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JNJ.N - Johnson & Johnson Investor Conference Call

EVENT DATE/TIME: AUGUST 03, 2026 / 12:00PM GMT

OVERVIEW:

Company Summary

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PRESENTATION

Operator

Good morning and welcome to Johnson & Johnson's OTTAVA investor conference call. (Operator Instructions) This call is being recorded. If anyone has any objections, you may disconnect at this time. (Operator Instructions)

I would now like to turn the conference call over to Johnson & Johnson. You may begin.

Ryan Koors - Johnson & Johnson - Vice President - Investor Relations

Good morning and thank you for joining us. This is Ryan Koors, Vice President of Investor Relations for Johnson & Johnson. Welcome to our OTTAVA investor call following the recent FDA approval. Following prepared remarks, we will have time for open Q&A. We anticipate this webcast will last approximately 45 minutes. Please note that we will only be taking questions on OTTAVA during today's call.

Please be advised that this presentation contains forward-looking statements related to the OTTAVA robotic surgical system. The viewer is cautioned not to rely on these forward-looking statements, which are based on the current expectations of future events using information as of the date of this recording. They are subject to certain risks and uncertainties that may cause the company's actual results to differ materially from those projected.

The description of these risks, uncertainties, and other factors can be found in our SEC filings, including our 2025 Form 10-K, which is available at investor.jnj.com and on the SEC's website. Today's call is intended to provide additional insights on the OTTAVA platform and the long-term opportunity we see ahead.

With that, I will turn it over to Rocco and to Neda.

Rocco De Bernardis - *Johnson & Johnson - Global President Robotic & Digital Surgery - OTTAVA*

Good morning, everyone. My name is Rocco De Bernardis, and I'm the President of the OTTAVA program at Johnson & Johnson. Thank you for joining us today to talk about our most recent milestone with OTTAVA receiving De Novo authorization in the US. We announced this news at the Society of Robotic Surgery annual meeting, and it was an incredible opportunity to celebrate with the many surgeons who have been instrumental to the OTTAVA program and who are leading experts and practitioners in robotic surgery.

OTTAVA is not simply a new system. It is something we have built with purpose, persistence, and in partnership with surgeons and hospitals. With this launch, we're bringing hospitals and surgical teams a competitive system designed to adapt to their clinical approach while unlocking new potential in operating rooms, starting in the US and then around the world.

I've been leading the OTTAVA program for nearly five years, and during this time, the program has truly accelerated, meeting each of its clinical and regulatory milestones to bring us to this first market approval. Today, I will share more about what makes OTTAVA truly differentiated and why this is a purpose-built foundation to open new possibilities in surgery.

Before we get into the details, I also want to introduce my colleague, Neda Cvijetic, Head of R&D for Robotics and Digital, who will provide more context today on the engineering and design of OTTAVA. But first, I would like to share a short video that introduces OTTAVA.

Unidentified Participant

(video starts)

Open isn't a feature; it's our philosophy. Meet OTTAVA, the world's first table-integrated soft tissue robotic surgery system: built to open new possibilities, designed to fit your OR, automation from day one, movement without interruption, engineered with proven instrument technology, powered by an open digital ecosystem, so insights from anywhere propel surgery everywhere.

This isn't just an improvement on robotic surgery. This is where surgery goes next. OTTAVA from Johnson & Johnson.

(video ends)

Rocco De Bernardis - *Johnson & Johnson - Global President Robotic & Digital Surgery - OTTAVA*

As you could see right away in the video, OTTAVA is the first of its kind in soft tissue robotics. And as Neda will explain, we engineer it that way from the ground up. Today, we will highlight a few key elements that differentiate OTTAVA: our novel architecture, Twin Motion, which is a synchronized motion of the table and arms; automation from day one; our next-generation instruments; and Polyphonic, our open and secure digital ecosystem.

Let's look at each one of these in detail, first of all, our novel architecture. While you might have heard us talk about this before, I hope that today it is clear just how different this is and how this can open capacity, workflow, collaboration, and innovation for clinical teams and hospitals. The regulatory pathway we took for OTTAVA is further evidence of the system's unique design. We could not take a 510(k) pathway because there is no predicate device like OTTAVA.

