
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 18, 2024

INTUITIVE SURGICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-30713
(Commission
File Number)

77-0416458
(I.R.S. Employer
Identification No.)

1020 Kifer Road
Sunnyvale, California 94086
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (408) 523-2100

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common Stock, par value \$0.001 per share | ISRG | The Nasdaq Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On April 18, 2024, Intuitive Surgical, Inc. (“Intuitive”) issued a press release announcing its financial results for the quarter ended March 31, 2024. A copy of the press release is furnished hereto as Exhibit 99.1.

The information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that section and shall not be deemed to be incorporated by reference into any filing of Intuitive under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

d) Exhibits.

Exhibit No. Description

99.1 [Press release issued by Intuitive Surgical, Inc., dated April 18, 2024](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 18, 2024

INTUITIVE SURGICAL, INC.

By: /s/ JAMIE E. SAMATH

Name: Jamie E. Samath

Title: Senior Vice President and Chief Financial Officer

Contact: Investor Relations
(408) 523-2161

INTUITIVE ANNOUNCES FIRST QUARTER EARNINGS

SUNNYVALE, CALIF. April 18, 2024 – Intuitive (the “Company”) (Nasdaq: ISRG), a global technology leader in minimally invasive care and the pioneer of robotic-assisted surgery, today announced financial results for the quarter ended March 31, 2024.

Q1 Highlights

- Worldwide da Vinci procedures grew approximately 16% compared with the first quarter of 2023.
- The Company placed 313 da Vinci surgical systems, compared with 312 in the first quarter of 2023.
- The Company grew its da Vinci surgical system installed base to 8,887 systems as of March 31, 2024, an increase of 14% compared with 7,779 as of the end of the first quarter of 2023.
- First quarter 2024 revenue of \$1.89 billion increased 11% compared with \$1.70 billion in the first quarter of 2023.
- First quarter 2024 GAAP net income attributable to Intuitive was \$545 million, or \$1.51 per diluted share, compared with \$355 million, or \$1.00 per diluted share, in the first quarter of 2023.
- First quarter 2024 non-GAAP* net income attributable to Intuitive was \$541 million, or \$1.50 per diluted share, compared with \$437 million, or \$1.23 per diluted share, in the first quarter of 2023.
- In January 2024, the Company obtained CE mark certification for the da Vinci single-port (SP) surgical system for use in endoscopic abdominopelvic, thoracoscopic, transoral otolaryngology, transanal colorectal, and breast surgical procedures. The Company plans to commercialize the SP system in select major European countries throughout 2024 as part of a measured rollout strategy. During the first quarter of 2024, the Company placed 8 da Vinci SP systems in Europe.
- In March 2024, the Company obtained FDA clearance for da Vinci 5, its next-generation multi-port robotic system, for use in all surgical specialties and procedures indicated for da Vinci Xi, except for cardiac and pediatric indications as well as one contraindication related to the use of force feedback in hysterectomy and myomectomy procedures.
- During the first quarter of 2024, the Company placed 8 da Vinci 5 systems.
- In March 2024, the Company received National Medical Products Administration (“NMPA”) regulatory clearance in China for its Ion endoluminal system.

Q1 Financial Summary

Gross profit, income from operations, net income attributable to Intuitive Surgical, Inc., and net income per diluted share attributable to Intuitive Surgical, Inc. are reported on a GAAP and non-GAAP* basis. The non-GAAP* measures are described below and are reconciled to the corresponding GAAP measures at the end of this release.

First quarter 2024 revenue was \$1.89 billion, an increase of 11% compared with \$1.70 billion in the first quarter of 2023. The higher first quarter revenue was driven by growth in da Vinci procedure volume and an increase in the installed base of systems.

First quarter 2024 instruments and accessories revenue increased by 18% to \$1.16 billion, compared with \$0.99 billion in the first quarter of 2023. The increase in instruments and accessories revenue was primarily driven by approximately 16% growth in da Vinci procedure volume and approximately 90% growth in Ion procedure volume as well as higher pricing, partially offset by customer buying patterns.

First quarter 2024 systems revenue was \$418 million, compared with \$427 million in the first quarter of 2023. The Company placed 313 da Vinci surgical systems in the first quarter of 2024, compared with 312 systems in the first quarter of 2023. The first quarter 2024 da Vinci surgical system placements included 159 systems placed under operating lease arrangements, of which 94 systems were placed under usage-based operating lease arrangements, compared with 131 systems placed under operating lease arrangements, of which 62 systems were placed under usage-based operating lease arrangements in the first quarter of 2023. Additionally, the first quarter 2024 da Vinci surgical system placements included 8 da Vinci 5 systems.

