UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED OCTOBER 31, 2020

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NO. 001-08597

THE COOPER COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

94-2657368
(I.R.S. Employer Identification No.)

6101 Bollinger Canyon Road,
Suite 500
San Ramon, California, 94583
(Address of principal executive offices) (Zip Code)

(925) 460-3600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $.10 par value	COO	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☒ No ☐
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On December 1, 2020, there were 48,846,639 shares of the registrant's common stock held by non-affiliates with aggregate market value of $14.1 billion based on the closing price of a share of the registrant's common stock on April 30, 2020, the last day of the registrant's most recently completed fiscal second quarter.
Number of shares outstanding of the registrant's common stock, as of December 1, 2020: 49,123,730

Documents Incorporated by Reference:

Document	Part of Form 10-K
Portions of the Proxy Statement for the Annual Meeting of Stockholders scheduled to be held in March 2021	Part III

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Annual Report on Form 10-K
for the Fiscal Year Ended October 31, 2020

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These include statements relating to plans, prospects, goals, strategies, future actions, events or performance and other statements which are other than statements of historical fact, including all statements regarding the expected impact of the ongoing COVID-19 pandemic on our business; and statements regarding acquisitions including the acquired companies' financial position, market position, product development and business strategy, expected cost synergies, expected timing and benefits of the transaction, difficulties in integrating entities or operations, as well as estimates of our and the acquired entities' future expenses, sales and earnings per share are forward-looking. In addition, all statements regarding anticipated growth in our net sales, anticipated effects of any product recalls, anticipated market conditions, planned product launches and expected results of operations and integration of any acquisition are forward-looking. To identify these statements, look for words like “believes,” “outlook,” “probable,” “expects,” “may,” “will,” “should,” “could,” “seeks,” “intends,” “plans,” “estimates” or “anticipates” and similar words or phrases. Forward-looking statements necessarily depend on assumptions, data or methods that may be incorrect or imprecise and are subject to risks and uncertainties. Among the factors that could cause our actual results and future actions to differ materially from those described in forward-looking statements are those described in our Securities and Exchange Commission filings, including the “Business,” “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” sections in this Annual Report on Form 10-K for the fiscal year ended October 31, 2020, as such Risk Factors may be updated in quarterly filings.
We caution investors that forward-looking statements reflect our analysis only on their stated date. We disclaim any intent to update them except as required by law.

Summary Risk Factors

Our business faces significant risks. In addition to the summary below, you should carefully review the “Risk Factors” section of this Annual Report on Form 10-K. We may be subject to additional risks and uncertainties not presently known to us or that we currently deem immaterial. Our business, financial condition and results of operations could be materially adversely affected by any of these risks, and the trading prices of our common stock could decline by virtue of these risks. These risks should be read in conjunction with the other information in this report. Some of the more significant risks relating to our business include:

- The effects of the ongoing COVID-19 pandemic and related economic disruptions and new governmental regulations on our business, results of operations, cash flow and financial condition, including but not limited to the potential impact on our sales, operations and supply chain.
- Adverse changes in the global or regional general business, political and economic conditions, including the impact of continuing uncertainty and instability of certain countries, that could adversely affect our global markets, and the potential adverse economic impact and related uncertainty caused by these items, including but not limited to, the ongoing COVID-19 pandemic, and escalating global trade barriers including additional tariffs, by countries such as China.
- Adverse changes in global political and economic conditions, and related uncertainty caused by the United Kingdom’s (UK) withdrawal from the European Union (EU) and its potential impact on, among other things, the movement of goods and materials in our supply chain, additional regulatory approvals and requirements, and increased tariffs and duties.
- Changes in tax laws or their interpretation, changes in statutory tax rates, and adverse outcomes in tax disputes, including but not limited to, the U.S., the United Kingdom and other countries may affect our taxation of earnings recognized in foreign jurisdictions, result in unexpected tax liabilities, and/or negatively impact our effective tax rate.
- Foreign currency exchange rate and interest rate fluctuations including the risk of fluctuations in the value of foreign currencies or interest rates that would decrease our net sales and earnings.
- Our existing and future variable rate indebtedness and associated interest expense is impacted by rate increases, which could adversely affect our financial health or limit our ability to borrow additional funds.
- Acquisition-related adverse effects including the failure to successfully obtain the anticipated net sales, margins and earnings benefits of acquisitions, integration delays or costs and the requirement to record significant adjustments to the preliminary fair value of assets acquired and liabilities assumed within the measurement period, required regulatory approvals for an acquisition not being obtained or being delayed or subject to conditions that are not anticipated, adverse impacts of changes to accounting controls and reporting procedures, contingent liabilities or indemnification obligations, increased leverage and lack of access to available financing (including financing for the acquisition or refinancing of debt owed by us on a timely basis and on reasonable terms).
- Compliance costs and potential liability in connection with U.S. and foreign laws and health care regulations pertaining to privacy and security of personal information, such as HIPAA and the California Consumer Privacy Act (CCPA) in the U.S. and the General Data Protection Regulation (GDPR) requirements in Europe, including but not limited to those resulting from data security breaches.
- A major disruption in the operations of our manufacturing, accounting and financial reporting, research and development, distribution facilities or raw material supply chain due to the ongoing COVID-19 pandemic, integration of acquisitions, man-made or natural disasters, cybersecurity incidents or other causes.
- A major disruption in the operations of our manufacturing, accounting and financial reporting, research and development or distribution facilities due to technological problems, including any

related to our information systems maintenance, enhancements or new system deployments, integrations or upgrades.

- Market consolidation of large customers globally through mergers or acquisitions resulting in a larger proportion or concentration of our business being derived from fewer customers.
- Disruptions in supplies of raw materials, particularly components used to manufacture our silicone hydrogel lenses.
- New U.S. and foreign government laws and regulations, and changes in existing laws, regulations and enforcement guidance, which affect areas of our operations including, but not limited to, those affecting the health care industry, including the contact lens industry specifically and the medical device or pharmaceutical industries generally, including but not limited to the EU Medical Devices Regulation (MDR) and the EU In Vitro Diagnostic Medical Devices Regulation (IVDR).
- Legal costs, insurance expenses, settlement costs and the risk of an adverse decision, prohibitive injunction or settlement related to product liability, patent infringement or other litigation.
- Limitations on sales following product introductions due to poor market acceptance.
- New competitors, product innovations or technologies, including but not limited to, technological advances by competitors, new products and patents attained by competitors, and competitors' expansion through acquisitions.
- Reduced sales, loss of customers and costs and expenses related to product recalls and warning letters.
- Failure to receive, or delays in receiving, regulatory approvals for products.
- Failure of our customers and end users to obtain adequate coverage and reimbursement from third-party payors for our products and services.
- The requirement to provide for a significant liability or to write off, or accelerate depreciation on, a significant asset, including goodwill, other intangible assets and idle manufacturing facilities and equipment.
- The success of our research and development activities and other start-up projects.
- Dilution to earnings per share from acquisitions or issuing stock.
- Impact and costs incurred from changes in accounting standards and policies.
- Environmental risks, including increasing environmental legislation and the broader impacts of climate change.

Item 1. *Business.*

The Cooper Companies, Inc. (Cooper, we or the Company), a Delaware corporation organized in 1980, is a global medical device company publicly traded on the NYSE (NYSE: COO). Cooper operates through two business units, CooperVision and CooperSurgical.

CooperVision is a global manufacturer providing products for contact lens wearers. CooperVision develops, manufactures and markets a broad range of single-use, two-week and monthly contact lenses, featuring advanced materials and optics. CooperVision designs its products to solve vision challenges such as astigmatism, presbyopia, myopia, ocular dryness and eye fatigues; with a broad collection of spherical, toric and multifocal contact lenses. Acquisitions also expanded CooperVision's access to myopia management and specialty eye care markets with new products, such as orthokeratology (ortho-k) and scleral lenses. In November 2019, CooperVision received United States Food and Drug Administration (FDA) approval for its MiSight® 1 day lens, which is the first and only FDA-approved product indicated to slow the progression of myopia in children with treatment initiated between the ages of 8-12 and became available in the United States during fiscal 2020. Further, CooperVision offers contact lenses in a variety of materials including silicone hydrogel Aquaform® technology and phosphorylcholine technology (PC) Technology™. CooperVision’s major manufacturing and distribution facilities are located in Belgium, Costa Rica, Hungary, Puerto Rico, the United Kingdom and the United States, with other smaller locations also existing in multiple locations around the world.

CooperSurgical's business competes in the general health care market with a focus on advancing the health of women, babies and families through a diversified portfolio of products and services including medical devices, fertility, diagnostics and contraception. CooperSurgical has established its market presence and distribution system by developing products and acquiring companies, products and services that complement its business model. We categorize CooperSurgical product sales based on the point of health care delivery, which includes products used in medical office and surgical procedures, primarily by Obstetricians/Gynecologists (OB/GYN); and fertility products/equipment and genetic testing services used primarily in fertility clinics and laboratories. CooperSurgical's major manufacturing and distribution facilities are located in Costa Rica, the Netherlands, the United Kingdom and the United States, with other smaller locations also existing in multiple locations around the world.

CooperVision and CooperSurgical each operate in highly competitive environments. Both of Cooper's businesses compete predominantly on the basis of product quality and differentiation, technological benefit, price, service and reliability.

COOPERVISION

CooperVision competes in the worldwide soft contact lens market and services three primary regions: the Americas, EMEA (Europe, Middle East and Africa) and Asia Pacific. The contact lens market has two major product categories:

- Spherical lenses including lenses that correct near- and farsightedness uncomplicated by more complex visual defects.

- Toric and multifocal lenses including lenses that, in addition to correcting near- and farsightedness, address more complex visual defects such as astigmatism and presbyopia by adding optical properties of cylinder and axis, which correct for irregularities in the shape of the cornea.

In order to achieve comfortable and healthy contact lens wear, products are sold with recommended replacement schedules, often defined as modalities, with the primary modalities being single-use lenses and frequently replaced lenses, which are designed for two-week and monthly replacement.

CooperVision offers spherical, toric, multifocal and toric multifocal lens products in most modalities. We believe that in order to compete successfully in the numerous categories of the contact lens market, companies must offer differentiated products that are priced competitively and manufactured efficiently. CooperVision uses three different manufacturing processes to produce its lenses: lathing, cast molding and FIPS™, a cost-effective combination of lathing and molding. We believe this manufacturing flexibility allows CooperVision to compete in its markets by:

- Producing high, medium and low volumes of lenses made with a variety of materials for a broader range of market niches: single-use, two-week, monthly and quarterly disposable sphere, toric and multifocal lenses and custom toric lenses for patients with a high degree of astigmatism.

- Offering a wide range of lens parameters, leading to a higher rate of successful fitting for practitioners and better visual acuity for patients.

The market for spherical lenses is growing with the addition of new value-added products, such as spherical lenses to alleviate dry eye symptoms, reduce eye fatigue from use of digital devices and add aspherical optical properties and/or higher oxygen permeable lenses such as silicone hydrogels.