We like to say that with OTTAVA, we are breaking the mold. There are no booms and no carts. Instead, intelligent surgical arms are integrated into a standard-size operating table. Because of this, OTTAVA occupies 30% to 50% less space than leading boom and cart-mounted systems. This can fundamentally change how we -- the operating room works and allows OTTAVA to fit seamlessly into almost any operating room.

This design opens possibilities like improved patient access, an open, flexible environment, better visibility across the room, and more space for staff to move and work. This also means opening capacity for hospitals.

Let me explain what we mean by that. Today, hospitals want to build the robotics programs to meet surgeons and patient demand, offering a multi-quadrant system with demonstrated reach and access for complex procedures; but in a significant reduced footprint, offers hospitals the potential to grow the capacity of their programs without updating infrastructure, because there is no need for sizable, dedicated operating rooms with OTTAVA. Feedback from our clinical trials has validated why this matters.

In our first clinical trials, in five of the six trial sites, OTTAVA was used in operating rooms that previously could not accommodate a robot, including a room that was only 243 square feet in size. We heard from hospital leaders, we couldn't fit another robot in that room. We heard from anesthesiologists how pleased they were with their ability to access the patient.

We heard from nursing staff, who commented several times when getting to the OR to set up for a case, when does the robot arrive? We heard from surgeons that increased line of sight around the OR made communication with bedside staff easier for how the team functioned.

Now, let me turn it over to Neda to tell you more about the impact of our other unique features.

Neda Cvijetic - Johnson & Johnson - Senior Vice President, Global Head R&D, Robotics and Digital

Thank you, Rocco. As Rocco mentioned, I lead the R&D teams across our robotics and digital programs within our surgery business. This is a group of fantastically talented individuals across engineering disciplines, including hardware and software development, human factors and design, systems integration, and with deep expertise in the science and technology behind our surgical instrumentation. These teams have created OTTAVA as a completely integrated hardware and software architecture. This architecture has unlocked a lot of potential. It is a great example of how engineering and human-centered technology design can remove friction.

I like to say that our design quite literally means that the patient is at the center. We heard from experienced surgeons that when moving from handheld laparoscopic to robotic surgery, they had gained a lot, but also lost some things. One of the things that they had lost is the ability to move the operating table seamlessly during surgery, using gravity to shift organs naturally instead of using retraction.

With OTTAVA, the integrated table and arms can move together. This feature, Twin Motion, is the synchronized motion of the table and the arms, and it's activated by the push of a button. The table and bed move together and maintain the remote center of motion fixed, which means the instruments can remain unaffected, and the procedure can go on uninterrupted.

Rocco De Bernardis - Johnson & Johnson - Global President Robotic & Digital Surgery - OTTAVA

This capability is about uninterrupted workflows for clinical teams. Surgeons have told us that they have had to adapt the way they operate to a robotic system, and it should be the other way around. Twin Motion means no interrupting the procedure. There is no stopping, undocking, and repositioning. With OTTAVA, movement is continuous and native to the system because that's how we created it.

Neda Cvijetic - Johnson & Johnson - Senior Vice President, Global Head R&D, Robotics and Digital

Next, I'd like to talk about the automation capabilities on OTTAVA. OTTAVA will deliver automation from day one, starting with what we called automated procedure poses. With the push of a button, the system automatically deploys the arms from beneath the table into procedure position. This is possible because of our intelligent surgical arms. With OTTAVA, every joint on every arm is motorized and software-controlled. Precise spatial awareness allows highly precise information about where each arm joint is in space, both relative to each other, relative to the table, and relative to the patient.

Today, this engineering unlocks automation for setup and tear down. We also know that surgeons are looking for automation to play a role in other tasks in surgery, always with surgeons and clinical staff in control. We will continue to listen to where these capabilities can provide the greatest clinical and economic value. And because of how we built the system, we believe OTTAVA is uniquely able to deliver on this future.

