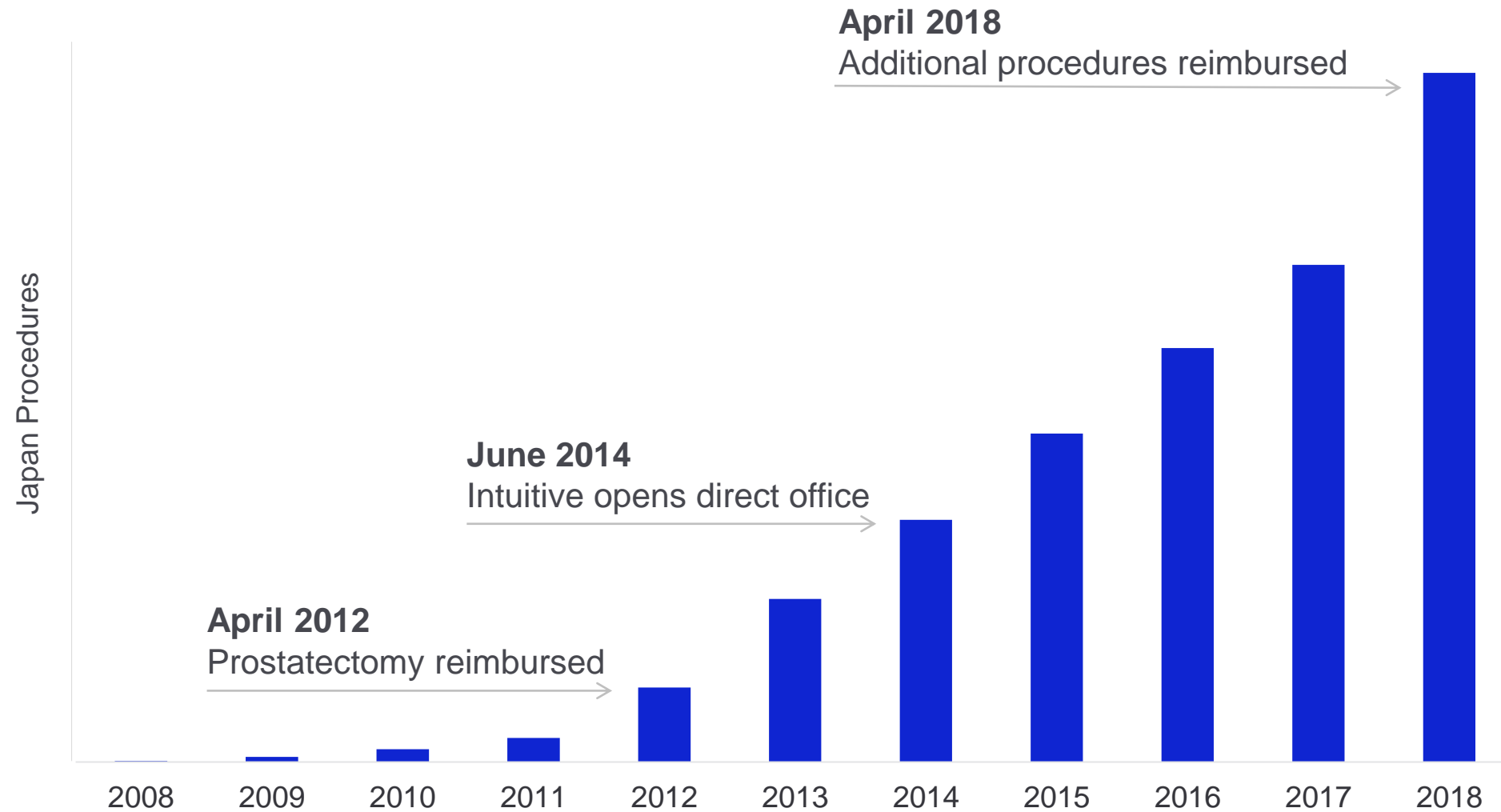
The need for improvement in acute interventions is substantial and durable; we are assertive in pursuit of organic innovation in products and regions as first priority.

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 partnerships and acquisitions that can accelerate outcome and efficiency improvements.

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

Intuitive Japan

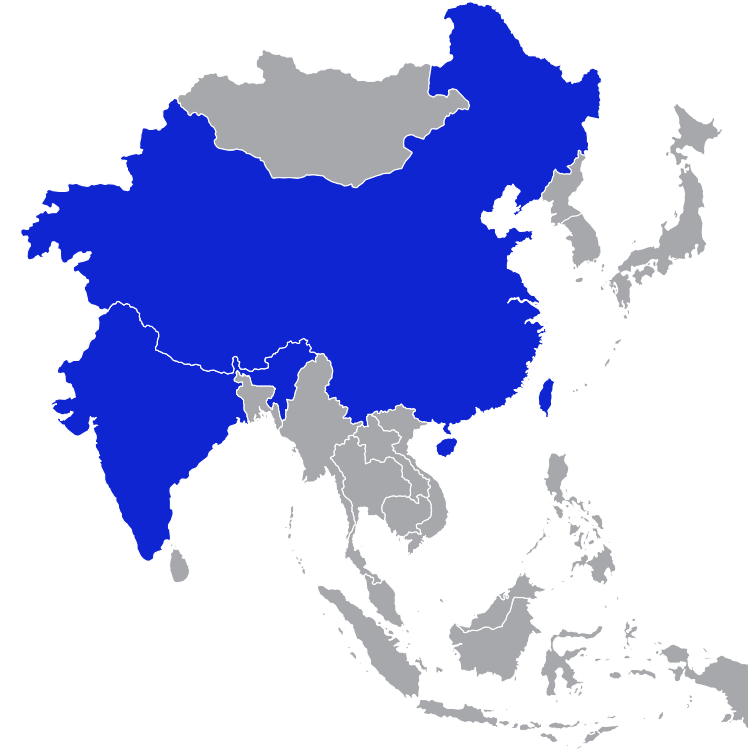


Recent Regional Investments

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

Acquired Intuitive business in Taiwan in Q4 2018

Acquired Intuitive business in India in Q2 2018



2019 Priorities

Accelerate access to and quality of surgery and acute interventions

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

Launch da Vinci SP and Ion platforms

Drive intelligent surgery innovation

Drive clinical and economic validation in emerging regions & procedures

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Intuitive.com