Sales of contact lenses utilizing silicone hydrogel materials continue to grow. Silicone hydrogel materials supply a higher level of oxygen to the cornea, as measured by the transmissibility of oxygen through a given thickness of material, or “dk/t,” than traditional hydrogel lenses. We believe our ability to compete successfully with a full range of silicone hydrogel products is an important factor to achieving success in our business. Silicone hydrogel lenses represent a significant portion of CooperVision's contact lens sales and our Biofinity® brand is CooperVision's leading product line in terms of sales. Under the Biofinity® brand, CooperVision markets monthly silicone hydrogel spherical (including Biofinity Energys®), toric, multifocal and toric multifocal lens products.

CooperVision markets single-use silicone hydrogel lenses with a complete line of spherical, toric, extended toric and multifocal lenses under our clariti® 1 day brand and single-use silicone hydrogel spherical and toric lenses under our MyDay® brand. We also compete in the traditional hydrogel single-use product segment with several lenses including our Proclear® 1 day lenses. We believe the global market for single-use contact lenses will continue to grow and that our competitive silicone hydrogel and traditional hydrogel product offerings represent an opportunity for our business.

In addition to its silicone hydrogel product offerings, CooperVision competes in the contact lens market with other traditional hydrogel products.

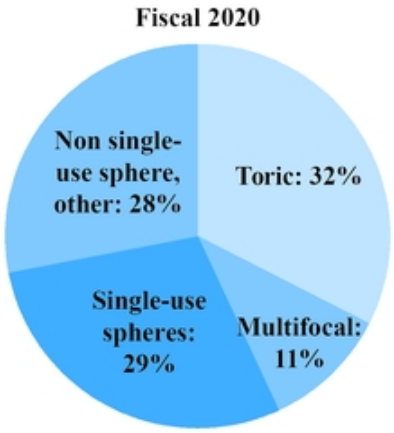
CooperVision believes that our key accounts which include optical chains, global retailers, certain buying groups and mass merchandisers are growing faster than the overall market. We are focused on supporting the growth of all our customers by investing in selling, promotional and advertising activities. Further, we are increasing investment in our distribution and packaging capabilities to support the growth of our business and to continue providing quality service with our industry leading SKU range and customized offerings.

CooperVision believes that myopia management opens up an attractive new market for contact lenses. With MiSight, CooperVision offers the only FDA approved product to control the progression of myopia in children. CooperVision is investing to create this new market by educating eye care practitioners, patients and their families which increases awareness.

CooperVision is focused on greater worldwide market penetration of recently introduced products, and we continue to expand our presence in existing and emerging markets, including through acquisitions. In fiscal 2020, CooperVision completed the acquisition of a privately-held U.S contact lens manufacturer focusing on ortho-k lenses. This acquisition expands CooperVision’s specialty eye care portfolio and its leadership in addressing the increasing severity and prevalence of myopia. In fiscal 2019, CooperVision

acquired a privately-held scleral lens company, which expands CooperVision's specialty and scleral lens portfolio.

Contact Lens Product Sales



CooperVision Competition

The contact lens market is highly competitive. CooperVision's largest competitors in the worldwide market and its primary competitors in the spherical, toric and multifocal lens categories of that market are Johnson & Johnson Vision Care, Inc., Alcon Inc. and Bausch Health Companies Inc.

CooperVision's competitors may have greater financial resources, larger research and development budgets, larger sales forces, greater market penetration and/or larger manufacturing volumes. CooperVision seeks to offer a high level of customer service through its direct sales organizations around the world and through telephone sales and technical service representatives who consult with eye care professionals about the use of our lens products.

CooperVision also competes with manufacturers of eyeglasses and with refractive surgical procedures that correct visual defects including laser vision correction. CooperVision believes that laser vision correction is not a significant threat to its sales of contact lenses based on the growth of the contact lens market over the past decade.

CooperVision competes in the silicone hydrogel segment of the market with its following products: clariti 1 day brand of single-use sphere, toric and multifocal lenses; MyDay single-use spherical and toric lenses; Biofinity monthly spherical, toric, multifocal and toric multifocal lenses and Avaira Vitality™ two-week spherical and toric lenses. CooperVision believes the clariti 1 day and MyDay brands of single-use contact lenses provide the broadest product portfolio in the single-use silicone hydrogel market. CooperVision offers both branded and private label options in contact lenses. Its private label option is frequently offered as part of a larger customized solution for its customers. It also competes in the specialty contact lens space with its FDA approved MiSight 1 day contact lens for myopia management, when first prescribed to children ages 8-12, as well as OrthoK and scleral lenses.

In addition to a broad offering of silicone hydrogel and specialty contact lenses, CooperVision competes with different manufacturing processes which allow it to produce a broad range of spheres, toric and multifocal lens parameters, which we believe provides wide choices for patient and practitioner and a high level of visual acuity. We also compete based on our customer and professional services. CooperVision believes that there are opportunities for contact lenses to gain market share, particularly in markets where the penetration of contact lenses in the vision correction market is low.

COOPERSURGICAL

CooperSurgical offers a broad array of products and services focused on advancing the health of women, babies and families through a diversified portfolio of products and services including medical devices, fertility, genomics, diagnostics and contraception. We offer quality products, innovative technologies and superior services to health care professionals and patients worldwide. CooperSurgical collaborates with health care professionals to identify products and new technologies from disposable products to diagnostic tests to sophisticated instruments and equipment, to bring new products to market. The result is a broad portfolio of products and services that are intended to aid in the delivery of improved clinical outcomes that health care professionals use routinely in the diagnosis and treatment of a wide spectrum of women's health and reproductive issues.

Since its inception in 1990, CooperSurgical has established its market presence and distribution system by developing products and acquiring products and companies that complement its business model.

In fiscal 2020, CooperSurgical acquired a privately-held distributor of IVF medical devices and systems. In fiscal 2019, CooperSurgical acquired a privately-held U.S. medical device company that develops mechanical surgical solutions for skin closure. We intend to continue investing in CooperSurgical's business with the goal of expanding our integrated solutions model within the areas of family health, fertility and diagnostics.

Market for Women's and Family Reproductive Health Care

CooperSurgical participates in the market for family health care with its diversified product lines in three major categories based on the point of health care delivery: hospitals and surgical centers, OB/GYN medical offices and fertility clinics.

CooperSurgical expects patient visits to Women’s Health provider offices in the United States to increase over the next decade. From adolescent care to geriatrics, there is increased awareness of women’s health issues. During the reproductive years, fertility awareness and family planning are key areas of focus. CooperSurgical expects growth in fertility treatments as infertility rates increase and awareness of and access to services expand. The attention in maternity care to improving the safety and efficacy of obstetrical care continues. As we expect an increase in the population of women over the age of 65, office visits focused around abnormal bleeding, incontinence and menopause will likely increase.

Another trend in the market for women's health care includes the continued migration of OB/GYN health care professionals away from private practice ownership and toward aligning with group practices or employment with hospitals and health care systems. This trend includes the increasing influence of supply chain controls, such as value analysis committees, on product evaluation and procurement. CooperSurgical believes that the market factors that are driving this trend will continue in the near term. We believe our broad product portfolio can be a benefit in this changing environment as health systems look to standardize and consolidate vendors.

Recent trends in the United States market include the development of more cost-effective health care delivery models, including moving treatment out of hospitals and surgery centers and into the office setting without compromising care. We expect this trend to continue.

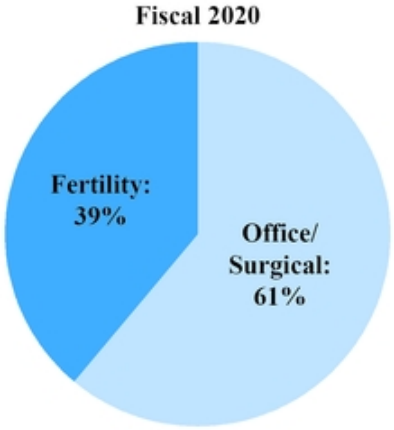
While general medical practitioners play an important role in women's primary care, the OB/GYN specialist is the primary market for our medical devices.

Some significant features of this market are:

- Routine office visits: annual well-women checkups, preventative cancer screening and contraception.

- Evaluation and management (E/M) office visits: assessment of menstrual disorders, pelvic infections, urinary incontinence, abnormal Pap smears, fertility concerns, pregnancy and menopause. Approximately a third of gynecology office visits are related to abnormal uterine bleeding.
- Office based procedures are increasing given high patient satisfaction, reduction of health system cost and comparative clinical outcomes.
- Hysterectomy and cesarean section remain common hospital surgical interventions in women worldwide.
- Infertility rates are increasing globally. Patient awareness and access are also on the rise.
- Initial evaluation and treatments for infertility, such as ovulatory medications and intrauterine insemination (IUI), begin with the OB/GYN then transition to fertility clinics.
- In-Vitro Fertilization (IVF) is performed by reproductive endocrinologists, specialized OB/GYNs.

Women's and Family Reproductive Health Care Product Sales



CooperSurgical Competition

CooperSurgical focuses on selected segments of the family and women's health care market with a diversified portfolio of products and services including medical devices in outpatient and operating room settings, fertility and contraception. In some instances, CooperSurgical offers all the items needed for a complete procedure. CooperSurgical believes that opportunities exist for continued market consolidation.

Competitive factors in these segments in which CooperSurgical competes include technological and scientific advances, product quality and availability, price, customer service including response time and effective communication of product information to physicians, fertility clinics and hospitals. Competition in the medical device industry is dynamic and involves the search for technological and therapeutic innovations. CooperSurgical's strategy includes developing and acquiring new products.

CooperSurgical continues to expand its presence in the significantly larger hospital and outpatient surgical procedure segment of the market that is at present dominated by bigger competitors such as Johnson & Johnson, Boston Scientific, Hologic and Medtronic. These competitors have well-established positions within the operating room environment. CooperSurgical leverages its relationship with gynecologic

surgeons and focus on devices specific to gynecologic surgery to facilitate our expansion within the surgical segment of the market.

CooperSurgical also competes in the fertility category of the women's and family health care market. We have broad product offerings for fertility evaluations and IVF procedures by OB/GYN, reproductive endocrinologists and embryologists. These include products for use by the OB/GYN in their offices for initial evaluations with office-based hysteroscopy and first line treatments such as intrauterine insemination. In fertility clinics, our products include media, micro tools and lab equipment; and to improve IVF outcomes we offer screening testing services intended to increase implantation rates and decrease miscarriages.

CooperSurgical leverages its relationship with fertility clinics to expand its presence in the fertility market against competitors in the media and microtools categories that include Vitrolife, Cook and FujiFilm-Irvine Scientific and competitors in fertility and familial reproductive genetic testing that include Natera, Invitae and Igenomix.

CooperSurgical competes in the Intrauterine Device (IUD) market. PARAGARD is the only FDA approved non-hormonal IUD option in the United States and has a 10-year use indication. In the United States, where all IUDs within the Long-Acting Reversible Contraceptive (LARC) space are regulated as drug products, we compete with manufacturers of hormonal IUDs including Bayer and AbbVie Allergan. Outside of the United States, non-hormonal IUDs are typically regulated as devices and are sold by a number of manufacturers. Currently, PARAGARD is not sold outside of the United States.