Rocco De Bernardis - *Johnson & Johnson - Global President Robotic & Digital Surgery - OTTAVA*

Thank you, Neda. I think we'll continue to see demand for these kinds of features because of the potential benefits before, during, and after surgery. We believe automated procedure poses offer potential for improved workflow, benefiting clinical teams and hospitals. We hear from surgeons today that setup of robotic procedures can be cumbersome and requires movement of large equipment. Also, in any OR setting, pressures on surgical staffing and scheduling mean that predictable, repeatable setup requirements can ease a real burden.

This is what OTTAVA offers. Again, because the intelligent arms are fully integrated and motorized, and because we have trained the system to deploy to the optimal position, bedside staff select the pose and deploy the arms with a push of a button. It also works in reverse: one button to store the arms out of the way for patient prep or transfer.

One of the surgeons in our clinical trial mentioned not just the potential to streamline this part of surgery for improved capacity and easier workflow, but he also said that it changed the way the team worked together. Previously, they would send staff in to set up, and then he would come in later to begin. With OTTAVA, they had this new experience of all coming together to start the procedure.

Here, I also want to highlight the role that surgeon hospital feedback plays in our flywheel of innovation. During the clinical trial, a team gave feedback that they would prefer for the arms to be positioned a certain way around the table during part of the setup. We took that feedback, created the solution, and now that automated procedure poses will be available to our first commercial users to further streamline and improve the setup experience.

I would also like to share some of our early data, which reflects how OTTAVA is designed to meet the needs of surgeons and their teams. In our FORTE trial, we demonstrated that the OTTAVA system, one, met its primary safety and effectiveness points; two, achieved 100% procedural completion without conversion to a non-robotic approach across all 30 patients; and three, five of the six sites used operating rooms that previously were not robotic ORs, including rooms considered unsuitable for robotic surgery due to space constraints.

In a survey of early experience conducted among surgeons and surgical staff revealed that 100% agree that OTTAVA unlocks opportunities to free up space or convert ORs into robotic ORs, 95% agree that OTTAVA creates efficiencies, and 90% agree that OTTAVA increases visibility in the OR. These findings are promising and point to real benefits and solutions OTTAVA can provide for hospitals and surgical teams.

Given J&J's longstanding leadership in surgical instruments, we are looking forward to launching OTTAVA with next-generation instrumentation purpose-built for robotics. With these instruments, we listened to surgeons and the most common challenges they have with instruments today. One of those challenges is unintended cutting of sutures. 83% of surgeons experience at least one inadvertent suture cut per month in their robotic surgeries. This can interrupt procedure flow and means starting that portion of the procedure over again.

Another is dulling scissors, 98% of surgeons have experienced dull or poorly cutting monopolar scissors, with 30% experiencing this all or most of the time. Scissors are one of the most commonly used surgical instruments, so imagine the impact this can have on experience.

Neda Cvijetic - *Johnson & Johnson - Senior Vice President, Global Head R&D, Robotics and Digital*

That is where our worlds intersect, Rocco. Because we design for what surgeons need, we are addressing these issues with OTTAVA. Our two-in-one needle driver has discrete surgeon-activated cutting and suturing-only modes. And we engineered our monopolar curved scissors for consistent and complete cuts.

Rocco De Bernardis - *Johnson & Johnson - Global President Robotic & Digital Surgery - OTTAVA*

That's right. Beyond the initial release, it is also our intention to offer a portfolio of advanced surgical instruments exclusively on OTTAVA. This is something surgeons are asking for: a consistent, trusted experience across open, laparoscopic, and robotic surgery.

We've been working on the science of tissue management for many years with decades of clinical evidence behind our technology, and it is our goal to bring the same level of science to OTTAVA, so you can expect a cadence of 510 submissions to advance the portfolio of instruments on OTTAVA. This will be a key element of our commercial expansion.

