
**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): July 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 July 18, 2024, Intuitive Surgical, Inc. (“Intuitive”) issued a press release announcing its financial results for the quarter ended June 30, 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 July 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: July 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 SECOND QUARTER EARNINGS

SUNNYVALE, CALIF. July 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 June 30, 2024.

Q2 Highlights

- Worldwide da Vinci procedures grew approximately 17% compared with the second quarter of 2023.
- The Company placed 341 da Vinci surgical systems, compared with 331 in the second quarter of 2023. The second quarter 2024 da Vinci surgical system placements included 70 da Vinci 5 systems.
- The Company grew its da Vinci surgical system installed base to 9,203 systems as of June 30, 2024, an increase of 14% compared with 8,042 as of the end of the second quarter of 2023.
- Second quarter 2024 revenue of \$2.01 billion increased 14% compared with \$1.76 billion in the second quarter of 2023.
- Second quarter 2024 GAAP net income attributable to Intuitive was \$527 million, or \$1.46 per diluted share, compared with \$421 million, or \$1.18 per diluted share, in the second quarter of 2023.
- Second quarter 2024 non-GAAP* net income attributable to Intuitive was \$641 million, or \$1.78 per diluted share, compared with \$507 million, or \$1.42 per diluted share, in the second quarter of 2023.

Q2 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.

Second quarter 2024 revenue was \$2.01 billion, an increase of 14% compared with \$1.76 billion in the second quarter of 2023. The higher second quarter revenue was driven by growth in da Vinci procedure volume and an increase in the installed base of systems.

Second quarter 2024 instruments and accessories revenue increased by 16% to \$1.24 billion, compared with \$1.08 billion in the second quarter of 2023. The increase in instruments and accessories revenue was primarily driven by approximately 17% growth in da Vinci procedure volume and approximately 82% growth in Ion procedure volume, partially offset by customer buying patterns.

Second quarter 2024 systems revenue was \$448 million, compared with \$393 million in the second quarter of 2023. The Company placed 341 da Vinci surgical systems, including 70 da Vinci 5 systems, in the second quarter of 2024, compared with 331 systems in the second quarter of 2023. The second quarter 2024 da Vinci surgical system placements included 175 systems placed under operating lease arrangements, of which 92 systems were placed under usage-based operating lease arrangements, compared with 164 systems placed under operating lease arrangements, of which 91 systems were placed under usage-based operating lease arrangements in the second quarter of 2023.

Second quarter 2024 GAAP income from operations increased to \$567 million, compared with \$463 million in the second quarter of 2023. Second quarter 2024 GAAP income from operations included share-based compensation expense of \$176 million, compared with \$148 million in the second quarter of 2023. Second quarter 2024 non-GAAP* income from operations increased to \$754 million, compared with \$618 million in the second quarter of 2023.

Second quarter 2024 GAAP net income attributable to Intuitive Surgical, Inc. was \$527 million, or \$1.46 per diluted share, compared with \$421 million, or \$1.18 per diluted share, in the second quarter of 2023. Second quarter 2024 GAAP net income attributable to Intuitive Surgical, Inc. included excess tax benefits of \$36 million, or \$0.10 per diluted share, compared with \$42 million, or \$0.12 per diluted share, in the second quarter of 2023.

Second quarter 2024 non-GAAP* net income attributable to Intuitive Surgical, Inc. was \$641 million, or \$1.78 per diluted share, compared with \$507 million, or \$1.42 per diluted share, in the second quarter of 2023.

The Company ended the second quarter of 2024 with \$7.68 billion in cash, cash equivalents, and investments, an increase of \$360 million during the quarter, primarily driven by cash generated from operations, partially offset by capital expenditures.

Impact of COVID-19 Pandemic

The first half of 2024 did not reflect any noticeable 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.

“Our business was healthy this quarter, and we are pleased by feedback on da Vinci 5 as well as the continued adoption of SP and Ion,” said Gary Guthart, Intuitive CEO. “We remain focused on delivering the goals we share with our customers, centered on 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 second 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 6035714. 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-assisted surgery. Our technologies include the da Vinci surgical systems 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 the Company’s products, and the goals it shares with its 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 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 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; 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 litigation charges.