RESEARCH AND DEVELOPMENT

The Company employs approximately 200 people in research and development. CooperVision's product development and clinical research is supported by internal and external specialists in lens design, formulation science, polymer chemistry, clinical trials, microbiology and biochemistry. CooperVision's research and development activities primarily include programs to develop new contact lens designs and manufacturing technology, along with improving formulations and existing products.

CooperSurgical conducts research and development in-house and has consulting agreements with external specialists. CooperSurgical's research and development activities include the design and improvement of surgical procedure devices, the advancement and expansion of CooperSurgical's portfolio of assisted reproductive technology (ART) products, genetic screening and testing, as well as products within the general OB/GYN offerings.

GOVERNMENT REGULATION

Medical Device and Pharmaceutical Regulation

Most of our products are medical devices subject to extensive regulation by the FDA in the United States and other regulatory bodies abroad. The Federal Food, Drug, and Cosmetic Act (FDCA) and FDA regulations govern, among other things, medical device design and development, testing, manufacturing, labeling, storage, record keeping, premarket clearance or approval, advertising and promotion, and sales and distribution. Unless an exemption applies, each medical device we wish to distribute commercially in the United States will require either premarket notification to the FDA requesting clearance for commercial distribution under Section 510(k) of the FDCA, or premarket approval (PMA) from the FDA. A majority of the medical devices we currently market have received FDA clearance through the 510(k) process or approval through the PMA process. Because we cannot be assured that any new products we develop, or any product enhancements, will be exempt from the premarket clearance or approval requirements or will be subject to the shorter 510(k) clearance process rather than the PMA process, significant delays in the introduction of any new products or product enhancements may occur.

Device Classification

The FDA classifies medical devices into one of three classes - Class I, II or III - depending on the degree of risk associated with each medical device and the extent of control needed to ensure its safety and effectiveness. Both CooperVision and CooperSurgical develop and market medical devices subject to different levels of FDA regulation depending on the classification of the device. Class III devices, such as flexible and extended wear contact lenses, require extensive premarket testing and approval, while Class I and II devices require lower levels of regulation. The majority of CooperSurgical's products are Class II devices.

Class I devices are devices with the lowest risk and are those for which safety and effectiveness can be assured by adherence to the FDA's general regulatory controls for medical devices, which include compliance with the applicable portions of the FDA's Quality System Regulation (QSR), facility registration and product listing, reporting of adverse medical events, and appropriate, truthful and non-misleading labeling, advertising, and promotional materials (General Controls). Some Class I devices also require premarket clearance by the FDA through the 510(k) premarket notification process described below.

Class II devices are moderate risk devices, which are subject to the FDA's General Controls, and any other special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device, such as performance standards, post-market surveillance, FDA guidelines or particularized labeling requirements. Premarket review and clearance by the FDA for Class II devices is accomplished through the 510(k) premarket notification procedure. Pursuant to the Medical Device User Fee and Amendments to the FDA Reauthorization Act (MDUFA IV), unless a specific exemption applies, 510(k) premarket notification submissions require payment of user fees. Certain Class II devices are exempt from this premarket review process.

Class III devices are those devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or certain implantable devices, or which have a new intended use, or use advanced technology that is not substantially equivalent to that of a legally marketed device. The safety and effectiveness of Class III devices cannot be assured solely by the General Controls and other special controls such as those listed above. These devices almost always require formal clinical studies to demonstrate safety and effectiveness and must be approved through the PMA process described below. PMA applications (and supplemental PMA applications) are subject to substantially higher user fees under MDUFA IV than are 510(k) premarket notifications.

510(k) Clearance Pathway

When we are required to obtain a 510(k) clearance for a Class I or Class II device that we wish to market, we must submit a premarket notification to the FDA demonstrating that the device is substantially equivalent to a legally marketed predicate device. A predicate device is a legally marketed device that is not subject to a PMA, a device that was legally marketed in commercial distribution in the United States before May 28, 1976 (a pre-amendments device) and, for which the FDA has not yet called for the submission of a PMA, a device that has been reclassified from Class III to Class II or I, or a device that was found substantially equivalent through the 510(k) premarket notification process. The FDA aims to make substantial equivalence determinations following receipt of a 510(k) premarket notification within 90 days of submission of the notification, but as a practical matter, clearance can take significantly longer. Although many 510(k) pre-market notifications are cleared without clinical data, in some cases, the FDA requires additional information to support substantial equivalence. If the FDA agrees that the device is substantially equivalent to a predicate device, it will grant 510(k) clearance to commercially market the device. If the FDA determines that the device is not substantially equivalent to a legally marketed predicate, the device is automatically designated as a Class III device. The device sponsor must fulfill

more rigorous PMA requirements, or can request a risk-based classification determination for the device in accordance with the *de novo* process, which is a route to market for novel medical devices that are low to moderate risk and are not substantially equivalent to a predicate device.

After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change or modification in its intended use, will require a new 510(k) clearance or, depending on the modification, PMA approval or *de novo* classification. The FDA requires each manufacturer to make this determination initially, but the FDA can review any such decision and can disagree with a manufacturer's determination. If the FDA disagrees with a manufacturer's determination that a new clearance or approval is not required for a particular modification, the FDA may require the manufacturer to cease marketing and/or recall the modified device until 510(k) clearance or until premarket approval is obtained or a *de novo* classification request is granted. In these circumstances, a manufacturer also may be subject to significant regulatory fines or penalties. We have made and plan to continue to make additional product enhancements and modifications to our devices that we believe do not require new 510(k) clearances.

Over the last several years, the FDA has proposed reforms to its 510(k) clearance process, and such proposals could include increased requirements for clinical data and a longer review period, or could make it more difficult for manufacturers to utilize the 510(k) clearance process for their products. For example, in November 2018, FDA officials announced forthcoming steps that the FDA intends to take to modernize the premarket notification pathway under Section 510(k) of the FDCA. Among other things, the FDA announced that it planned to develop proposals to drive manufacturers utilizing the 510(k) pathway toward the use of newer predicates. These proposals included plans to potentially sunset certain older devices that were used as predicates under the 510(k) clearance pathway, and to potentially publish a list of devices that have been cleared on the basis of demonstrated substantial equivalence to predicate devices that are more than 10 years old. These proposals have not yet been finalized or adopted, and the FDA may work with Congress to implement such proposals through legislation.

More recently, in September 2019, the FDA published updated guidance describing an optional “safety and performance based” premarket review pathway for manufacturers of “certain, well-understood device types” to demonstrate substantial equivalence under the 510(k) clearance pathway by showing that such device meets objective safety and performance criteria established by the FDA, thereby obviating the need for manufacturers to compare the safety and performance of their medical devices to specific predicate devices in the clearance process. The FDA intends to develop and maintain a list of device types appropriate for the “safety and performance based” pathway and will continue to develop product-specific guidance documents that identify the performance criteria for each such device type, as well as the testing methods recommended in the guidance documents, where feasible.

Premarket Approval Pathway

A PMA application must be submitted if the device cannot be cleared through the 510(k) premarket notification procedures or if the device has been previously classified as Class III (unless otherwise 510(k) exempt). The PMA process is much more demanding than the 510(k) premarket notification process. A PMA application must be supported by extensive data including, but not limited to, technical, non-clinical, clinical trials, manufacturing and labeling to demonstrate to the FDA's satisfaction the safety and effectiveness of the device for its intended use.

Following receipt of a PMA application, the FDA conducts an administrative review to determine whether the application is sufficiently complete to permit a substantive review. If it is not, the agency will refuse to file the PMA. If it is, the FDA will accept the application for filing and begin the review. The FDA, by statute and regulation, has 180 days to review an accepted PMA application, although the review generally occurs over a significantly longer period of time, and can take up to several years. During this review period, the FDA may request additional information, including clinical data, non-clinical data or

clarification of information already provided, and the FDA may issue a major deficiency letter to the applicant, requesting the applicant's response to deficiencies communicated by the FDA. The FDA considers a PMA or PMA supplement to have been voluntarily withdrawn if an applicant fails to respond to an FDA request for information (e.g., major deficiency letter) within 180 days after the FDA issues such request. Also, during the review period, an advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. In addition, the FDA will conduct a preapproval inspection of the manufacturing facility to ensure compliance with the QSR, which among other things requires manufacturers to implement and follow elaborate design, testing, control, documentation and other quality assurance procedures in the device design and manufacturing process.

The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use(s). The FDA may approve a PMA application with post-approval conditions intended to ensure the safety and effectiveness of the device including, among other things, restrictions on labeling, promotion, sale and distribution and collection of long-term follow-up data from patients in the clinical study that supported approval. The FDA may also condition approval of a PMA application on some form of post-market surveillance when deemed necessary to protect the public health or to provide additional safety and efficacy data for the device in a larger population or for a longer period of use. In such cases, the manufacturer might be required to follow certain patient groups for a number of years and to make periodic reports to the FDA on the clinical status of those patients. Failure to comply with the conditions of approval can result in materially adverse enforcement action, including the loss or withdrawal of the approval. New PMA applications or PMA application supplements are required for significant modifications to the manufacturing process, labeling and design of a device that is approved through the PMA process. PMA supplements often require submission of the same type of information as a PMA application, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA application, and may not require as extensive clinical data or the convening of an advisory panel.

Clinical Trials for Medical Devices

A clinical trial is almost always required to support a PMA application and is sometimes required to obtain clearance of a 510(k) premarket notification. These trials may require submission of an application for an investigational device exemption (IDE) to the FDA depending on the device. If the device under evaluation does not present a significant risk to human health, then the device sponsor is not required to submit an IDE application to the FDA before initiating human clinical trials, but must still comply with abbreviated IDE requirements when conducting such trials. A significant risk device is one that presents a potential for serious risk to the health, safety or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. If the device presents a “significant risk” to human health, the sponsor must submit an IDE application to the FDA and obtain IDE approval prior to commencing the human clinical trials. The IDE application, which includes a clinical study protocol must be supported by appropriate data, such as animal and laboratory testing results, showing that the potential benefits of testing the device in humans and the importance of the knowledge to be gained outweighs the risks to human subjects from the proposed investigation that the testing protocol is scientifically sound and there is reason to believe that the device as proposed for use will be effective. The IDE will automatically become effective 30 days after receipt by the FDA unless the FDA notifies the company that the investigation may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE for which it requires modification, the FDA may permit a clinical trial to proceed under a conditional approval. Regardless of the degree of risk presented by the medical device, clinical studies must be approved by, and conducted under the oversight of, an Institutional Review Board (IRB) for each clinical site. The IRB is responsible for the initial and continuing review of the study, and may pose additional requirements for the conduct of

the study. There can be no assurance that submission of an IDE will result in the ability to commence clinical trials. Additionally, after a trial begins, the FDA may place it on hold or terminate it if, among other reasons, it concludes that the clinical subjects are exposed to unacceptable health risks that outweigh the benefits of participation in the study. During a study, we are required to comply with the FDA's IDE requirements for investigator selection, trial monitoring, reporting, record keeping and prohibitions on the promotion of investigational devices or making safety or efficacy claims for them. We are also responsible for the appropriate labeling and distribution of investigational devices.

