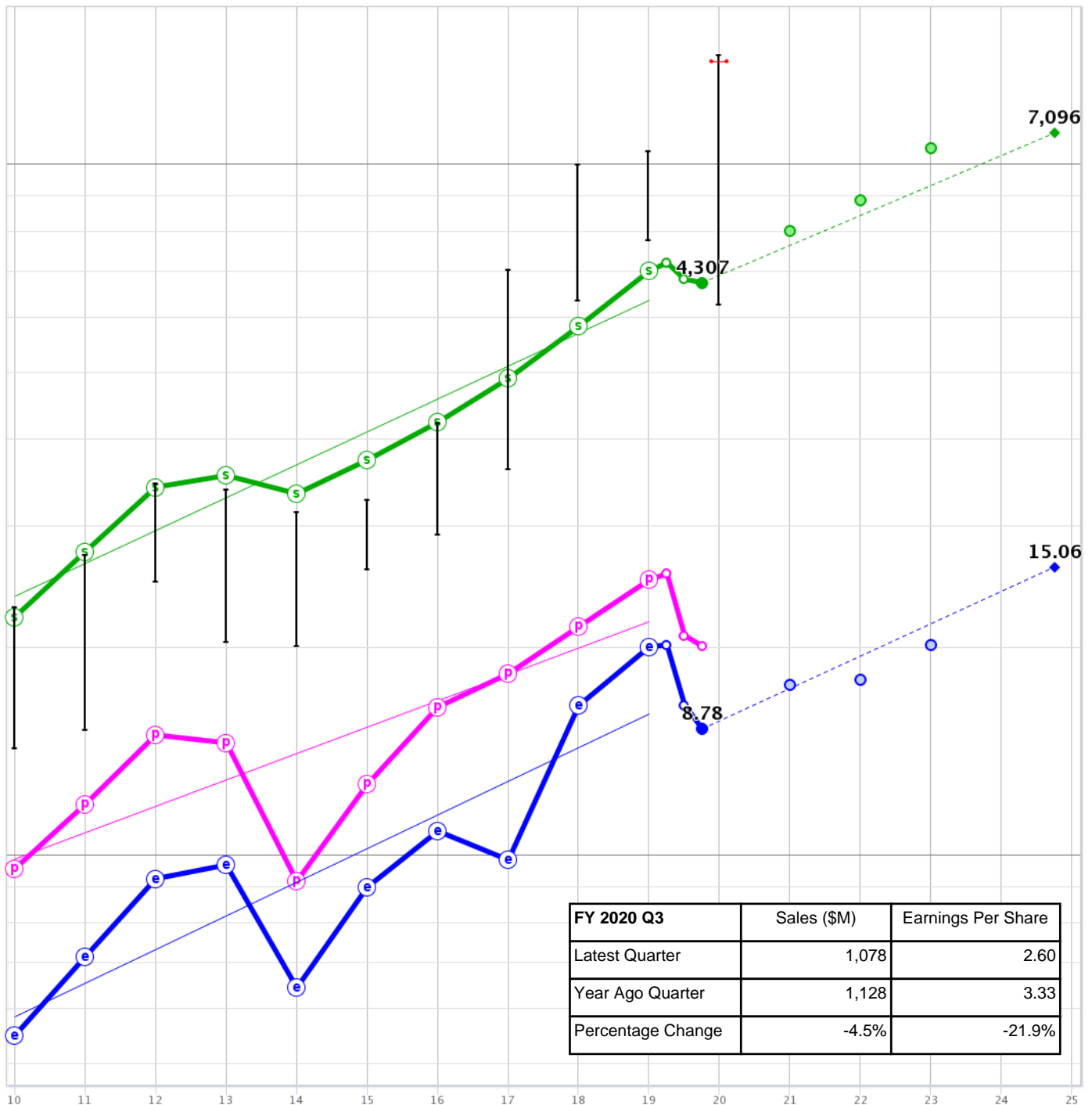


Company	Intuitive Surgical Inc		Date	01/13/21	
Prepared by	Bowen		Data taken from	TK6 Import	
Where traded	NAS	Industry	Medical Instruments & Suppli		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	120.6		0.6	82.4	
Debt (\$M)	0.0	% to Tot Cap	0.0	% Pot Dil	0.0

