

performance vision screen. The lon system is a flexible robotic-

CA 94086. Tel.: (408) 523-2100. Internet: www.intuitive.com.

ANNUAL RATES Past Est'd '17-'19 Past 5 Yrs. 11.5% 10 Yrs. 16.5% to '24-'26 of change (per sh) Sales 10.5% Cash Flow Earnings Dividends 19.5% 15.0% 13.0% 14.5% 18.5% 13.5% Book Value

719.9

820.6

Other

2021

Current Liab.

906.7

1030.2

778.7

894.7

Cal- endar			SALES (\$ r Sep. 30		Full Year
2018	847.5	909.3	920.9	1046.5	3724.2
2019	973.7	1098.9	1128.2	1277.7	4478.5
2020	1099.5	852.1	1077.7	1329.1	4358.4
2021	1160	1200	1250	1390	5000
2022	1320	1390	1450	1590	5750
Cal-	EARNINGS PER SHARE AD				Full
endar	Mar.31	Jun. 30	Sep. 30	Dec. 31	Year
2018	2.44	2.15	2.45	2.45	9.49
2019	2.56	2.67	3.33	2.99	11.54
2020	2.62	.57	2.60	3.02	8.82
2021	2.60	2.80	3.10	3.20	11.70
2022	3.20	3.40	3.70	3.70	14.00
Cal-	QUARTERLY DIVIDENDS PAID				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2017					
2018	NO CASH DIVIDENDS				
2019	BEING PAID				
2020					

Intuitive Surgical closed out 2020 on a high note. The company surpassed consensus expectations on both earnings and sales in the December period, owing to a combination of cost control and betterthan-anticipated growth in da Vinci surgical procedures. While the impact of COVID-19 continued to take a significant toll on performance, Intuitive managed to achieve a 6% increase in total procedures during the quarter, reflecting 5% growth in U.S. markets and an 11% uptick overseas. The latter benefited from continued strong momentum in China, where gains were broad-based across urology, thoracic, general surgery and gynecology.

The company is poised for some topand bottom-line recovery in 2021. Intuitive's 2020 results were hit pretty hard by the pandemic, as overwhelmed hospitals and a broad reluctance to travel weighed heavily on elective procedure activity. The fallout was most substantial in the June period, but we did see improvement over the balance of the year and an unexpected return of positive comps in Q4. While management cautioned that COVID pressures were likely to linger in 2021, the

overall setup appears much more favorable relative to last year. We expect operating performance will benefit from more normalized conditions in the healthcare sector, which we anticipate will be aided by increasingly effective therapeutics and expanded access to the FDA approved vaccines. Pent up demand from patients who had delayed procedures last year also

represents a key catalyst.

We continue to view the long-term story favorably. Trends in the use of robotics remain highly encouraging and Intuitive is a clear leader in this space. Its da Vinci surgical system has become a staple in hospitals across many major U.S. and international markets and feedback continues to be largely positive. We believe there is a long runway for growth here.

The stock's Timeliness rank has been **upgraded to 2 (Above Average).** Based on our analysis, ISRG shares are currently pegged to outperform the broader market in the year ahead. For investors with a longer-term mindset, price appreciation potential over the 18-month and 2024-2026 time frames is also above average. February 12, 2021 Michael Ratty

(A) Diluted EPS (GAAP). Next earnings report due mid-April. Excludes nonrecurring loss of \$2.83 a share in Q4, 2017.

(B) Incl. intangibles. In 2019: \$748.6 million, \$6,45 a share.

(C) In millions, adj. for split. (D) Earnings may not sum due to changes in share count.

Company's Financial Strength Stock's Price Stability Price Growth Persistence 65 75 **Earnings Predictability**