Continuing FDA and Other Government Agency Regulation of Medical Devices

After a device is placed on the market, numerous regulatory requirements apply. These include: establishment registration and device listing with the FDA; the QSR, which requires manufacturers to follow design, testing, production, control, complaint handling, documentation and other quality assurance procedures during the manufacturing process; labeling regulations, which prohibit the promotion of products for uncleared or unapproved or “off-label” uses and impose other restrictions on labeling, advertising and promotion; new FDA unique device identifier regulations, which require changes to labeling and packaging; and medical device reporting regulations, which require that manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur. The FDA has broad post-market and regulatory enforcement powers. We are subject to unannounced inspections for cause by the FDA to determine our compliance with the QSR and other regulations.

Failure to comply with applicable regulatory requirements, which are subject to new legislation and change, can result in enforcement action by the FDA, or other federal and state government agencies which may include, but may not be limited to, any of the following sanctions or consequences: warning letters or untitled letters; fines, injunctions and civil penalties; recall, seizure or import holds of our products; operating restrictions, suspension or shutdown of production; refusing to issue certificates to foreign governments needed to export products for sale in other countries; refusing our request for 510(k) clearance or premarket approval of new or modified products; withdrawing 510(k) clearance or premarket approvals that are already granted; and criminal prosecution.

Laboratory Developed Tests

We provide certain genetic testing laboratory services. In the United States, Under the FDCA and the FDA’s regulatory framework, in vitro diagnostic devices (IVDs) are a type of medical device that can be used in the diagnosis or detection of diseases, such as cancer, or other conditions. The FDA considers laboratory developed tests (LDTs) to be a subset of IVDs, which are intended for clinical use and are designed, manufactured, and used within a single laboratory. Although the FDA has statutory authority to assure that medical devices, including IVDs, are safe and effective for their intended uses, the FDA has historically exercised its enforcement discretion and not enforced certain applicable provisions of the FDCA and regulations with respect to LDTs.

Even under its current enforcement discretion policy, the FDA has issued warning letters to IVD manufacturers for commercializing laboratory tests that were purported to be LDTs but that the FDA alleged failed to meet the definition of an LDT or otherwise were not subject to the FDA’s policy on enforcement discretion because they presented a potential safety risk. Additionally, the FDA could change its policy of enforcement discretion for LDTs, even without legislation. For example, in recent years, the FDA has stated its intention to modify its enforcement discretion policy with respect to LDTs. Specifically, on July 31, 2014, the FDA notified Congress of its intent to modify, in a risk-based manner, its policy of enforcement discretion with respect to LDTs. On October 3, 2014, the FDA issued two draft guidance documents entitled “Framework for Regulatory Oversight of Laboratory Developed Tests (LDTs),” or the Framework Guidance, and “FDA Notification and Medical Device Reporting for LDTs,” or the Reporting Guidance. The Framework Guidance stated that FDA intended to modify its policy of

enforcement discretion with respect to LDTs in a risk-based manner consistent with the classification of medical devices generally in Classes I through III. The Reporting Guidance would have further enabled the FDA to collect information regarding the LDTs currently being offered for clinical use through a notification process, as well as to enforce its regulations for reporting safety issues and collecting information on any known or suspected adverse events related to the use of an LDT. The FDA halted finalization of this guidance in November 2016 to allow for further public discussion on an appropriate oversight approach for LDTs and to give congressional authorizing committees the opportunity to develop a legislative solution. In January 2017, the FDA issued a discussion paper on possible approaches to LDT regulation.

Legislative and administrative proposals proposing to amend the FDA's oversight of LDTs have been introduced in recent years and we expect that new legislative and administrative proposals will continue to be introduced from time to time. For example, key congressional committees with jurisdiction over FDA matters have indicated an interest in continuing negotiations on potential legislation regarding LDTs. In March 2020, the VALID Act was introduced in the House and an identical version of the bill was introduced in the U.S. Senate. If passed in its current form, the VALID Act would create a new category of medical products separate from medical devices called "in vitro clinical tests," or IVCTs. As proposed, the bill would establish a risk-based approach to imposing requirements related to premarket review, quality systems, and labeling requirements on all IVCTs, including LDTs, but would create exemptions for certain LDTs marketed before the effective date of the bill (though other regulatory requirements may apply, such as registration and adverse event reporting). It is unclear whether the VALID Act or any other legislative proposals (including any proposals to reduce FDA oversight of LDTs) would be passed by Congress or signed into law by the President. Depending on the approach adopted under any potential legislation, certain LDTs could become subject to some form of premarket review, potentially with a transition period for compliance and a grandfathering provision. Moreover, in August 2020, the U.S. Department of Health and Human Services issued a rescission order stating that the FDA will not require premarket review of LDTs absent changes in policy implemented through formal notice-and-comment rulemaking procedures. The degree to which this rescission order will affect FDA's enforcement discretion policy or its oversight over LDTs remains unclear.

If Congress does not take action in connection with the VALID Act or other LDT legislation, it is possible that the FDA could change its regulatory policy governing LDTs in a way that could require that our currently marketed genetic tests, and any future products that we anticipate marketing as LDTs, comply with certain additional FDA requirements.

However, the IVDR will regulate the testing of human embryos which will be classified as Class C. In addition, even though we commercialize our tests as LDTs, our tests may in the future become subject to more onerous regulation by the FDA.

As we operate a genetic testing laboratory, we are required to hold certain federal, state and local licenses, certifications and permits to conduct our business. Under the Clinical Laboratory Improvement Amendments of 1988, or CLIA, we are required to hold a certificate applicable to the type of laboratory tests we perform and to comply with standards applicable to our operations, including test processes, personnel, facilities administration, equipment maintenance, recordkeeping, quality systems and proficiency testing. We have current certification under CLIA to perform testing at our New Jersey facility. To renew our CLIA certificate, we are subject to survey and inspection every two years to assess compliance with program standards. The regulatory and compliance standards applicable to the testing we perform may change over time, and any such changes could have a material effect on our business. Penalties for non-compliance with CLIA requirements include suspension, limitation or revocation of the laboratory's CLIA certificate, as well as a directed plan of correction, state on-site monitoring, civil money penalties, civil injunctive suit or criminal penalties.

In addition to federal certification requirements of laboratories under CLIA, licensure is required and maintained for our laboratory under state law. Such laws establish standards for the day-to-day operation of a clinical reference laboratory, including the training and skills required of personnel and quality control. In addition, state laws mandate proficiency testing, which involves testing of specimens that have been specifically prepared for the laboratory. In addition, certain states require licensing of out-of-state laboratories in order to receive and test specimens from those tests. If a laboratory is out of compliance with such statutory or regulatory standards, the state may suspend, limit, revoke or annul the laboratory's license, censure the holder of the license or assess civil money penalties.

Pharmaceutical Regulation

FDA has determined that the primary mode of action for PARAGARD is the drug component and is therefore regulated by FDA's Center for Drug Evaluation and Research as a drug product.

In the United States, the FDA regulates drugs under the FDCA and its implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA's refusal to approve pending New Drug Applications (NDA), withdrawal of an approval, imposition of a clinical hold, untitled letters, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

Any drug products manufactured or distributed by us pursuant to FDA approvals are subject to continuing regulation by the FDA, including manufacturing, periodic reporting, product sampling and distribution, advertising, promotion, drug shortage reporting, compliance with any post-approval requirements imposed as a conditional of approval such as Phase 4 clinical trials, a Risk Evaluation and Mitigation Strategy (REMS), and surveillance, recordkeeping and reporting requirements, including adverse experiences.

After approval, most changes to the approved product, such as adding new indications or other labeling claims are subject to further testing to new clinical investigation requirements and prior FDA review and approval. There also are continuing, annual program fee requirements for any approved products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data. Drug manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies and to list their drug products and are subject to periodic announced and unannounced inspections by the FDA and these state agencies for compliance with Good Manufacturing Practices, or cGMPs, and other requirements, which impose procedural and documentation requirements upon us and our third-party manufacturers.

Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented, or FDA notification. FDA regulations also require investigation and correction of any deviations from cGMPs specifications and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance.

Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in withdrawal of marketing approval, mandatory revisions to the approved labeling to add new safety information or other limitations, imposition of post-market studies or clinical

trials to assess new safety risks, or imposition of distribution or other restrictions under a REMS program, among other consequences.

The FDA closely regulates the marketing and promotion of drugs. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA. Physicians, in their independent professional medical judgement, may prescribe legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. We, however, are prohibited from marketing or promoting drugs for uses outside of the approved labeling. In addition, the distribution of prescription pharmaceutical products, including samples, is subject to the Prescription Drug Marketing Act (PDMA), which regulates the distribution of drugs and drug samples at the federal level, and sets minimum standards for the registration and regulation of drug distributors by the states. Both the PDMA and state laws limit the distribution of prescription pharmaceutical product samples and impose requirements to ensure accountability in distribution. The Drug Supply Chain Security Act also imposes obligations on manufacturers of pharmaceutical products related to product and tracking and serialization.

Failure to comply with any of the FDA's requirements, which are subject to new legislation and change, could result in significant adverse enforcement actions. These include a variety of administrative or judicial sanctions, such as refusal to approve pending applications, license suspension or revocation, withdrawal of an approval, imposition of a clinical hold or termination of clinical trials, warning letters, untitled letters, cyber letters, modification of promotional materials or labeling, product recalls, product seizures or detentions, refusal to allow imports or exports, total or partial suspension of production or distribution, debarment, injunctions, fines, consent decrees, corporate integrity agreements, refusals of government contracts and new orders under existing contracts, exclusion from participation in federal and state healthcare programs, restitution, disgorgement or civil or criminal penalties, including fines and imprisonment. It is also possible that failure to comply with the FDA's requirements relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state healthcare fraud and abuse and other laws, as well as state consumer protection laws. Any of these sanctions could result in adverse publicity, among other adverse consequences.

Foreign Regulation

Health authorities in foreign countries regulate Cooper's clinical trials and medical device sales. The regulations vary widely from country to country. Even if the FDA has cleared or approved a product in the United States, the regulatory agencies in other countries must approve new products before they may be marketed there. The time required to obtain approval in another country may be longer or shorter than that required for FDA clearance or approval, and the requirements may differ. There is a trend towards harmonization of quality system standards among the European Union, United States, Canada and various other industrialized countries. Japan has one of the most rigorous regulatory systems in the world and requires in-country clinical trials. The Japanese quality and regulatory standards remain stringent even with the more recent harmonization efforts and updated Japanese regulations. China is also updating its regulations and is requiring rigorous in-country product testing. These regulatory procedures require a considerable investment in time and resources and usually result in a substantial delay between new product development and marketing. If the Company does not maintain compliance with regulatory standards or if problems occur after marketing, product approval may be withdrawn.

In addition to FDA regulatory requirements, CooperVision maintains ISO 13485 certification and CE mark approvals for its products and CooperSurgical maintains ISO 13485 certification for medical devices and ISO 15189 certification for the Genomics laboratories. A CE mark is an international symbol of adherence to certain standards and compliance with applicable European medical device requirements. These quality programs and approvals are required by the European Medical Device Directive and must be maintained for all products intended to be sold in the European market. The ISO 13485 Quality Measurement System registration is now also required for registration of products in Asia Pacific and

Latin American countries. In order to maintain these quality benchmarks, the Company is subjected to rigorous biannual reassessment audits of its quality systems and procedures.