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, litigation charges, gains and 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		
	June 30, 2024	March 31, 2024	June 30, 2023
Revenue:			
Instruments and accessories	\$ 1,244.4	\$ 1,158.9	\$ 1,075.9
Systems	448.2	418.2	392.7
Services	317.3	313.5	287.3
Total revenue	2,009.9	1,890.6	1,755.9
Cost of revenue:			
Product	539.4	554.4	498.0
Service	97.8	90.8	86.0
Total cost of revenue	637.2	645.2	584.0
Gross profit	1,372.7	1,245.4	1,171.9
Operating expenses:			
Selling, general and administrative	525.3	491.5	464.3
Research and development	280.1	284.5	244.4
Total operating expenses	805.4	776.0	708.7
Income from operations (1)	567.3	469.4	463.2
Interest and other income (expense), net	87.2	69.1	36.0
Income before taxes	654.5	538.5	499.2
Income tax expense (2)	123.0	(8.9)	73.2
Net income	531.5	547.4	426.0
Less: net income attributable to noncontrolling interest in joint venture	4.6	2.5	5.2
Net income attributable to Intuitive Surgical, Inc.	\$ 526.9	\$ 544.9	\$ 420.8
Net income per share attributable to Intuitive Surgical, Inc.:			
Basic	\$ 1.48	\$ 1.54	\$ 1.20
Diluted (3)	\$ 1.46	\$ 1.51	\$ 1.18
Weighted average shares outstanding:			
Basic	355.0	353.5	350.9
Diluted	361.0	360.5	357.3
(1) Income from operations includes the effect of the following items:			
Amortization of intangible assets	\$ (5.0)	\$ (5.1)	\$ (5.0)
Expensed IP charged to R&D	\$ (0.2)	\$ —	\$ (1.5)
(2) Income tax expense includes the effect of the following items:			
Excess tax benefits related to share-based compensation arrangements	\$ (35.7)	\$ (111.1)	\$ (41.7)
(3) Diluted net income per share attributable to Intuitive Surgical, Inc. includes the effect of the following items:			
Amortization of intangible assets, net of tax	\$ (0.01)	\$ (0.01)	\$ (0.01)
Expensed IP charged to R&D, net of tax	\$ —	\$ —	\$ —
Excess tax benefits related to share-based compensation arrangements	\$ 0.10	\$ 0.31	\$ 0.12

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

	Six Months Ended	
	June 30,	
	2024	2023
Revenue:		
Instruments and accessories	\$ 2,403.3	\$ 2,061.5
Systems	866.4	820.1
Services	630.8	570.5
Total revenue	<u>3,900.5</u>	<u>3,452.1</u>
Cost of revenue:		
Product	1,093.8	991.0
Service	188.6	176.2
Total cost of revenue	<u>1,282.4</u>	<u>1,167.2</u>
Gross profit	<u>2,618.1</u>	<u>2,284.9</u>
Operating expenses:		
Selling, general and administrative	1,016.8	944.8
Research and development	564.6	489.3
Total operating expenses	<u>1,581.4</u>	<u>1,434.1</u>
Income from operations (1)	1,036.7	850.8
Interest and other income, net	156.3	70.2
Income before taxes	1,193.0	921.0
Income tax expense (2)	114.1	134.2
Net income	1,078.9	786.8
Less: net income attributable to noncontrolling interest in joint venture	7.1	10.7
Net income attributable to Intuitive Surgical, Inc.	<u>\$ 1,071.8</u>	<u>\$ 776.1</u>
Net income per share attributable to Intuitive Surgical, Inc.:		
Basic	<u>\$ 3.03</u>	<u>\$ 2.21</u>
Diluted (3)	<u>\$ 2.97</u>	<u>\$ 2.18</u>
Weighted average shares outstanding:		
Basic	<u>354.2</u>	<u>350.6</u>
Diluted	<u>360.8</u>	<u>356.6</u>
(1) Income from operations includes the effect of the following items:		
Amortization of intangible assets	\$ (10.1)	\$ (10.0)
Expensed IP charged to R&D	\$ (0.2)	\$ (1.5)
(2) Income tax expense includes the effect of the following items:		
Excess tax benefits related to share-based compensation arrangements	\$ (146.8)	\$ (64.2)
(3) Diluted net income per share attributable to Intuitive Surgical, Inc. includes the effect of the following items:		
Amortization of intangible assets, net of tax	\$ (0.02)	\$ (0.02)
Expensed IP charged to R&D, net of tax	\$ —	\$ —
Excess tax benefits related to share-based compensation arrangements	\$ 0.41	\$ 0.18