Neda Cvijetic - *Johnson & Johnson - Senior Vice President, Global Head R&D, Robotics and Digital*

Let's talk about digital. OTTAVA is a digitally enabled system connected to our open digital ecosystem for surgery. Polyphonic for OTTAVA is a secure digital solution designed to support surgical teams throughout the OTTAVA experience. Through Polyphonic, we are bringing learning, media, and data-driven insights to OTTAVA users and their teams. And as we continue to advance our open digital ecosystem, this will bring even more value back to OTTAVA with greater insights and applications. Polyphonic for OTTAVA empowers the surgical robotics program to securely capture data that can fuel research and innovation with privacy by design and security at its core.

Rocco De Bernardis - *Johnson & Johnson - Global President Robotic & Digital Surgery - OTTAVA*

Surgeons want data to play a more significant role in surgery. As I mentioned, we were most recently at the Society of Robotic Surgery annual meeting, and the topic of data insights has made its way into every part of this event. At the end of the day, surgeons are asking for access to data and insights from it. They want data to fuel research and innovate, and they want data to drive a more collective intelligence across surgery, so that in the future, every last surgery informs the next. Our approach to digital takes into account that unmet need and will support surgeons as they shape this future.

With all this, I hope you can see why we're so excited to have reached this milestone and can begin to bring OTTAVA to surgical teams and hospitals. OTTAVA is more than just a new surgical system. It represents a new approach to robotic surgery with the potential to create meaningful advances in capacity workflow, collaboration, and innovation across the operating room.

As we look ahead to what's next, from a launch perspective, we're entering one of the most mature robotic surgery markets in the world, alongside surgeons and teams with deep experience in robotics. And frankly, that's a reflection of our confidence in OTTAVA. We'll take a thoughtful approach, starting with innovative early adopters, learning quickly, generating clinical evidence, listening closely to feedback, and providing the level of partnership and support expected from Johnson & Johnson.

As we learn, we'll move with speed, expanding capabilities, expanding indications, and bringing OTTAVA to more surgeons and more markets around the world. Our second IDE study in inguinal hernia repair is ongoing, and we're planning a regular cadence of evidence generation, innovation, and indication expansion. Make no mistake, OTTAVA is designed to be a global multi-specialty system. Today, we have a strong starting point and a purpose-built foundation for the future.

To close, a quick thank you for joining and for your interest in OTTAVA. We believe OTTAVA represents the start of a new chapter in robotic surgery, and we're excited about the opportunities ahead. We look forward to updating you on our continued progress, innovation, and expansion in the months to come.

Ryan Koors - *Johnson & Johnson - Vice President - Investor Relations*

As you heard today, we believe OTTAVA represents much more than a new surgical robot. It's a platform that we expect to build on for years to come. With that, we are pleased to now open the line for Q&A. Tim Schmid, Executive Vice President, Worldwide Chairman, MedTech;

Hani Abouhalka, Company Group Chairman of Surgery; Neda Cvijetic, Global Head of R&D, Robotics and Digital; and Dr. Dominic Papandria, Global Head of Medical Affairs for Ottawa, will be joining us for Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Larry Biegelsen, Wells Fargo.

Lawrence Biegelsen - Wells Fargo Securities LLC - Analyst

Oh, good morning. Thanks for taking the question and congrats again on the approval. So you're starting with the US soft tissue robotic market, which, as you mentioned earlier, is more penetrated and more mature than the US MD international market. My question for you is, do you think OTTAVA will expand the market to new robotic users, new settings, new procedures? Do you think it'll take share from existing robotic users? I'm trying to understand if this is more of a zero-sum game or a rising tide that'll lift all boats. Thanks for taking the question.

Ryan Koors - Johnson & Johnson - Vice President - Investor Relations

Hani, maybe if you could take a start at that one.

Hani Abouhalka - Johnson & Johnson - Company Group Chairman, Surgery of MedTech

Hi there. Good to hear from you, Dr. Biegelsen, in Miami. Larry, as you can tell when we saw each other, our excitement is about today and the future, and it's really driven by a few things. First, the US is the largest market and that's also a sign of confidence in our program, but the penetration in the US is still in the high 20s. So we believe OTTAVA is going to be incredibly important to expand the market in the US.