In May 2017, the MDR (Regulation 2017/745) was adopted. The MDR was originally scheduled to become applicable three years after publication (in May 2020), however due to the COVID 19 pandemic, the enforcement date was delayed by 12 months; the new enforcement date is May 26, 2021. Once applicable, the new regulations will bring significant new requirements for many medical devices, including enhanced requirements for clinical evidence and documentation, increased focus on device identification and traceability, and additional post market surveillance and vigilance. Compliance with the MDR will require re-certification of many of our products to the enhanced standards. Further, products sold as IVDs in Europe will be regulated under the In Vitro Diagnostics Directive (98/79/EC). A new regulation, the IVDR (EU) 2017/746, the IVDR, has been released and will become fully enforceable in 2022. These regulations include requirements for both presentation and review of performance data and quality-system requirements.

Both CooperVision and CooperSurgical have been actively deploying regulatory and compliance initiatives designed to allow the continued ability to sell and market their respective products in the EU under the MDR and the IVDR.

Other Health Care Regulation

We may be subject to various federal, state and foreign laws pertaining to health care fraud and abuse, including anti-kickback laws and physician self-referral, false claims laws and physician payment transparency laws and regulations.

In the United States, the federal Anti-Kickback Statute prohibits, among other things, any person or entity, from knowingly and willfully offering, paying, soliciting, or receiving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or in return for purchasing, leasing, ordering, or arranging for the purchase, lease or order of any item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. The term remuneration has been interpreted broadly to include anything of value. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution. The exceptions and safe harbors are drawn narrowly and practices that involve remuneration that may be alleged to be intended to induce prescribing, purchasing, or recommending may be subject to scrutiny if they do not qualify for an exception or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all of its facts and circumstances. In addition, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

The federal physician self-referral prohibitions, commonly known as the Stark Law, generally prohibit entities from billing a patient or the Medicare or Medicaid programs for certain designated health services, including clinical laboratory services, when the physician ordering the service, or any member of such physician’s immediate family, has a financial interest, such as an ownership or investment interest in or compensation arrangement with us, unless the arrangement meets an exception to the prohibition. These prohibitions apply regardless of any intent by the parties to induce or reward referrals or the reasons for the financial relationship and the referral.

The federal False Claims Act prohibits, among other things, any person or entity from knowingly presenting, or causing to be presented, a false claim for payment to, or approval by, the federal government or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. A claim includes “any request or demand” for money or property presented to the U.S. government. In addition, a claim including items or

services resulting from a violation of the federal Anti-Kickback Statute or Stark Law constitutes a false or fraudulent claim for purposes of the federal False Claims Act.

The federal Health Insurance Portability and Accountability Act of 1996, also created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud or to obtain, by means of false or fraudulent pretenses, representations or promises, any money or property owned by, or under the control or custody of, any healthcare benefit program, including private third-party payors and knowingly and willfully falsifying, concealing or covering up by trick, scheme or device, a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items, or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Also, many states have similar fraud and abuse statutes or regulations that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor.

In addition, the federal government, as part of the Affordable Care Act (the ACA), as well as certain state governments have enacted laws aimed at increasing transparency in relationships between medical device companies and health care professionals. We are now required by the federal Physician Payments Sunshine Act and similar state and foreign laws to report annually many types of payments made and items of value provided to licensed health care professionals and teaching hospitals, as well as certain ownership and investment interests held by physicians (as defined by statute) and their immediate family members. Certain states also mandate implementation of commercial compliance programs, impose restrictions on device manufacturer marketing practices and tracking and/or require the reporting of gifts, compensation and other remuneration to physicians. In addition, certain foreign jurisdictions have adopted, or are currently acting to implement, similar laws.

Violations of these laws may be punishable by criminal and civil sanctions, including fines and civil monetary penalties, the possibility of exclusion from federal healthcare programs (including Medicare and Medicaid), disgorgement and corporate integrity agreements, which impose, among other things, rigorous operational and monitoring requirements on companies. Similar sanctions and penalties, as well as imprisonment, also can be imposed upon executive officers and employees of such companies.

Coverage and Reimbursement

Market acceptance and sales of our CooperSurgical products to our customers, who primarily consist of hospitals and surgical centers, OB/GYN medical offices and fertility clinics, will depend on the availability of payor coverage and the adequacy of reimbursement, for the procedures using our products, by government insurance programs and other third-party payors. Payor coverage and reimbursement for procedures using medical devices in the United States and international markets vary significantly by country.

In the United States, our currently approved products are commonly treated as general supplies utilized in surgical procedures and if covered by third-party payors, are paid for as part of the procedure. Outside of the United States, there are many reimbursement programs through private payors as well as government programs. In some countries, government reimbursement is the predominant program available to patients and hospitals. Our commercial success depends in part on the extent to which governmental authorities, private health insurers and other third-party payors provide coverage for and establish adequate reimbursement levels for the procedures during which our products are used. Failure by physicians, hospitals, surgery centers, fertility clinics and other users of our products to obtain sufficient coverage and reimbursement from third-party payors for procedures in which our products are used, or adverse changes in government and private third-party payors' coverage and reimbursement policies.

We believe the overall escalating cost of medical products and services being paid for by the government and private health insurance has led to, and will continue to lead to, increased pressures on the healthcare and medical device industry to reduce the costs of products and services. All third-party reimbursement programs are developing increasingly sophisticated methods of controlling healthcare costs through prospective reimbursement and capitation programs, group purchasing, redesign of benefits, requiring second opinions prior to major surgery, careful review of bills, encouragement of healthier lifestyles and other preventative services and exploration of more cost-effective methods of delivering healthcare. In addition to uncertainties surrounding coverage policies, there are periodic changes to reimbursement levels. Third-party payors regularly update reimbursement amounts and also from time to time revise the methodologies used to determine reimbursement amounts. This includes routine updates to payments to physicians, hospitals and ambulatory surgery centers for procedures during which our products are used. These updates could directly impact the demand for our products.

With respect to drug coverage and reimbursement, third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of drugs, in addition to their safety and efficacy. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit sales of PARAGARD or any other drug product that receives approval. Third-party payors may not consider our products to be medically necessary or cost-effective compared to other available therapies, or the rebate percentages required to secure favorable coverage may not yield an adequate margin over cost or may not enable us to maintain price levels sufficient to realize an appropriate return on our investment in drug development. Additionally, decreases in third-party reimbursement for any product or a decision by a third-party payor not to cover a product could reduce physician usage and patient demand for the product.

Healthcare Reform

In the United States, there has been, and continues to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of product candidates, restrict or regulate post-approval activities, and affect the profitable sale of product candidates.

Among policy makers and payors in the United States, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access. In March 2010, the Patient Protection and Affordable Care Act, or ACA, was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly affected the pharmaceutical, medical device and clinical laboratory industries. Among other things, the ACA increased the minimum level of Medicaid rebates payable by manufacturers of brand name drugs from 15.1% to 23.1%; required collection of rebates for drugs paid by Medicaid managed care organizations; required manufacturers to participate in a coverage gap discount program, in which manufacturers must agree to offer point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D; imposed a non-deductible annual fee on pharmaceutical manufacturers or importers who sell certain "branded prescription drugs" to specified federal government programs, implemented a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected; expanded eligibility criteria for Medicaid programs; creates a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research; and established a Center for Medicare Innovation at the CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been judicial and political challenges to certain aspects of the Affordable Care Act. On March 2, 2020, the U.S. Supreme Court granted the petitions for writs of certiorari to review the constitutionality of the ACA, although it is unclear when or how the Supreme Court will rule. It is also unclear how other efforts to challenge, repeal or replace the ACA will impact the law.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. These changes included aggregate reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through December 31, 2020, unless additional Congressional action is taken. In addition, on January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Moreover, there has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for pharmaceutical products. Individual states in the United States have also become increasingly active in implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine which drugs and suppliers will be included in their healthcare programs Furthermore, there has been increased interest by third-party payors and governmental authorities in reference pricing systems and publication of discounts and list prices.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our products or additional pricing pressures.

Data Privacy and Security

Numerous state, federal and foreign laws, including consumer protection laws and regulations, govern the collection, dissemination, use, access to, confidentiality and security of personal information, including health-related information. In the United States, numerous federal and state laws and regulations, including data breach notification laws, health information privacy laws, and federal and state consumer protection laws and regulations, that govern the collection, use, disclosure, and protection of health-related and other personal information could apply to our operations or the operations of our partners. For example, the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and regulations implemented thereunder (collectively, HIPAA) imposes privacy, security and breach notification obligations on certain health care providers, health plans, and health care clearinghouses, known as covered entities, as well as their business associates that perform certain services that involve creating, receiving, maintaining or transmitting individually identifiable health information for or on behalf of such covered entities. Entities that are found to be in violation of HIPAA as the result of a breach of unsecured protected health information, a complaint about privacy practices or an audit by HHS, may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance. Further, entities that knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA may be subject to criminal penalties.

Even when HIPAA does not apply, according to the Federal Trade Commission (FTC), violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities.

In addition, certain state and non-U.S. laws, such as the EU General Data Protection Regulation (GDPR), govern the privacy and security of personal data, including health-related data in certain circumstances, some of which are more stringent than HIPAA and many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. Failure to comply with these laws, where applicable, can result in the imposition of significant civil and/or criminal penalties and private litigation. For example, the California Consumer Privacy Act (CCPA) went into effect on January 1, 2020. The CCPA, among other things, creates new data privacy obligations for covered companies and provides new privacy rights to California residents, including the right to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA also creates a private right of action with statutory damages for certain data breaches, thereby potentially increasing risks associated with a data breach. In Europe, the GDPR went into effect in May 2018 and imposes strict requirements for processing the personal data of individuals within the EEA and the United Kingdom. In addition, the GDPR increases the scrutiny of transfers of personal data from clinical trial sites located in the EEA to the United States and other jurisdictions that the European Commission does not recognize as having "adequate" data protection laws; in July 2020, the Court of Justice of the European Union limited how organizations could lawfully transfer personal data from the EEA to the United States by invalidating the EU-US Privacy Shield and imposing further restrictions on use of the standard contractual clauses, which could increase our costs and our ability to efficiently process personal data from the EEA. Companies that must comply with the GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to €20 million or 4% of the annual global revenues of the noncompliant company, whichever is greater. Additionally, following the United Kingdom's withdrawal from the EEA and the EU, and the expiry of the transition period, companies will have to comply with the GDPR and the GDPR as incorporated into the United Kingdom national law, the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, for example around how data can lawfully be transferred between each jurisdiction, which exposes us to further compliance risk.

RAW MATERIALS

Our businesses utilize various chemicals, packaging materials, components, parts and raw materials which are generally available from more than one source. However, in certain instances we acquire components and materials from sole suppliers to make our silicone hydrogel contact lens, certain medical devices and IVF products. Supply of these materials is protected by contractual agreements and safety stocks. However, if current raw material suppliers fail to supply sufficient materials on a timely basis, or at all for any reason, we could experience inventory shortages and disruption in the supply of products if we were required to use an alternative supplier on short notice.