First quarter 2024 GAAP income from operations increased to \$469 million, compared with \$388 million in the first quarter of 2023. First quarter 2024 GAAP income from operations included share-based compensation expense of

\$156 million, compared with \$141 million in the first quarter of 2023. First quarter 2024 non-GAAP* income from operations increased to \$630 million, compared with \$535 million in the first quarter of 2023.

First quarter 2024 GAAP net income attributable to Intuitive Surgical, Inc. was \$545 million, or \$1.51 per diluted share, compared with \$355 million, or \$1.00 per diluted share, in the first quarter of 2023. First quarter 2024 GAAP net income attributable to Intuitive Surgical, Inc. included excess tax benefits of \$111 million, or \$0.31 per diluted share, compared with \$23 million, or \$0.06 per diluted share, in the first quarter of 2023.

First quarter 2024 non-GAAP* net income attributable to Intuitive Surgical, Inc. was \$541 million, or \$1.50 per diluted share, compared with \$437 million, or \$1.23 per diluted share, in the first quarter of 2023.

The Company ended the first quarter of 2024 with \$7.32 billion in cash, cash equivalents, and investments, a decrease of \$21 million during the quarter, primarily driven by capital expenditures, partially offset by cash generated from operations.

Impact of COVID-19 Pandemic

The first quarter of 2024 did not reflect any procedure volume disruptions from COVID-19. During the first quarter of 2023, in January, the Company saw COVID-19 resurgences impact da Vinci procedure volumes in China, with a recovery during February and March. Additionally, we believe that the high patient treatment backlogs that developed during the COVID-19 pandemic contributed positively to the 2023 procedure volumes, as those patients returned for diagnosis and treatment. COVID-19 has had in the past, and could have in the future, an impact on the Company's procedure volumes.

"The core measures of our business remained healthy this quarter, as we reached meaningful milestones across several parts of our business," said Gary Guthart, Intuitive CEO. "We are pleased by feedback from our measured da Vinci 5 launch as well as the continued adoption of SP and Ion, and we remain focused on delivering the goals we share with our customers, including improving patient outcomes."

Additional supplemental financial and procedure information has been posted to the Investor Relations section of the Intuitive website at <https://isrg.gcs-web.com/>.

Webcast and Conference Call Information

Intuitive will hold a teleconference at 1:30 p.m. PDT today to discuss the first quarter 2024 financial results. The call will be webcast by Nasdaq OMX and can be accessed on Intuitive's website at www.intuitive.com or by dialing (844) 867-6169 using the access code 7463539. The webcast replay of the call will be made available on our website at www.intuitive.com within 24 hours after the end of the live teleconference and will be accessible for at least 30 days.

About Intuitive

Intuitive (Nasdaq: ISRG), headquartered in Sunnyvale, California, is a global leader in minimally invasive care and the pioneer of robotic surgery. Our technologies include the da Vinci surgical system and the Ion endoluminal system. By uniting advanced systems, progressive learning, and value-enhancing services, we help physicians and their teams optimize care delivery to support the best outcomes possible. At Intuitive, we envision a future of care that is less invasive and profoundly better, where diseases are identified early and treated quickly, so patients can get back to what matters most.

Product and brand names/logos are trademarks or registered trademarks of Intuitive or their respective owner. See www.intuitive.com/trademarks.