But also, as we mentioned earlier, we plan to have subsequent indications and geographic expansion to take this global. I do believe competition is great and healthy for everyone, for patients, for surgeons, but our aim is to bring a new category-defining robot to the market. And we know surgical robotics isn't new, but as you've seen us and heard from us, we believe OTTAVA is.

Operator

Joanne Wuensch, Citibank.

Joanne Wuensch - Citi Infrastructure Investments LLC - Analyst

Good morning and thank you so much for hosting this call. I'm curious if you can outline your commercial plans and how to think about pricing, things like placement versus sale of the robot, and then, how you think about wrapping the J&J Ethicon tools around it.

Hani Abouhalka - Johnson & Johnson - Company Group Chairman, Surgery of MedTech

Thank you. Thank you for the question. A couple of things you covered there. First, in terms of our pricing philosophy, when it comes to innovation, it's always pricing it based on the value it brings to hospitals to surgical teams, and we'll do this here. In terms of also our commercial approach, we also understand, and based on our experience in surgery and ORs across the world, we need to also be collaborative

and work with different systems to offer different commercial options to really make sure that it's frictionless, and we can work together also to do that.

In terms of our intent, as we mentioned earlier, our intent is to lead in terms of robotics, and when we're launching a big program like this, a thoughtful loss at the beginning is important. So as Rocco mentioned, we'll work with early adopters, big and academic centers, develop the data, make sure we get the feedback and the experiences together. And after that, we plan to rapidly expand indications. And after the US, we're planning to go to key markets in Europe and Japan.

Operator

Rick Wise, Stifel.

Rick Wise - *Stifel Nicolaus & Company Inc - Analyst*

Good morning, everybody. Maybe talk about your manufacturing and go-to-market capabilities here. Clearly, OTTAVA is highly sophisticated system. Talk about your capabilities to build, manufacture to meet demand. I know that the bed is OEM-ed by another company, but how ready are you to sell this in volume? And maybe as part of that, talk about the need, Hani, to build out a specialist robotic sales team, or is this going to be through the Ethicon rep structure that exists today? Thank you.

Hani Abouhalka - *Johnson & Johnson - Company Group Chairman, Surgery of MedTech*

Thank you, Rick, for the question asked, a few things you covered. First, you heard from Neda how incredibly proud we are of the engineering and R&D teams that we have who are best in class in the world. But I can tell you, leading the largest surgery company in the world, our supply chain organization is one of the most resilient incredible folks in any company, in my opinion. And they've been brought in early to make sure that we're ready at the scale when we're at scale.

But as I said, the first phase will be the total launch. As you know, from the robotic system, there's a robot, but there's also the instruments. Today, we are the global leader in things like stapling, so we have deep expertise in manufacturing, and we have incredible partnerships with our suppliers.

In terms of the commercial model, as we (technical difficulty) in the coming weeks, we'll share more. But I can tell you, we have every intent to use our experience. We're in every OR in the world. Our teams are incredibly experienced in surgery.

At the same time, we understand we need to build some differentiated capacities in service, in capital selling, but I would be remiss not to remind everyone that we are already selling in robotics in J&J, in MONARCH. We have some capital experiences in cardiovascular and surgery, and we'll bring all these expertise to make sure that we deploy the best teams to support OTTAVA. And also, one more thing I'll add is our global education capabilities, we train more surgeons than anybody in the world, and that will be a key factor in also scaling our program.

Operator

Jayson Bedford, Raymond James.

Jayson Bedford - *Hill River Capital Inc - Analyst*

Good morning. Thanks for taking the call. You talked about the benefit of Twin Motion just removing the need to reposition the patient. Just curious, how often is a patient repositioned during procedure, and can you just frame what you think the potential time savings are on a procedure basis?