MARKETING AND DISTRIBUTION

CooperVision markets our products through our own field sales representatives, distributors and eye care practitioners, including optometrists, ophthalmologists, opticians and optical chains. CooperVision also sells to distributors and to mass merchandisers who offer eye care services. To support the sale and use of CooperVision products, CooperVision engages in various activities and offers a variety of services. These include clinical training, digital marketing for the customer, e-commerce, telemarketing, social media, and

journal advertisements. CooperVision also invested in tools that allow our customers to offer their patients monthly purchase and delivery subscriptions. In certain smaller countries, CooperVision often uses distributors and leverages our distributors' sales and marketing resources to attract major customers to CooperVision. With the addition of MiSight, CooperVision has expanded the breadth and depth of its sales support by adding myopia management specialists while it has expanded awareness campaigns to include direct to consumer elements including print, internet/social media, radio and television.

CooperSurgical's products are marketed by a network of dedicated field sales representatives, independent agents and distributors. CooperSurgical augments its sales and marketing activities by participating in national and regional industry trade shows, professional educational programs and internet promotions including e-commerce, social media and collaborative efforts with professional organizations, telemarketing, direct mail and advertising in professional journals. Since the acquisition of PARAGARD, CooperSurgical has expanded its awareness campaigns to include direct to consumer elements including print, internet/social media, radio and television.

PATENTS, TRADEMARKS AND LICENSING AGREEMENTS

Cooper owns or licenses a variety of domestic and foreign patents, which, in total, are material to our overall business. The names of certain Cooper's products are protected by trademark registrations in the United States Patent and Trademark Office and, in some cases, also in foreign trademark offices. Applications are pending for additional trademark and patent registrations. Cooper intends to protect our intellectual property rights aggressively.

In addition to trademarks and patent licenses, we own certain trade secrets, copyrights, know-how and other intellectual property.

DEPENDENCE ON CUSTOMERS

No customers accounted for 10% or more of our consolidated net revenue in fiscal 2020 and 2019. See Note 13. Business Segment Information of the Consolidated Financial Statements for additional information.

GOVERNMENT CONTRACTS

Neither of our business units is materially subject to profit renegotiation or termination of contracts or subcontracts at the election of the United States government.

SEASONALITY

CooperVision and CooperSurgical net sales in the fiscal first quarter, which runs from November 1 through January 31, are typically lower than subsequent quarters, as patient traffic to practitioners' offices, fertility clinics, and hospitals/surgical centers for surgical procedures is relatively light during the holiday season.

COMPLIANCE WITH ENVIRONMENTAL LAWS

Federal, state and local provisions that regulate the discharge of materials into the environment, or relate to the protection of the environment, do not currently materially affect Cooper's capital expenditures, earnings or competitive position.

In addition, the Company continues to monitor and comply with environmental health and safety regulations in countries in which it operates throughout the world, in particular, EU and China

Restrictions on the use of certain Hazardous Substances in electrical and electronic equipment (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemical substances, or REACH.

HUMAN CAPITAL RESOURCES

As of October 31, 2020, we had a workforce of more than 12,000. We believe we have good relations with our workforce. Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards.

NEW YORK STOCK EXCHANGE CERTIFICATION

We submitted our 2020 annual Section 12(a) CEO certification with the New York Stock Exchange. The certification was not qualified in any respect. Additionally, we filed with the Securities and Exchange Commission as exhibits to this Annual Report on Form 10-K for the year ended October 31, 2020, the CEO and CFO certifications required under Section 302 of the Sarbanes-Oxley Act of 2002.

AVAILABLE INFORMATION

The Cooper Companies, Inc. Internet address is http://www.coopercos.com. The information on the Company's website is not part of this or any other report we file with, or furnish to, the Securities and Exchange Commission (SEC). Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, along with all other reports and amendments filed with or furnished to the SEC, are publicly available free of charge on our website as soon as reasonably practicable. The SEC maintains a website that contains such reports, proxy and information statements and other information whose Internet address is http://www.sec.gov. The Company's Corporate Governance Principles, Ethics and Business Conduct Policy and charters of each standing committee of the Board of Directors are also posted on the Company's website.

Item 1A. ***Risk Factors.***

Our business faces significant risks. These risks include those described below and may include additional risks and uncertainties not presently known to us or that we currently deem immaterial. Our business, financial condition and results of operations could be materially adversely affected by any of these risks, and the trading prices of our common stock could decline by virtue of these risks. These risks should be read in conjunction with the other information in this report.

Risks Relating to Our Business

Our results of operations have been adversely affected, and our results of operations, cash flow and financial condition could be materially adversely affected in the future, by the global COVID-19 pandemic and related economic disruptions.

The current global pandemic caused by the spread of the novel strain of coronavirus referred to as “COVID-19” has negatively impacted business and healthcare activity globally and has created significant volatility, uncertainty and economic disruption within the markets in which we operate. The pandemic has adversely affected and is likely to further adversely affect nearly all aspects of our business and markets, including our sales, operations, cash flow and workforce and the operations of our customers, suppliers, vendors and business partners. Among other things, many optical practitioners and retailers, hospitals, medical offices and fertility clinics closed their facilities, restricted access, or delayed or canceled patient visits, exams and elective medical procedures in response to the pandemic, and many customers that have reopened are experiencing reduced patient visits, which has resulted in reduced demand for and sales of our products and services.

If the COVID-19 pandemic continues and conditions worsen, our results of operations, cash flow and financial condition could be materially adversely affected in numerous ways, including, but not limited to, decreased net sales from sales of our products and services due to customer facility closures, restricted access and reduced patient visits, exams and elective medical procedures; disruption in the manufacture and distribution of our products, including increased manufacturing and distribution costs, reduced manufacturing capacity and inadequate inventory levels; increased risk of inventory that may expire; write-offs or obsolescence of inventory, equipment or other assets; disruptions to our raw material and product suppliers and broader supply chain and distribution systems; delays in our clinical trials which could negatively impact our new product pipeline milestones and regulatory clearances and approvals; extended delays in or defaults on payments of outstanding receivables; insolvency of customers, suppliers, vendors and business partners; an inability to access lending, capital markets and other sources of liquidity when needed on reasonable terms or at all; an inability to comply with financial covenants in our debt agreements; and future restructuring, impairment and other charges.

The extent to which the COVID-19 pandemic and related economic disruptions impact our business, results of operations, cash flow and financial condition will depend on future developments, which are highly uncertain, difficult to predict and largely outside of our control, including, but not limited to, the continued spread, duration and severity of the pandemic outbreak; the occurrence, spread, duration and severity of any subsequent wave or waves of outbreaks; the impact on our customers and suppliers; the actions taken by the U.S. and foreign governments to contain the pandemic, address its impact or respond to the reduction in global and local economic activity; the occurrence, duration and severity of a global, regional or national recession, depression or other sustained adverse market event; and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, we may continue to experience materially adverse effects on our results of operations and financial condition.

Our substantial and expanding international operations are subject to uncertainties which could affect our operating results.

A significant portion of our current operations are conducted and located outside the United States, and our growth strategy involves expanding our existing foreign operations and entering into new foreign jurisdictions. We have significant manufacturing and distribution sites in North America, Latin America and Europe. Over half of our net sales for the fiscal years ended October 31, 2020 and 2019, were derived from the sale of products outside the United States. We believe that sales outside the United States will continue to account for a material portion of our total net sales for the foreseeable future. International operations and business expansion plans are subject to numerous additional risks, including:

- we may find it difficult to manage the effects of the ongoing COVID-19 pandemic on our ability to operate internationally and for our employees to travel internationally;
- we may have difficulty enforcing intellectual property rights in some foreign countries;
- we may have difficulty gaining market share in countries such as Japan and China because of regulatory restrictions and customer preferences;
- we may find it difficult to grow in emerging markets such as China, India, Russia, Brazil and other developing nations due to, among other things, customer acceptance, undeveloped and/or unfamiliar distribution channels, regulatory restrictions and changes, and business knowledge of these new markets;
- tax rates in some foreign countries may exceed those of the United States, and foreign earnings may be subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions, including the tariffs enacted by the U.S. government on various imports from China and by the Chinese government on certain U.S. goods, the scope and duration of which remain uncertain;
- we may find it difficult to comply with a variety of United States and foreign legal, compliance and regulatory requirements such as the Foreign Corrupt Practices Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the United Kingdom Bribery Act, international data security and privacy laws, MDR and IVDR;
- we may find it difficult to manage a large organization spread throughout various countries;
- fluctuations in currency exchange rates could adversely affect our results;
- foreign customers may have longer payment cycles than customers in the United States;
- failure to comply with United States Department of Commerce and other nations' import-export controls may result in fines and/or penalties;
- general economic and political conditions in the countries where we operate may have an adverse effect on our operations in those countries or not be favorable to our growth strategy;
- natural disasters, pandemics such as COVID-19, war, terrorism, labor disruptions and international conflicts may cause significant economic disruption and political and social instability, resulting in decreased demand for our products, adversely affecting our manufacturing and distribution capabilities, or causing interruptions in our supply chain;
- foreign governments may adopt regulations, including those similar to MDR and IVDR or take other actions that would have a direct or indirect adverse impact on our business and market opportunities, including but not limited to increased enforcement of potentially conflicting and ambiguous anti-bribery laws;
- we may have difficulty enforcing agreements and collecting receivables through some foreign legal systems; and
- we may be subject to unforeseen economic or political events in certain countries that may have an impact on our customers' ability or preferences to buy our products.

As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our international operations. However, any of these factors could adversely affect our international operations and, consequently, our operating results.

Current market conditions and recessionary pressures in one or more of our markets could impact our ability to grow our business.

Over the last few years in the United States and globally, market and economic conditions have been challenging with tighter credit conditions and slower economic growth. Foreign countries, in particular the Euro zone, have experienced recessionary pressures and face continued concerns about the systemic impacts of adverse economic conditions and geopolitical issues. Concerns about the Euro zone's sovereign debt in recent years have caused uncertainty and disruption in the financial markets globally. While the global financial markets have showed general signs of improvement, uncertainty remains.

Any negative impact on economic conditions and international markets, continued volatility or deterioration in the debt and equity capital markets, inflation, deflation or other adverse economic conditions may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our customers. It may limit our ability, and the ability of our customers, to replace maturing liabilities and to access the capital markets to meet liquidity needs, which could have a material adverse effect on our financial condition and results of operations.

Global markets continued to face threats and uncertainty during fiscal 2020. Uncertain economic and financial market conditions may also adversely affect the financial condition of our customers, suppliers and other business partners. If our customers' financial conditions are adversely affected, customers may reduce their purchases of our products or we may not be able to collect accounts receivable, each of which could have a material adverse impact on our business operations or financial results.

CooperVision and CooperSurgical are encountering consolidation in their customer bases and emergence of more centralized large customer groups and retail chains. Due to this trend, global and regional key account customers now represent a larger proportion or concentration of our business and any disruption to these relationships may have a material adverse impact on our business, financial conditions and results of operations.

The results of the United Kingdom's withdrawal from the EU may have a negative effect on global economic conditions, financial markets and our business.