# Stock Selection Guide

Symbol: ISRG

## 1 VISUAL ANALYSIS of Sales, Earnings, and Price



- |                                   |       |  |       |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth       | 11.6% | (3) Historical Earnings Per Share Growth       | 11.9% |
| (2) Estimated Future Sales Growth | 10.5% | (4) Estimated Future Earnings Per Share Growth | 11.4% |

## 2 EVALUATING Management

Intuitive Surgical Inc

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	40.5%	40.4%	41.0%	38.4%	25.8%	31.8%	36.3%	35.0%	34.4%	33.5%	34.2%
% Earned on Equity	18.1%	20.4%	17.9%	19.6%	13.2%	14.1%	13.1%	12.8%	17.3%	17.2%	14.9%
% Debt To Capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## 3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

**CLOSING PRICE** 811.45 (01/13/21)

**HIGH THIS YEAR** 826.81

**LOW THIS YEAR** 360.50

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2015	188.3	149.0	5.18	36.3	28.8	0.00	0.0	0.0
2016	242.4	167.3	6.24	38.8	26.8	0.00	0.0	0.0
2017	405.1	208.2	5.67	71.4	36.7	0.00	0.0	0.0
2018	575.7	365.1	9.49	60.7	38.5	0.00	0.0	0.0
2019	601.6	446.5	11.54	52.1	38.7	0.00	0.0	0.0
AVERAGE		267.2		51.9	33.9		0.0	
CURRENT/TTM			8.78			0.00	0.0	
AVERAGE PRICE EARNINGS RATIO: 42.9				CURRENT PRICE EARNINGS RATIO: 92.4				

## 4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

### A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 51.9 X Estimate High Earnings/Share 15.06 = Forecasted High Price \$ 781.8

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 33.9 X Estimate Low Earnings/Share 11.61 = Forecasted Low Price \$ 393.6

(b) Avg. Low Price of Last 5 Years 267.2

(c) Recent Market Low Price 360.5

(d) Price Dividend Will Support  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{0.00\%} = 0.0$

Selected Forecasted Low Price \$ 360.5

### C ZONING using 25%-50%-25%

Forecasted High Price 781.8 Minus Forecasted Low Price 360.5 = 421.3 Range. 25% of Range 105.3

Buy Zone 360.5 to 465.8

Hold Zone 465.8 to 676.5

Sell Zone 676.5 to 781.8

Present Market Price of 811.45 is in the **INVALID** Zone

### D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{781.8 - 811.45}{811.45 - 360.5} = \frac{-29.66}{450.95} = \text{Invalid To 1}$

### E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{781.8 - 811.45}{811.45} = 0.9634 \times 100 = 96.34 - 100 = -3.7\%$  % Appreciation

## 5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

**A**  $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.00}{811.45} = 0.0000 = 0.0\%$  Current Yield

### B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{51.90} = 0.0\%$

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{42.90} = 0.0\%$

### C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation -0.7 %  
Average Yield 0.0 %  
Annualized Rate of Return -0.7 %

### COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

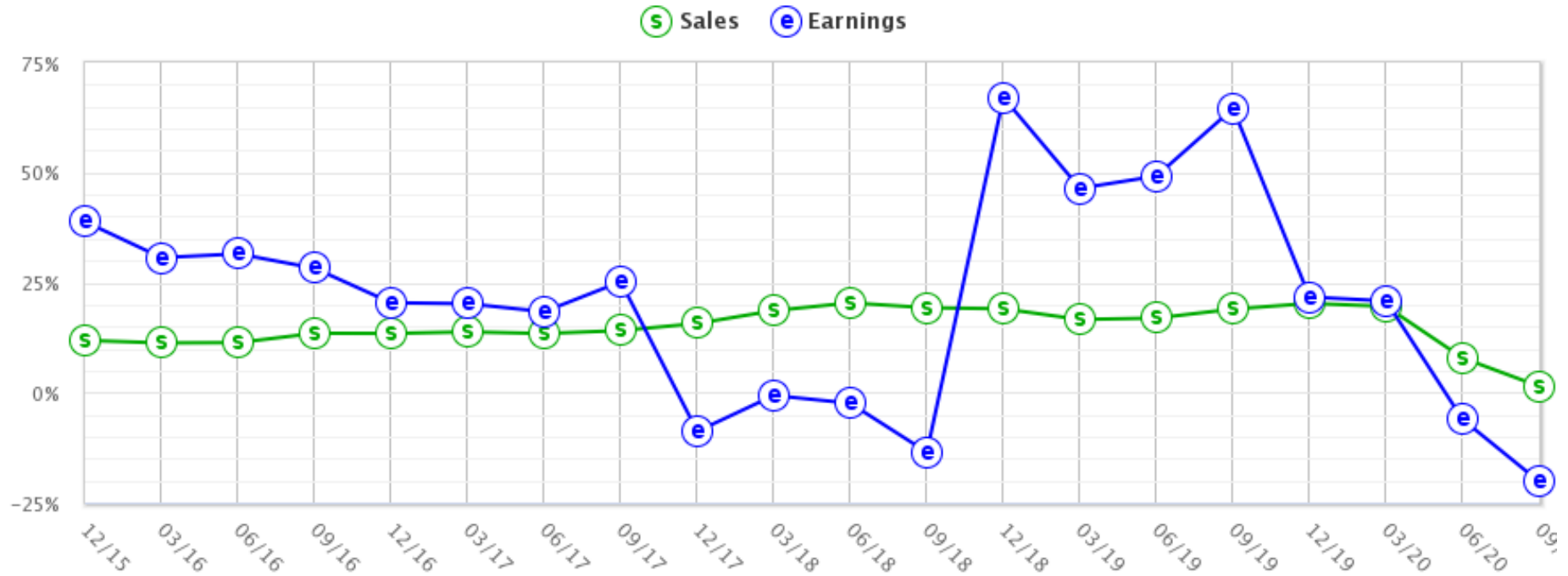
Annualized Appreciation -4.5 %  
Average Yield 0.0 %  
Annualized Rate of Return -4.5 %

**Notes: Intuitive Surgical Inc 1/14/20**

Date	Subject	Description	Type
04/14/19	Notes from Toolkit 6	02/04/12 Mtg Sales: 20.4/20.4; EPS 20.6 to 20.4; HiPE 35.0 to 40; LoPE 21.0 to 19  November 2013 - ISRG - Sales 9, Earnings 8.9, High PE 31, Low PE 21.  11/1/14 - HiPE 31 to 38; LowPE 21 to 24; Estimated Low Price from Forecast low price to Recent Severe Market Low Price  Feb 2016 - Len Douglass and Susan Urban  08/06/16 Len gave SW update changed S&E to 11.5 and 12.0 4 03/04/17 LD - SW update. Changed S&E to 9.0 and 9.9; use PP and change shares to 36; use PP EPS of 30.08 Updated to agree with the May minutes 5/30/18 11/02/17 LD update Changed Sales to 10.5% and EPS to 14% per VL 8/18/17 VL Ave Ann Pe of 32 +/- 5 Hi 37 and Lo 27  4/14/2019 Update Sales to 12.5% EPS stays at 14% Ave Ann P/E to 35 per 2/15/19 ValueLine +/- 5 HI 40 low 30	Community