Dominic Papandria - *Johnson & Johnson - Senior Director of Medical Affairs of OTTAVA*

I can take that. This is Dominic Papandria. It really depends quite a bit on the procedure, (technical difficulty) procedures tend to involve quite a bit more patient repositioning. If you're moving through multiple quadrants through multiple anatomic regions of the abdomen, the need for repositioning is much greater.

Operator

Terence Flynn, Morgan Stanley.

Terence Flynn - *Morgan Stanley & Co Ltd - Analyst*

Great, congrats on the approval. I was just wondering if you can comment at all about what's embedded in your long-term guidance for OTTAVA relative to consensus, if you can give us any insight there ahead of the, obviously, enterprise business review meeting your hosting later this year. Thank you.

Tim Schmid - *Johnson & Johnson - Executive Vice President, Worldwide Chairman of MedTech*

Thank you very much for the question. I would like to maybe just step back very briefly and for us, just to be very clear, OTTAVA is not just a new robotic system that's entering the market. It is a long-term strategic platform for J&J in one of the most attractive areas of medtech. And I know while Hani mentioned, our focus is on the US to start, we have conviction because we see this as a global program. In fact, fewer than 8% relevant soft tissue procedures around the world are performed robotically today. And at the same time, hospitals are under increasing pressure to improve operating room efficiency, manage capacity constraints, and make better use of technology and data. And so, we believe that this combination that we have creates a substantial opportunity for continued growth and innovation.

And very specifically to your question, as we think about the launch as you already heard from Hani, we're going to take a very disciplined approach to commercialization with OTTAVA. We're going to begin with a select group of hospitals. We're going to learn quickly, support them. And in tandem, we will expand capabilities instruments, indications, and geographic as we scale. We already mentioned that we are parallel pathing registrations in markets like Japan and Western Europe. And so over time, we see this definitely being a global program.

To answer your question specifically, we are absolutely adamant that this will be a financially material program for Johnson & Johnson by the end of the decade. While we're not providing specific details on placements and targets today, investors should expect more detail on our expectations for OTTAVA and our broader robotic strategy at our already organized Johnson & Johnson enterprise business review on December 8. Thank you.

Operator

Josh Jennings, TD Cowen.

Joshua Jennings - Cowen and Company LLC - Analyst

Hi, good morning. Thanks for taking the question and congratulations on all the progress. Was hoping to just ask about the instrument portfolio. I know that the Ethicon's instruments could provide a competitive advantage at some point. But can you help us think about where the interim portfolio for OTTAVA sits today that's approved and when you expect that full breadth to be in hand and approved as you move forward and expand indications. Thank you very much for the question.

Hani Abouhalka - Johnson & Johnson - Company Group Chairman, Surgery of MedTech

Thank you for the question. A couple of things. When you heard from Rocco and Neda, we wanted to build a robot with surgeons for surgeons, and that's what we set to do. And second, we do not want to just do an evolution in the Robotics segment. We believe that surgery is changing considerably, and what is available today will not be what's going to take surgery next, and we wanted to do something different, and that's what we believe OTTAVA is.

Big part of that is instruments. I've worked with J&J for 25 years, and in many parts of the world when it's time to make a choice around the stapler, surgeons choose Ethicon instruments because of the trust and the experience. And even when they're doing robotic procedures, in some cases, they would still walk to the table as we do in manual filing because of that.

So we wanted from the beginning to bring Ethicon instruments only on OTTAVA. As Rocco announced that the first launch will come with some differentiated instruments that will allow the surgeon to complete the cases as needed. And then in every cadence we'll bring up immediately after that, a set of advanced instrumentation both in -- from stapling and energy, but also, we'll have software upgrades. So expect a cadence of continuous renovation to bring this experience trusted across open op and robotics across our portfolio from Ethicon.

Operator

Travis Steed, Bank of America.

Travis Steed - BofA Global Research - Analyst

Hey, congrats on the approval. Maybe first, just why did you start with some of the general surgery indications, and how do you think about indications and timing for future indications? And then, are there any design trade-offs of OTTAVA being a better integrated robot? Are there certain surgeries or a certain percentage of surgeries that maybe don't get the same reach or where you need three arms on one side of the bed as you kind of thought about the market and if there's any design trade-offs with the bed-integrated robot design? Thanks a lot.