We are a multinational company headquartered in the United States with worldwide operations, with significant business operations in Europe, including in the UK. In June 2016, a majority of voters in the UK elected to withdraw from the European Union in a national referendum (Brexit). In March 2017, the government of the UK formally gave notice of its intent to withdraw from the EU. On January 31, 2020, the UK ceased to be a member state of the EU. EU law applicable to the UK continues to apply to and in the UK for the duration of a transition period which is presently scheduled to expire on December 31, 2020 (the Transition Period). During the Transition Period, the EU and the UK will negotiate the terms of their future relationship. There is no assurance that such negotiations will be successful and it is uncertain what, if any, laws similar to those of the EU will continue to apply in and to the UK following the expiration of the Transition Period. Since a significant proportion of the UK's regulatory framework is derived from EU directives and regulations, EU law ceasing to apply in and to the UK following the expiration of the Transition Period could materially impact the regulatory regime with respect to the movement and approval of our products to and from the UK and EU. We could face new regulatory costs and challenges, a negative impact on the movement of goods and materials in our supply chain, and increased tariffs and duties that could have a material adverse effect on our business, financial condition, cash flows and results of operations. Until expiration of the Transition Period and the future relationship between the EU and the UK is established, it is difficult to anticipate Brexit's potential impact.

Acquisitions that we have made and may make in the future involve numerous risks.

We have a history of acquiring businesses and products that have significantly contributed to our growth in recent years. As part of our growth strategy, particularly at CooperSurgical and at CooperVision, we intend to continue to consider acquiring complementary technologies, products and businesses. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities and an increase in amortization and/or impairments of goodwill and other intangible assets, which could have a material adverse effect upon our business, financial condition and results of operations. CooperVision acquired a privately-held U.S contact lens manufacturer focusing on ortho-k lenses in fiscal 2020 and a privately-held scleral lens company in fiscal 2019. CooperSurgical acquired a privately-held distributor of IVF medical devices and systems in fiscal 2020 and a privately-held U.S. medical device company in fiscal 2019. Risks we could face with respect to these acquisitions include:

- failure to successfully obtain the anticipated revenues, margins and earnings benefits;
- difficulties in, and expenses related to, the integration of the operations, technologies, products and personnel of the acquired company and establishment of appropriate accounting controls and reporting procedures and other regulatory compliance procedures, including but not limited to third party compliance and due diligence;
- increased leverage and the risk of lack of access to available financing, including financing for the acquisition or refinancing of debt owed by us on a timely basis and on reasonable terms;
- risks of entering markets in which we have no or limited prior experience;
- potential loss of employees;
- an inability to identify and consummate future acquisitions on favorable terms or at all;
- diversion of management's attention away from other business concerns;
- risks of the acquired company’s noncompliance with applicable laws or regulations;
- expenses of any undisclosed or potential liabilities, contingent liabilities or indemnification obligations of the acquired company;
- expenses, including restructuring expenses, to shut-down our own locations or terminate our employees;
- application of and compliance with new and unfamiliar regulatory frameworks such as pharmaceutical regulation applicable to our PARAGARD IUD;
- Failure to successfully obtain or maintain reimbursements under the third-party payor plans, including but not limited to governmental programs, due to complex reporting and payment obligations;
- a dilution of earnings per share; and
- risks inherent in accounting allocations and the risk that we are required to record significant adjustments to the preliminary fair value of assets acquired and liabilities assumed within the measurement period.

We face risks associated with disruption of our manufacturing and distribution operations including possible failure to develop necessary manufacturing processes, or constrained, idle or excess capacity could adversely affect our profitability or competitive position.

We manufacture a significant portion of the medical device products we sell. Any prolonged disruption in the operations of our existing manufacturing or distribution facilities, whether due to the effects of the COVID-19 pandemic and related work stoppages, technical or labor difficulties, integration difficulties, destruction of or damage to any facility (as a result of natural disaster, use and storage of hazardous

materials or other events), enforcement action by the FDA or other regulatory body if we are found to be in non-compliance with current Good Manufacturing Practices (cGMP) or other reasons, could have a material adverse effect on our business, financial condition and results of operations. In addition, materials such as silicone hydrogel require improvements to our manufacturing processes to make them cost effective. While we have improved our manufacturing capabilities for our silicone hydrogel products, our failure to continue to develop improvements to our manufacturing processes and reduce our cost of goods could significantly impact our ability to compete. Conversely, constrained, excess or idle capacity, which could result from acquisitions, unexpected demand, inaccurate sales forecasting or unexpected manufacturing efficiencies, could significantly impact our profitability, capital investments, customer service levels and near-term financial condition.

CooperVision manufactures molded contact lenses, which represent the majority of our contact lens revenues, primarily at our facilities in Costa Rica, Hungary, Puerto Rico, the United Kingdom and the United States, with other smaller locations also existing in multiple locations around the world. CooperSurgical manufactures the majority of its products in Costa Rica, the United Kingdom and the United States, with other smaller locations also existing in multiple locations around the world. In November 2017, CooperSurgical purchased a manufacturing facility in Costa Rica to consolidate a portion of global manufacturing. We manufacture certain products at only one manufacturing site for certain markets, and certain of our products are approved for manufacturing only at one site. Before we can use a second manufacturing site, we must obtain the approval of regulatory authorities, and because this process is expensive, we generally have not sought approvals needed to manufacture at an additional site. If there were any prolonged disruption in the operations of the approved facility, it could take a significant amount of time to validate a second site and replace lost product, which could result in lost customers and thereby reduce sales, profitability and market share.

CooperVision distributes products out of Belgium, the United Kingdom and the United States and various smaller international distribution facilities. CooperSurgical's products are primarily distributed out of its facilities in United States and the Netherlands. Any prolonged disruption in the operations of our existing distribution facilities, whether due to technical or labor difficulties, challenges related to system implementation, destruction of or damage to any facility (as a result of natural disaster, use and storage of hazardous materials or other events) or other reasons, could have a material adverse effect on our business, financial condition and results of operations.

Cybersecurity threats continue to increase in frequency and sophistication; a successful cybersecurity attack could interrupt or disrupt our information technology systems, or those of our third party service providers, or cause the loss of confidential or protected data which could disrupt our business, force us to incur excessive costs or cause reputational harm.

Security breaches, computer malware and computer hacking attacks have become more prevalent across industries and may occur on our systems or those of our third-party service providers or partners. The size and complexity of our information systems make such systems potentially vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by our employees or vendors, or from attacks by malicious third parties. Such attacks are increasing in their frequency, levels of persistence, levels of sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. As a result of the COVID-19 pandemic, we may face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. In addition to unauthorized access to or acquisition of personal data, confidential information, intellectual property or other sensitive information, such attacks could include the deployment of harmful malware and ransomware, and may use a variety of methods, including denial-of-service attacks, social engineering and other means, to attain such unauthorized access or acquisition or otherwise affect service reliability and threaten the confidentiality, integrity and availability of information. Like many other companies, we experience attempted cybersecurity actions

on a frequent basis, and the frequency of such attempts could increase in the future. While we have invested in the protection of data and information technology, there can be no assurance that our efforts will prevent or quickly identify service interruptions or security breaches. The techniques used by cyber criminals change frequently, may not be recognized until launched and can originate from a wide variety of sources, including outside groups such as external service providers, organized crime affiliates, terrorist organizations or hostile foreign governments or agencies. We cannot assure you that our data protection efforts and our investment in information technology will prevent significant breakdowns, data leakages or breaches in our systems or those of our third-party services providers or partners. Any such interruption or breach of our systems could adversely affect our business operations and/or result in the loss of critical or sensitive confidential information or intellectual property, and could result in financial, legal, business and reputational harm to us. We maintain cyber liability insurance; however, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of our systems.

We manage our businesses utilizing complex integrated software and hardware information technology operating systems that are regularly maintained and upgraded; an interruption or disruption to these systems could disrupt our business or force us to incur excessive costs.

We utilize complex integrated software and hardware operating systems, including enterprise resource planning and warehouse management systems, to support our business units and we have a continuous improvement strategy in place to keep our systems and overarching technology stable and in line with business needs and growth. Regular upgrades of our computer hardware and software revisions are typical and expected. We employ controlled change management methodologies to plan, test and execute all such system upgrades and improvements, and we believe that we assign adequate staffing and other resources to projects to ensure successful implementation. However, we cannot assure that our systems will meet our future business needs or that upgrades will operate as designed. We cannot assure that there will not be associated excessive costs or disruptions in portions of our business in the course of our maintenance, support and/or upgrade of these systems.

We are in the midst of a multiyear process of implementing new enterprise resource planning (ERP) systems at CooperVision and CooperSurgical. Implementing a new ERP system is not only costly but complex and difficult. Implementing a new ERP system can negatively affect not only financial accounting and reporting processes but also external commercial activities such as order receipt and product delivery. There can be no assurance that we will successfully implement our new ERP system or that we will avoid these and other negative impacts from our implementation efforts.

We rely on independent suppliers in our supply chain for raw materials, packaging materials and components, mechanical equipment and some finished goods; we could experience inventory shortages if any of these suppliers encounter a manufacturing or distribution disruption

Our businesses utilize various chemicals, packaging materials, components, parts and raw materials which are generally available from more than one source. However, in certain instances we acquire components and materials from sole or primary suppliers to make our silicone hydrogel contact lens, certain medical devices and IVF products. We also source mechanical equipment and in certain instances finished goods from OEM suppliers. Supply of these goods, items and materials is protected by contractual agreements, availability of alternative suppliers and/or safety stocks. However, if current suppliers fail to supply sufficient goods, items or materials to us on a timely basis, or at all for any reason, we could experience inventory shortages and disruption in our supply of products. For example, among other situations, some of the primary material used to make our silicone hydrogel contact lens products, including MyDay, Biofinity, Avaira and clariti, are supplied by few sole suppliers, and the failure of a key or sole supplier to timely supply sufficient items and materials necessary for the manufacture of our silicone hydrogel contact lenses could in turn disrupt our supply of those lenses to the market, which would have a material adverse effect on our business, financial condition and results of operations.

If we fail to protect our intellectual property adequately, our business could suffer.

We consider our intellectual property rights, including patents, trade secrets, trademarks and licensing agreements, to be an integral component of our business. We attempt to protect our intellectual property rights through a combination of patent, trademark, copyright and trade secret laws, as well as licensing agreements and third-party nondisclosure and assignment agreements. Our failure to obtain or maintain adequate protection of our intellectual property rights for any reason could have a material adverse effect on our business, financial condition and results of operations.

We also may seek to enforce our intellectual property rights on others through litigation. Our claims, even if meritorious, may be found invalid or inapplicable to a party we believe infringes or has misappropriated our intellectual property rights. In addition, litigation can:

- be expensive and time consuming to prosecute or defend;
- result in a finding that we do not have certain intellectual property rights or that such rights lack sufficient scope or strength;
- divert management's attention and resources; or
- require us to license our intellectual property.

We have applied for patent protection in the United States and other foreign jurisdictions relating to certain existing and proposed processes and products. We cannot assure that any of our patent applications will be approved. Patent applications in the United States and other foreign jurisdictions are maintained in secrecy for a period of time, which may last until patents are issued, and since publication of discoveries in the scientific or patent literature tends to lag behind actual discoveries by several months, we cannot be certain that we will be the first creator of inventions covered by any patent application we make or the first to file patent applications on such inventions. The patents we own could be challenged, invalidated or circumvented by others and may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. We also cannot assure that we will have adequate resources to enforce our patents.

