

# Intuitive Surgical rises 9 pct. on strong earnings

The Associated Press

Shares of robot surgical company Intuitive Surgical Inc. rose 9 percent Wednesday after the company reported continuing demand for its remote-controlled surgical devices.

**THE SPARK:** On Tuesday Intuitive Surgical said that it sold another 175 da Vinci surgical systems in the fourth quarter, up from 152 a year ago. The da Vinci system uses robotic arms, cameras and a remote control console to help doctors perform surgery with tiny incisions. Intuitive Surgical's business model is built around sales of the \$1.5 million devices, plus disposable instruments that must be replaced after each procedure. Intuitive said procedures with the robot increased 25 percent in the fourth quarter, with the largest areas of growth in gynecology and general surgery procedures.

**THE ANALYSIS:** The company said Tuesday that it expects procedures with da Vinci to increase by 20 to 23 percent in the coming year. Analysts say the actual figure could be higher. Stifel Nicolaus & Co. analyst Rick Wise said Intuitive Surgical "starts new fiscal years with a conservative outlook that is frequently exceeded." Wise raised his 2013 sales projections for the company to \$2.56 billion from \$2.49 billion.

Cantor Fitzgerald analyst Jeremy Feffer said there are "limited opportunities for revenue upside" compared with 2012. However he still expects "continued solid growth" and raised his price target for the stock to \$500 from \$525.

**SHARE ACTION:** Intuitive Surgical shares rose \$47.10, or 9.1 percent, to \$565.59 in afternoon trading.

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