Dominic Papandria - Johnson & Johnson - Senior Director of Medical Affairs of OTTAVA

Hi, Dominic Papandria again. We started out with Roux-en-Y gastric bypass as a challenging procedure to unlock multiple general surgery indications. It's a multi-step procedure that involves manipulation of both the stomach and small intestine and requires operation in multiple quadrants. Again, we did this not only to strengthen our hand with FDA in terms of unlocking multiple simultaneous indications, but also, there was a real desire to make sure that we could demonstrate performance, demonstrate safety in a complex general surgical procedure.

Tim Schmid - Johnson & Johnson - Executive Vice President, Worldwide Chairman of MedTech

If I can add to that, Travis, clearly, our expectation is that we will add additional indications. As you heard from Dr. Papandria, the focus on the areas we've decided to initiate our efforts here are really in gateway procedures, which give us access to 10 procedures today. As you know, we already have in clinical trials, a focus on inguinal hernia, which also is a very expensive procedure. And shortly thereafter, we will

move into other areas like urology and gynecology. So certainly, our expectation is that our robot will be available for use in the majority of surgical procedures. Thank you.

Operator

Robbie Marcus, JPMorgan.

Robert Marcus - JPMorgan Chase & Co - Analyst

Oh, good morning, and congrats as well on the approval. I just wanted to ask, you clearly have excellent relationships with hospitals and surgeons. As you think about the initial launch strategy where you won't have the full indication set, how are you thinking about driving adoption here? And I know you've touched on it in different ways, but is it trying to leverage first the surgeons that you have relationships with and get them to advocate where -- are you going to maybe argue to the hospital CFOs about some of the cost benefits and operational benefits and cost savings that it could bring to the hospital? I guess the question is, really, where do you see the champion from this? Just given you are going up against the very largest established competitor that has a lot of heft in the area of surgical robotics already. Thanks a lot.

Hani Abouhalka - Johnson & Johnson - Company Group Chairman, Surgery of MedTech

Robbie, thank you, great question. I'll start by taking you to two weeks ago, roughly, when we announced the news in Miami at the Society of Robotic Surgery. I can tell you it was the proudest moment in my career. And it wasn't just because you're bringing an incredible category-defining innovation, but just seeing the response from surgeons and surgical teams on sharing this innovation over the line, I can tell you it's just gave me goose bumps. And that tells you the excitement that we're seeing and getting from surgical teams.

But if you double-click on why the excitement, there are two things that I can tell you that will help us in the early launches, but also what we come to scale. First and foremost, this is -- this wasn't something that we're going to add to an OR. This is not technology we're dumping into an OR. This was built in how ORs work. That's, like, the first thing.

The second thing is, everyone we talked to, from a surgical team perspective, they told us, they felt that the robot is part of the surgical team. This friction or tension that's usually seen between humans and technology, they didn't feel it. We've heard Rocco mention, they were asking where was the robot, even.

From a hospital administration lens, what I've heard when people talk to me about this, they've said in the past, when robotic surgery was developed at their hospital, they had to dedicate ORs to be robotic ORs. And in the best of cases, these robotic ORs don't work as efficiently as normal ORs. And if a case was canceled or a surgeon didn't show up, there's idle time, and we know what -- the works will happen. They're super excited about being able to have every OR be a robotic OR and every robotic OR be a normal OR, and that's very powerful.

The other thing they tell us on that space, 30% to 50% is not a small number. It is not marginal. And not only into space where it fits and where some other robots might not fit, it's also the investments in making sure that the room is fit to take on bigger robots and heavier robots. That's an investment and time that in some cases will not work. I've worked with J&J also in countries outside the US, and there are some ORs and hospitals that are not as big as in the same place, so we believe that there's going to be a push for us from nurses, from surgeons, and from hospital administrators. And in the end, I think that's going to make a difference for us, and that's why you can see we're clearly excited about this.