**Quarterly Growth Trend Data**

Graph: Trailing 4 Quarters, Last 5 Years of Data



Period	Quarterly Data								Last 12 Months Data								
	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales	
09/20	2.60	-21.9	355.2	33.0	-11.0	1,077.7	-4.5	10.8	8.78	1,202.2	27.9	4,307.0	176.3	14.7	-20.3	-15.9	1.4
06/20	0.57	-78.7	107.2	12.6	-72.6	852.1	-22.5	34.5	9.51	1,246.0	28.6	4,357.5	149.3	12.0	-6.1	-8.8	7.9
03/20	2.62	2.3	308.1	28.0	10.2	1,099.5	12.9	-2.6	11.61	1,530.6	33.2	4,604.3	125.0	8.2	20.8	20.6	19.6
12/19	2.99	22.0	431.7	33.8	20.3	1,277.7	22.1	16.0	11.55	1,502.2	33.5	4,478.5	99.9	6.7	21.7	17.4	20.3
09/19	3.33	35.9	399.0	35.4	19.0	1,128.2	22.5	0.1	11.01	1,429.3	33.7	4,247.3	105.2	7.4	64.6	13.4	19.0
06/19	2.67	24.2	391.8	35.7	32.5	1,098.9	20.9	19.2	10.13	1,365.5	33.8	4,040.0	144.4	10.6	49.2	12.5	16.9
03/19	2.56	4.9	279.7	28.7	-3.5	973.7	14.9	-8.7	9.61	1,269.3	33.0	3,850.4	117.2	9.2	46.4	7.0	16.6
12/18	2.45	800.0	358.8	34.3	5.7	1,046.5	17.3	18.8	9.49	1,279.5	34.4	3,724.2	148.8	11.6	67.1	16.7	19.0
09/18	2.45	-3.9	335.2	36.4	15.8	920.9	14.2	13.0	6.69	1,260.0	35.3	3,570.1	438.3	34.8	-13.6	21.9	19.3
06/18	2.15	11.8	295.6	32.5	10.5	909.3	20.2	13.9	6.79	1,214.2	35.1	3,455.3	374.6	30.9	-2.4	20.1	20.4