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

	June 30, 2024	December 31, 2023
Cash, cash equivalents, and investments	\$ 7,683.1	\$ 7,343.2
Accounts receivable, net	1,109.1	1,130.2
Inventory	1,383.9	1,220.6
Property, plant, and equipment, net	4,116.8	3,537.6
Goodwill	348.0	348.7
Deferred tax assets	946.9	910.5
Other assets	1,062.1	950.7
Total assets	<u>\$ 16,649.9</u>	<u>\$ 15,441.5</u>
Accounts payable and other liabilities	\$ 1,376.0	\$ 1,552.5
Deferred revenue	477.4	491.7
Total liabilities	<u>1,853.4</u>	<u>2,044.2</u>
Stockholders' equity	<u>14,796.5</u>	<u>13,397.3</u>
Total liabilities and stockholders' equity	<u>\$ 16,649.9</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			Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
GAAP gross profit	\$ 1,372.7	\$ 1,245.4	\$ 1,171.9	\$ 2,618.1	\$ 2,284.9
Share-based compensation expense	29.7	29.1	27.3	58.8	50.8
Long-term incentive plan expense	0.1	0.3	0.3	0.4	0.7
Amortization of intangible assets	3.7	3.8	3.5	7.5	6.9
Non-GAAP gross profit	<u>\$ 1,406.2</u>	<u>\$ 1,278.6</u>	<u>\$ 1,203.0</u>	<u>\$ 2,684.8</u>	<u>\$ 2,343.3</u>
GAAP income from operations	\$ 567.3	\$ 469.4	\$ 463.2	\$ 1,036.7	\$ 850.8
Share-based compensation expense	173.6	153.3	146.5	326.9	286.3
Long-term incentive plan expense	1.0	2.2	2.9	3.2	5.2
Amortization of intangible assets	5.0	5.1	5.0	10.1	10.0
Litigation charges	7.2	—	—	7.2	—
Non-GAAP income from operations	<u>\$ 754.1</u>	<u>\$ 630.0</u>	<u>\$ 617.6</u>	<u>\$ 1,384.1</u>	<u>\$ 1,152.3</u>
GAAP net income attributable to Intuitive Surgical, Inc.	\$ 526.9	\$ 544.9	\$ 420.8	\$ 1,071.8	\$ 776.1
Share-based compensation expense	173.6	153.3	146.5	326.9	286.3
Long-term incentive plan expense	1.0	2.2	2.9	3.2	5.2
Amortization of intangible assets	5.0	5.1	5.0	10.1	10.0
Litigation charges	7.2	—	—	7.2	—
(Gains) losses on strategic investments	(7.8)	3.4	5.8	(4.4)	6.2
Tax adjustments (1)	(64.5)	(167.0)	(73.8)	(231.5)	(138.6)
Adjustments attributable to noncontrolling interest in joint venture	(0.4)	(0.8)	(0.2)	(1.2)	(1.3)
Non-GAAP net income attributable to Intuitive Surgical, Inc.	<u>\$ 641.0</u>	<u>\$ 541.1</u>	<u>\$ 507.0</u>	<u>\$ 1,182.1</u>	<u>\$ 943.9</u>
GAAP net income per share attributable to Intuitive Surgical, Inc. - diluted	\$ 1.46	\$ 1.51	\$ 1.18	\$ 2.97	\$ 2.18
Share-based compensation expense	0.48	0.42	0.41	0.90	0.80
Long-term incentive plan expense	—	0.01	0.01	0.01	0.01
Amortization of intangible assets	0.02	0.01	0.01	0.03	0.03
Litigation charges	0.02	—	—	0.02	—
(Gains) losses on strategic investments	(0.02)	0.01	0.02	(0.01)	0.02
Tax adjustments (1)	(0.18)	(0.46)	(0.21)	(0.64)	(0.39)
Adjustments attributable to noncontrolling interest in joint venture	—	—	—	—	—
Non-GAAP net income per share attributable to Intuitive Surgical, Inc. - diluted	<u>\$ 1.78</u>	<u>\$ 1.50</u>	<u>\$ 1.42</u>	<u>\$ 3.28</u>	<u>\$ 2.65</u>

(1) For the three months ended June 30, 2024, tax adjustments included: (a) excess tax benefits associated with share-based compensation arrangements of \$(35.7) million, or \$(0.10) 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 \$(39.0) million, or \$(0.11) per diluted share. For the three months ended June 30, 2023, tax adjustments included: (a) excess tax benefits associated with share-based compensation arrangements of \$(41.7) million, or \$(0.12) 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 \$(39.1) million, or \$(0.11) per diluted share.

For the six months ended June 30, 2024, tax adjustments included: (a) excess tax benefits associated with share-based compensation arrangements of \$(146.8) million, or \$(0.41) per diluted share; (b) tax impact related to intra-entity transfers of non-inventory assets of \$20.4 million, or \$0.06 per diluted share; and (c) other tax adjustments effects determined by applying a calculated non-GAAP effective tax rate of \$(105.1) million, or \$(0.29) per diluted share. For the six months ended June 30, 2023, tax adjustments included: (a) excess tax benefits associated with share-based compensation arrangements of \$(64.2) million, or \$(0.18) per diluted share; (b) tax impact related to intra-entity transfers of non-inventory assets of \$14.0 million, or \$0.04 per diluted share; and (c) other tax adjustments effects determined by applying a calculated non-GAAP effective tax rate of \$(88.4) million, or \$(0.25) per diluted share.