Tim Schmid - *Johnson & Johnson - Executive Vice President, Worldwide Chairman of MedTech*

Robbie, maybe just adding to Hani's point, I think it's important to just to reaffirm that we are going to establish robotics programs, right? We're not looking to go where the current incumbent isn't. And so, we will be looking at a combination of both academic and non-academic centers where high-volume surgical procedures are currently done robotically. We think those are going to be the best environment to continue to learn as we scale the program.

Operator

Morten Herholdt, HSBC.

Morten Herholdt - *Hsbc International - Analyst*

Good morning. Thank you for taking the question. Could you elaborate a bit on how you see the hurdles in Europe and Japan differing to the US while what would hinder uptake or what would maybe aid it? And then in conclusion, how do you see sort of in the medium term? What is the size of the market outside the US relative to the US?

Hani Abouhalka - *Johnson & Johnson - Company Group Chairman, Surgery of MedTech*

Thank you for the question. Again, we're the global leader in surgery, and we intend to be a global leader in surgical robotics, which means we need, just to mention, to have expansion in procedures and indications, but also a geographic expansion.

Our teams, I believe, have the best, most talented regulatory teams in the industry, and they've done incredible work with the great professionals in the FDA to get us to where we are in the US. But we're working in parallel with authorities in Europe and in Japan to make sure that we bring this incredible platform to those markets. And as you hope, if you've seen one thing from us over the last couple of years, we have promised milestones, we delivered the milestones, and we will continue doing so because we understand this is an internal platform that we need to bring to patients across the world.

Ryan Koors - *Johnson & Johnson - Vice President - Investor Relations*

Great. And thank you, Morten. We did have a couple of online pre-submitted questions, which I'll share for the team. Neda, I think this one is probably best suited for you. The question is, will the level of automation capability allow OTTAVA to be operated remotely or even autonomously in the future?

Neda Cvijetic - *Johnson & Johnson - Senior Vice President, Global Head R&D, Robotics and Digital*

Thank you. Thank you so much and thank you for the question. What I'm incredibly excited about with OTTAVA is that we're bringing automation from day one, but we've also built a foundation for continuous innovation. And so, with the technologies that we have built into the system, including the intelligent arms, the high spatial awareness, the precision, the compute, what this gives us the opportunity to do is to really listen to the care teams, listen to the surgeons, listen to the hospitals, and create that cadence of innovation that is geared to solving the challenges that are most pressing to them, including the areas that you mentioned, but really, really focusing on what matters to them. And for us, whatever kind of technology it is, whether it's digital, software, AI automation, it is always about empowering that human clinical expert in the OR, always, so they will continue to inform where we go next.

Ryan Koors - *Johnson & Johnson - Vice President - Investor Relations*

Great. Thank you, Neda. Dr. Papandria, this one is probably best suited for you. When you were conducting the four-day study, how did the physicians find the learning curve? Did it take them a long time to get comfortable operating on OTTAVA?

Dominic Papandria - *Johnson & Johnson - Senior Director of Medical Affairs of OTTAVA*

Well, I can say that in my own personal experience and speaking with both the FORTE investigators and the multiple surgeons who come to visit us in Santa Clara, that the adaptation that's required for the certain console is quite swift. The experience there is quite natural. And therefore, the -- in terms of the actual operating, that is -- that has a very shallow learning curve. There's a bit more that's involved with the table since it has a new architecture. We are doing fantastic work through our professional education teams and ultimately through our Johnson & Johnson Institute to provide quality training so the teams can rapidly adapt to this platform.

Ryan Koors - *Johnson & Johnson - Vice President - Investor Relations*

Great. Thank you. And thanks to everyone for joining us today and for your interest in OTTAVA. FDA authorization is an important milestone, and our focus now shifts to execution. We're excited to begin working with customers, continue building evidence and bring OTTAVA to market in a thoughtful and disciplined way. We appreciate your support and look forward to sharing our progress in the months ahead.

Operator

Thank you. This concludes today's Johnson & Johnson's OTTAVA investor conference call. You may now disconnect.

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