For more information, please visit the Company's website at www.intuitive.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements relate to expectations concerning matters that are not historical facts. Statements using words such as “estimates,” “projects,” “believes,” “anticipates,” “plans,” “expects,” “intends,” “may,” “will,” “could,” “should,” “would,” “targeted,” and similar words and expressions are intended to identify forward-looking statements. These forward-looking statements are necessarily estimates reflecting the judgment of the Company’s management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements include, but are not limited to, statements related to future results of operations, future financial position, the adoption by customers of our products, and the goals we share with our customers, including improving patient outcomes. These forward-looking statements should be considered in light of various important factors, including, but not limited to, the following: the overall macroeconomic environment, which may impact customer spending and the Company’s costs, including the levels of inflation and interest rates, the conflict in Ukraine, conflicts in the Middle East, including Israel, disruption to the Company’s supply chain, including increased difficulties in obtaining a sufficient supply of materials; curtailed or delayed capital spending by hospitals; the impact of global and regional economic and credit market conditions on healthcare spending; the risk that COVID-19 could lead to material delays and cancellations of, or reduced demand for, procedures; delays in surgeon training; delays in gathering clinical evidence; delays in obtaining new product approvals, clearances, or certifications from the United States (“U.S.”) Food and Drug Administration (“FDA”), comparable regulatory authorities, or notified bodies; the risk of the Company’s inability to comply with complex FDA and other regulations, which may result in significant enforcement actions; regulatory approvals, clearances, certifications, and restrictions or any dispute that may occur with any regulatory body; guidelines and recommendations in the healthcare and patient communities; healthcare reform legislation in the U.S. and its impact on hospital spending, reimbursement, and fees levied on certain medical device revenues; changes in hospital admissions and actions by payers to limit or manage surgical procedures; the timing and success of product development and customer acceptance of developed products; the results of any collaborations, in-licensing arrangements, joint ventures, strategic alliances, or partnerships, including the joint venture with Shanghai Fosun Pharmaceutical (Group) Co., Ltd.; the Company’s completion of and ability to successfully integrate acquisitions; intellectual property positions and litigation; risks associated with the Company’s operations and any expansion outside of the United States; unanticipated manufacturing disruptions or the inability to meet demand for products; the Company’s reliance on sole- and single-sourced suppliers; the results of legal proceedings to which the Company is or may become a party, including but not limited to product liability claims; adverse publicity regarding the Company and the safety of the Company’s products and adequacy of training; the impact of changes to tax legislation, guidance, and interpretations; changes in tariffs, trade barriers, and regulatory requirements; and other risks and uncertainties. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and which are based on current expectations and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those risk factors identified under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, as updated by the Company’s other filings with the Securities and Exchange Commission. The Company’s actual results may differ materially and adversely from those expressed in any forward-looking statement, and the Company undertakes no obligation to publicly update or release any revisions to these forward-looking statements, except as required by law.

***About Non-GAAP Financial Measures**

To supplement its consolidated financial statements, which are prepared and presented in accordance with U.S. generally accepted accounting principles (“GAAP”), the Company uses the following non-GAAP financial measures: non-GAAP gross profit, non-GAAP income from operations, non-GAAP net income attributable to Intuitive Surgical, Inc., and non-GAAP net income per diluted share attributable to Intuitive Surgical, Inc. (“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.

The Company uses these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. The Company believes that these non-GAAP financial measures provide meaningful supplemental information regarding its performance by excluding items such as amortization of intangible assets, share-based compensation (“SBC”) and long-term incentive plan expenses, and other special items. Long-term incentive plan expense relates to phantom share awards granted in China by the Company’s 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 the Company's business within the period. The Company believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing its performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to its historical performance. The Company believes 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 the Company's business.

Non-GAAP gross profit. The Company defines non-GAAP gross profit as gross profit, excluding SBC and long-term incentive plan expenses and amortization of intangible assets.

Non-GAAP income from operations. The Company defines non-GAAP income from operations as income from operations, excluding SBC and long-term incentive plan expenses, amortization of intangible assets, and a facilities asset abandonment charge.

Non-GAAP net income attributable to Intuitive Surgical, Inc. and EPS. The Company defines non-GAAP net income as net income attributable to Intuitive Surgical, Inc., excluding SBC and long-term incentive plan expenses, amortization of intangible assets, a facilities asset abandonment charge, losses on strategic investments, tax adjustments, including the excess tax benefits or deficiencies associated with SBC arrangements, a one-time tax benefit from re-measurement of Swiss deferred tax assets, a one-time tax benefit from receipt of certain tax assets by the Company's Swiss entity, 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. The Company excludes the excess tax benefits or deficiencies 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 the Company does not believe these items correlate with the ongoing results of its 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 the Company's operating results. The Company's calculated non-GAAP effective tax rate is generally higher than its GAAP effective tax rate. The Company defines non-GAAP EPS as non-GAAP net income attributable to Intuitive Surgical, Inc. 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 income from operations, non-GAAP net income attributable to Intuitive Surgical, Inc., and non-GAAP EPS exclude items such as SBC and long-term incentive plan expenses, amortization of intangible assets, excess tax benefits or deficiencies 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 the Company's business. In addition, the components of the costs that the Company excludes in its calculation of non-GAAP net income attributable to Intuitive Surgical, Inc. and non-GAAP EPS may differ from the components that its 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 Surgical, Inc. and non-GAAP EPS and evaluating non-GAAP net income attributable to Intuitive Surgical, Inc. and non-GAAP EPS together with net income attributable to Intuitive Surgical, Inc. and net income per share attributable to Intuitive Surgical, Inc. calculated in accordance with GAAP.