**Quarterly Growth Trend Data**

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
03/18	2.44	56.7	289.9	34.2	44.8	847.5	25.7	0.9	6.56	1,186.2	35.9	3,302.2	375.9	31.7	-0.7	19.0	18.6
12/17	-0.35	-120.5	339.3	38.0	22.9	892.4	17.9	111.4	5.68	1,096.5	35.0	3,128.9	373.0	34.0	-8.8	11.8	15.7
09/17	2.55	44.1	289.4	35.9	8.5	806.1	18.0	-2.8	7.74	1,033.3	34.5	2,993.4	131.0	12.7	25.2	8.0	14.1
06/17	1.92	22.5	267.6	35.4	5.6	756.2	12.8	17.2	6.96	1,010.7	35.2	2,870.2	188.1	18.6	18.4	14.4	13.4
03/17	1.56	31.9	200.2	29.7	8.5	674.2	13.4	10.2	6.61	996.5	35.8	2,784.1	210.3	21.1	20.2	23.3	13.8
12/16	1.71	2.8	276.1	36.5	9.7	756.9	11.9	26.1	6.23	980.8	36.3	2,704.4	245.9	25.1	20.4	29.3	13.4
09/16	1.77	20.7	266.8	39.1	37.8	682.9	15.8	20.9	6.18	956.5	36.5	2,624.0	236.0	24.7	28.3	38.3	13.5
06/16	1.57	32.3	253.4	37.8	42.0	670.1	14.3	27.2	5.88	883.3	34.9	2,530.8	201.8	22.8	31.5	34.0	11.3
03/16	1.18	37.7	184.5	31.0	37.0	594.5	11.7	26.1	5.50	808.3	33.0	2,446.8	179.4	22.2	30.7	29.7	11.3
12/15	1.66	26.9	251.8	37.2	36.3	676.5	11.9	24.5	5.17	758.5	31.8	2,384.4	172.0	22.7	38.8	38.2	11.9
09/15	1.47	31.3	193.6	32.8	20.2	589.7	7.2	13.6	4.82	691.5	29.9	2,312.6	149.9	21.7	25.4	19.5	10.0
06/15	1.19	28.6	178.4	30.4	25.1	586.1	14.4	24.6	4.47	659.0	29.0	2,273.0	158.8	24.1	10.2	10.6	10.8
03/15	0.86	127.3	134.7	25.3	122.6	532.1	14.5	28.0	4.21	623.2	28.3	2,199.1	154.0	24.7	-5.1	-7.8	3.8
12/14	1.31	-8.2	184.8	30.6	-13.8	604.7	4.9	20.6	3.73	549.0	25.8	2,131.7	134.0	24.4	-33.2	-37.0	-5.9
09/14	1.12	-16.0	161.1	29.3	-9.5	550.1	10.2	23.2	3.84	578.7	27.5	2,103.2	144.1	24.9	-31.0	-36.3	-8.5
06/14	0.92	-29.0	142.6	27.8	-36.0	512.2	-11.5	27.1	4.06	595.7	29.0	2,052.1	131.5	22.1	-29.1	-37.0	-12.2
03/14	0.38	-75.2	60.5	13.0	-76.3	464.7	-24.0	26.8	4.43	675.9	31.9	2,118.4	151.8	22.5	-21.9	-29.0	-7.7
12/13	1.43	0.7	214.5	37.2	-14.8	576.2	-5.4	22.5	5.58	870.9	38.4	2,265.1	194.1	22.3	4.8	-2.6	4.0
09/13	1.33	-10.6	178.1	35.7	-17.4	499.0	-7.2	12.0	5.57	908.2	39.5	2,298.2	220.6	24.3	7.9	7.5	11.2
06/13	1.30	4.0	222.8	38.5	-2.8	578.5	7.8	28.6	5.72	945.8	40.5	2,337.0	237.0	25.1	22.0	16.7	18.3
03/13	1.52	30.2	255.5	41.8	29.6	611.4	23.5	26.1	5.67	952.3	41.5	2,295.0	247.8	26.0	28.6	26.4	23.1
12/12	1.42	12.7	251.8	41.3	24.0	609.3	22.6	30.5	5.32	893.9	41.0	2,178.8	235.1	26.3	29.6	26.0	24.0
09/12	1.49	46.2	215.7	40.1	19.3	537.8	20.4	15.0	5.16	845.2	40.9	2,066.3	211.7	25.1	33.8	27.3	25.2
06/12	1.25	28.9	229.3	42.7	33.2	536.5	26.0	32.4	4.69	810.3	41.0	1,975.2	238.0	29.4	32.0	30.7	27.6
03/12	1.17	35.2	197.1	39.8	28.3	495.2	27.6	27.2	4.41	753.2	40.4	1,864.4	220.0	29.2	33.1	27.2	26.6
12/11	1.26	24.8	203.1	40.9	29.2	496.8	27.6	25.5	4.11	709.7	40.4	1,757.3	216.3	30.5	30.1	24.0	24.4
09/11	1.02	42.6	180.8	40.5	31.9	446.7	29.7	32.3	3.86	663.8	40.2	1,649.8	197.9	29.8			
06/11	0.97	32.9	172.2	40.5	19.4	425.7	21.4	31.8	3.55	620.1	40.1	1,547.5	191.9	30.9			
03/11	0.86	22.1	153.6	39.6	14.8	388.1	18.1	32.2	3.31	592.1	40.2	1,472.5	193.1	32.6			
12/10	1.01		157.2	40.4		389.3		22.9									
09/10	0.71		137.1	39.8		344.4		36.8									
06/10	0.73		144.2	41.1		350.7		38.5									
03/10	0.71		133.8	40.7		328.6		36.3									