INTUITIVE SURGICAL, INC.
UNAUDITED QUARTERLY CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(IN MILLIONS, EXCEPT PER SHARE DATA)

| | Three Months Ended | | |
|---|--------------------|----------------------|-------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| Revenue: | | | |
| Instruments and accessories | \$ 1,158.9 | \$ 1,143.7 | \$ 985.6 |
| Systems | 418.2 | 480.2 | 427.4 |
| Services | 313.5 | 304.4 | 283.2 |
| Total revenue | <u>1,890.6</u> | <u>1,928.3</u> | <u>1,696.2</u> |
| Cost of revenue: | | | |
| Product | 554.4 | 561.3 | 493.0 |
| Service | 90.8 | 89.6 | 90.2 |
| Total cost of revenue | <u>645.2</u> | <u>650.9</u> | <u>583.2</u> |
| Gross profit | 1,245.4 | 1,277.4 | 1,113.0 |
| Operating expenses: | | | |
| Selling, general and administrative (1) | 491.5 | 567.1 | 480.5 |
| Research and development | 284.5 | 260.1 | 244.9 |
| Total operating expenses | <u>776.0</u> | <u>827.2</u> | <u>725.4</u> |
| Income from operations (2) | 469.4 | 450.2 | 387.6 |
| Interest and other income (expense), net | 69.1 | 65.7 | 34.2 |
| Income before taxes | 538.5 | 515.9 | 421.8 |
| Income tax expense (3) | (8.9) | (94.8) | 61.0 |
| Net income | 547.4 | 610.7 | 360.8 |
| Less: net income attributable to noncontrolling interest in joint venture | 2.5 | 4.5 | 5.5 |
| Net income attributable to Intuitive Surgical, Inc. | <u>\$ 544.9</u> | <u>\$ 606.2</u> | <u>\$ 355.3</u> |
| Net income per share attributable to Intuitive Surgical, Inc.: | | | |
| Basic | <u>\$ 1.54</u> | <u>\$ 1.72</u> | <u>\$ 1.01</u> |
| Diluted (4) | <u>\$ 1.51</u> | <u>\$ 1.69</u> | <u>\$ 1.00</u> |
| Weighted average shares outstanding: | | | |
| Basic | <u>353.5</u> | <u>352.1</u> | <u>350.2</u> |
| Diluted | <u>360.5</u> | <u>358.2</u> | <u>356.0</u> |
| (1) Selling, general and administrative includes the effect of the following item: | | | |
| Contribution to the Intuitive Foundation | \$ — | \$ 40.0 | \$ — |
| (2) Income from operations includes the effect of the following items: | | | |
| Amortization of intangible assets | \$ (5.1) | \$ (5.1) | \$ (5.0) |
| Expensed IP charged to R&D | \$ — | \$ (2.0) | \$ — |
| (3) Income tax expense includes the effect of the following items: | | | |
| One-time tax benefit from re-measurement of Swiss deferred tax assets | \$ — | \$ (67.1) | \$ — |
| One-time tax benefit from receipt of certain tax assets by our Swiss entity | \$ — | \$ (92.3) | \$ — |
| Excess tax benefits related to share-based compensation arrangements | \$ (111.1) | \$ (21.7) | \$ (22.5) |
| Discrete tax benefit from release of unrecognized tax benefits | \$ — | \$ (22.8) | \$ — |
| (4) Diluted net income per share attributable to Intuitive Surgical, Inc. includes the effect of the following items: | | | |
| Contribution to the Intuitive Foundation, net of tax | \$ — | \$ (0.09) | \$ — |
| Amortization of intangible assets, net of tax | \$ (0.01) | \$ (0.01) | \$ (0.01) |
| Expensed IP charged to R&D, net of tax | \$ — | \$ — | \$ — |
| One-time tax benefit from re-measurement of certain deferred tax assets | \$ — | \$ 0.19 | \$ — |
| One-time tax benefit from receipt of certain tax assets by our Swiss entity | \$ — | \$ 0.26 | \$ — |
| Excess tax benefits related to share-based compensation arrangements | \$ 0.31 | \$ 0.06 | \$ 0.06 |
| Discrete tax benefit from release of unrecognized tax benefits | \$ — | \$ 0.06 | \$ — |

INTUITIVE SURGICAL, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

| | March 31, 2024 | December 31, 2023 |
|--|--------------------|----------------------|
| Cash, cash equivalents, and investments | \$ 7,322.7 | \$ 7,343.2 |
| Accounts receivable, net | 1,127.9 | 1,130.2 |
| Inventory | 1,299.3 | 1,220.6 |
| Property, plant, and equipment, net | 3,799.6 | 3,537.6 |
| Goodwill | 348.2 | 348.7 |
| Deferred tax assets | 917.8 | 910.5 |
| Other assets | 1,012.5 | 950.7 |
| Total assets | <u>\$ 15,828.0</u> | <u>\$ 15,441.5</u> |
| Accounts payable and other liabilities | \$ 1,293.9 | \$ 1,552.5 |
| Deferred revenue | 487.7 | 491.7 |
| Total liabilities | <u>1,781.6</u> | <u>2,044.2</u> |
| Stockholders' equity | <u>14,046.4</u> | <u>13,397.3</u> |
| Total liabilities and stockholders' equity | <u>\$ 15,828.0</u> | <u>\$ 15,441.5</u> |

INTUITIVE SURGICAL, INC.
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(IN MILLIONS, EXCEPT PER SHARE DATA)

| | Three Months Ended | | |
|---|--------------------|----------------------|-------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| GAAP gross profit | \$ 1,245.4 | \$ 1,277.4 | \$ 1,113.0 |
| Share-based compensation expense | 29.1 | 29.3 | 23.5 |
| Long-term incentive plan expense | 0.3 | 0.3 | 0.4 |
| Amortization of intangible assets | 3.8 | 3.8 | 3.4 |
| Non-GAAP gross profit | <u>\$ 1,278.6</u> | <u>\$ 1,310.8</u> | <u>\$ 1,140.3</u> |
| GAAP income from operations | \$ 469.4 | \$ 450.2 | \$ 387.6 |
| Share-based compensation expense | 153.3 | 150.4 | 139.8 |
| Long-term incentive plan expense | 2.2 | 1.9 | 2.3 |
| Amortization of intangible assets | 5.1 | 5.1 | 5.0 |
| Facilities asset abandonment charge | — | 13.4 | — |
| Non-GAAP income from operations | <u>\$ 630.0</u> | <u>\$ 621.0</u> | <u>\$ 534.7</u> |
| GAAP net income attributable to Intuitive Surgical, Inc. | \$ 544.9 | \$ 606.2 | \$ 355.3 |
| Share-based compensation expense | 153.3 | 150.4 | 139.8 |
| Long-term incentive plan expense | 2.2 | 1.9 | 2.3 |
| Amortization of intangible assets | 5.1 | 5.1 | 5.0 |
| Facilities asset abandonment charge | — | 13.4 | — |
| Losses on strategic investments | 3.4 | 1.4 | 0.4 |
| Tax adjustments (1) | (167.0) | (204.1) | (64.8) |
| Adjustments attributable to noncontrolling interest in joint venture | (0.8) | (0.7) | (1.1) |
| Non-GAAP net income attributable to Intuitive Surgical, Inc. | <u>\$ 541.1</u> | <u>\$ 573.6</u> | <u>\$ 436.9</u> |
| GAAP net income per share attributable to Intuitive Surgical, Inc. - diluted | \$ 1.51 | \$ 1.69 | \$ 1.00 |
| Share-based compensation expense | 0.42 | 0.42 | 0.39 |
| Long-term incentive plan expense | 0.01 | 0.01 | 0.01 |
| Amortization of intangible assets | 0.01 | 0.01 | 0.01 |
| Facilities asset abandonment charge | — | 0.04 | — |
| Losses on strategic investments | 0.01 | — | — |
| Tax adjustments (1) | (0.46) | (0.57) | (0.18) |
| Adjustments attributable to noncontrolling interest in joint venture | — | — | — |
| Non-GAAP net income per share attributable to Intuitive Surgical, Inc. - diluted | <u>\$ 1.50</u> | <u>\$ 1.60</u> | <u>\$ 1.23</u> |

(1) For the three months ended March 31, 2024, tax adjustments included: (a) excess tax benefits associated with share-based compensation arrangements of \$(111.1) million, or \$(0.31) per diluted share; (b) the tax impact related to intra-entity transfers of non-inventory assets of \$10.2 million, or \$0.03 per diluted share; and (c) other tax adjustments effects determined by applying a calculated non-GAAP effective tax rate of \$(66.1) million, or \$(0.18) per diluted share. For the three months ended March 31, 2023, tax adjustments included: (a) excess tax benefits associated with share-based compensation arrangements of \$(22.5) million, or \$(0.06) per diluted share; (b) the tax impact related to intra-entity transfers of non-inventory assets of \$7.0 million, or \$0.02 per diluted share; and (c) other tax adjustments effects determined by applying a calculated non-GAAP effective tax rate of \$(49.3) million, or \$(0.14) per diluted share.