Both CooperVision and CooperSurgical also rely on proprietary technology which is unpatented. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and other proprietary information, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements and assignment agreements, which generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, we cannot assure that these confidentiality agreements will provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. Enforcing a claim that a party illegally obtained and is using our trade secrets is difficult, expensive and time consuming and the outcome is unpredictable.

We rely on trademarks to establish a market identity for our products. To maintain the value of our trademarks, we might have to file lawsuits against third parties to prevent them from using trademarks confusingly similar to or dilutive of our registered or unregistered trademarks. We also might not obtain registrations for our pending or future trademark applications and might have to defend our registered trademark and pending applications from challenge by third parties. Enforcing or defending our registered and unregistered trademarks might result in significant litigation costs and damages, including the inability to continue using certain trademarks.

The laws of foreign countries in which we do business or contemplate doing business in the future may not recognize intellectual property rights or protect them to the same extent as do the laws of the United

States. Adverse determinations in a judicial or administrative proceeding could prevent us from manufacturing and selling our products or prevent us from stopping others from manufacturing and selling competing products, and thereby have a material adverse effect on our business, financial condition and results of operations.

Our products or processes could be subject to claims of infringement of the intellectual property of others.

Our competitors in both the United States and foreign countries, some of which have substantially greater resources and have made substantial investments in competing technologies, as well as other third parties,
may have applied for or obtained, or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make and sell our existing and planned products. In the contact lens industry, CooperVision, its competitors and other third parties hold patents covering contact lens designs, business methods, processes and materials. Claims that our products, business methods or processes infringe upon the proprietary rights of others often are not asserted until after commencement of commercial sales of products incorporating our technology.

Significant litigation regarding intellectual property rights exists in our industries. For example, CooperVision in the past faced significant patent litigation over its silicone hydrogel contact lens products. Third parties have made, and may make in the future, claims of infringement against us or our contract manufacturers in connection with the use of our technology. Any claims, even those without merit, could:

- be expensive and time consuming to defend;
- cause us to cease making, licensing or selling products that incorporate the challenged intellectual property;
- require us to redesign or re-engineer our products, if feasible;
- divert management's attention and resources; or
- require us to enter into royalty or licensing agreements in order to obtain the right to use a necessary product, component or process.

We cannot be certain of the outcome of any litigation. Any royalty or licensing agreement, if required, may not be available to us on acceptable terms or at all. Our failure to obtain the necessary licenses or other rights could prevent the sale, manufacture, or distribution of some of our products and, therefore, could have a material adverse effect on our business.

A successful claim of infringement against us or our contract manufacturers in connection with the use of our technology, in particular if we are unable to manufacture or sell any of our planned products in any major market, could adversely affect our business.

We could experience losses from product liability claims or legal claims relating to our service offerings, including such claims and other losses resulting from sales of counterfeit and other infringing products.

We face an inherent risk of exposure to product liability claims in the event that the use of our products results in personal injury. We also face the risk that defects in the design or manufacture of our products or sales of counterfeit or other infringing products might necessitate a product recall and other actions by manufacturers, distributors or retailers in order to safeguard the health of consumers and protect the integrity of the subject brand. Additionally, we face the inherent risk of exposure to legal claims, including negligence, relating to our provision of certain service offerings, including our genetic testing services and their accuracy. Consumers may halt or delay purchases of a product or service that is the subject of a claim or recall or has been counterfeited. We handle some risk with third-party carrier

policies that are subject to deductibles and limitations. There can be no assurance that we will not experience material losses due to product liability claims or recalls, legal claims relating to our service offerings, or a decline in sales resulting from sales of counterfeit or other infringing products, in the future.

If our products are not accepted by the market, we will not be able to sustain or expand our business.

Certain of our proposed products have not yet been clinically tested or commercially introduced, and we cannot assure that any of them, assuming they receive necessary regulatory approvals, will achieve market acceptance or generate operating profits. The development of a market for our products may be influenced by many factors, some of which are out of our control, including:

- acceptance of our products by eye care and health care practitioners;
- the cost competitiveness of our products;
- consumer reluctance to try and use a new product;
- regulatory and legislative requirements;
- adequate coverage and reimbursement by third party payors;
- the earlier release of competitive products, such as new silicone hydrogel products, into the market by our competitors; and the emergence of newer and more competitive products.

We operate in the highly competitive health care industry and there can be no assurance that we will be able to compete successfully.

Each of our businesses operates within a highly competitive environment. In our soft contact lens business, CooperVision faces intense competition from competitors' products, in particular silicone hydrogel contact lenses, and may face increasing competition as other new products enter the market. Our largest competitors in the contact lens business, Johnson & Johnson Vision Care, Inc., Alcon Inc. and Bausch Health Companies Inc. may have substantially greater financial resources, larger research and development budgets, larger sales forces, greater market penetration and/or larger manufacturing volumes than CooperVision. They offer competitive products and differentiated materials, plus a variety of other eye care products including lens care products and ophthalmic pharmaceuticals, which may give them a competitive advantage in marketing their lenses. The market for contact lenses is intensely competitive and is characterized by declining sales volumes for older product lines and growing demand for silicone hydrogel based products. Our ability to respond to these competitive pressures will depend on our ability to decrease our costs and maintain gross margins and operating results and to introduce new products successfully, on a timely basis in the Americas, EMEA and Asia Pacific, and to achieve manufacturing efficiencies and sufficient manufacturing capacity and capabilities for such products. Any significant decrease in our costs per lens will depend, in part, on our ability to increase sales volume and production capabilities. Our failure to respond to competitive pressures in a timely manner could have a material adverse effect on our business, financial condition and results of operations.

To a lesser extent, CooperVision also competes with manufacturers of eyeglasses and providers of other forms of vision correction including ophthalmic surgery.

There can be no assurance that we will not encounter increased competition in the future, for example with increased product entries from Asia Pacific contact lens manufacturers, or that our competitors' newer contact lens products will not successfully erode CooperVision's contact lens business, which could have a material adverse effect on our business, financial condition and results of operations.

The contact lens industry also continues to evolve with respect to the introduction of new distribution and fulfillment models and service technologies which may conflict with CooperVision's strategy or interfere with its customers' relationships and loyalty. For example, more contact lenses are being fulfilled directly to the consumer by manufacturers and wholesalers via online platforms, telemedicine is gaining popularity and more vision correction prescriptions are being provided through online refractive exams rather than in office by an eye care practitioner. CooperVision's failure to adapt to the threats posed by these new and emerging distribution models and Internet driven services may have a material adverse impact on our business, financial condition and results of operations.

In the women's health market, competitive factors include technological and scientific advances, product quality, access to local markets based on regulatory clearances, price and effective communication of product information to physicians, hospitals, patients and IVF clinics. CooperSurgical competes with a number of manufacturers in each of its niche areas, some of which have substantially greater financial and personnel resources and sell a much broader range of products, which may give them an advantage in marketing competitive products.

New medical and technological developments may reduce the need for our products.

Technological developments in the eye care, family and women's health care, and diagnostics testing industries, such as new surgical procedures or medical devices, and genetic testing technology may limit demand for our products and services. Corneal refractive surgical procedures such as Lasik surgery and the development of new pharmaceutical products may decrease the demand for our optical products. If these new advances provide a practical alternative to traditional vision correction, the demand for contact lenses and eyeglasses may materially decrease. We cannot assure that medical advances and technological developments will not have a material adverse effect on our businesses.

Product innovations are important in the industry in which we operate, and we face the risk of product obsolescence if we are unable to develop new products or gain regulatory approvals or if our competitors introduce new products.

Product innovations are important in the contact lens market in which CooperVision competes and in the areas of the health care industry in which CooperSurgical competes. CooperVision, both internally and externally with third parties, invests in new product development, including the development of silicone hydrogel-based contact lenses. While much of CooperVision's research and development activities are performed internally, it also uses external research and development investment in collaborations and joint development with third parties. CooperSurgical has historically purchased, leveraged or licensed the technology developments of others. CooperSurgical also has invested in expanding the internal research and development function with the goal of organic growth and to complement our acquisitions strategy. Research and development time commitments, higher feasibility risk with longer term projects, greater dependence on, and reduced control over, third party deliverables, the cost of obtaining necessary regulatory approval and other costs related to product innovations can be substantial. There can be no assurance that we will successfully obtain necessary regulatory approvals or clearances for our new products or that our new products will successfully compete in the marketplace and, as a result, justify the expense involved in their development and regulatory approval. In addition, our competitors may have developed or may in the future develop new products or technologies, such as contact lenses with anti-microbial or anti-allergenic features, or "smart" contact lenses which incorporate electronics that could lead to the obsolescence of one or more of our products. Competitors may also introduce new uses for contact lenses, such as for drug delivery or the control of myopia. Failure to develop new product offerings and technological changes and to offer products that provide performance that is at least comparable to competing products could have a material adverse effect on our business, financial condition, or results of operations.

We face risks related to environmental matters.

Our facilities are subject to a broad range of United States federal, state, local and foreign environmental laws and requirements, including those governing discharges to the air and water, the handling or disposal of solid and hazardous substances and wastes, remediation of contamination associated with the release of hazardous substances at our facilities and offsite disposal locations and occupational safety and health. We have made, and will continue to make, expenditures to comply with such laws and requirements. Future events, such as changes in existing laws and regulations, or the enforcement thereof, or the discovery of contamination at our facilities, may give rise to additional compliance or remediation costs that could have a material adverse effect on our business, financial condition and results of operations. Such laws and requirements are constantly changing, are different in every jurisdiction and can impose substantial fines and sanctions for violations. As a manufacturer of various products, we are exposed to some risk of claims with respect to environmental matters, and there can be no assurance that material costs or liabilities will not be incurred in connection with any such claims.

We continue to evaluate the necessary steps for compliance with regulations as they are enacted. These regulations include, for example, regulations enacted in the European Union such as the Registration, Evaluation, Authorization and Restriction of Chemical Substances, which requires the registration of and regulates use of certain chemicals, the Restriction on the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directive, which regulates the use of certain hazardous substances in certain products our CooperSurgical division manufactures. These and similar legislation that has been or is in the process of being enacted in Japan, China and various states of the U.S. may require us to re-design certain products to ensure compliance with the applicable.

If we do not retain our key personnel and attract and retain other highly skilled employees, our business could suffer.

If we fail to recruit, develop and retain the necessary personnel, our business and our ability to obtain new customers, develop new products and provide acceptable levels of customer service could suffer. The success of our business is heavily dependent on the leadership of our key management personnel. Our success also depends on our ability to recruit, develop and retain and motivate highly skilled sales, marketing, engineering and scientific personnel. Competition for these persons in our industry is intense, and we may not be able to successfully recruit, train or retain qualified personnel.

Provisions of our governing documents and Delaware law, may have anti-takeover effects.

Certain provisions of our Second Restated Certificate of Incorporation and Amended and Restated By-Laws may inhibit changes in control of the Company not approved by our Board of Directors. These provisions include advance notice requirements for stockholder proposals and nominations. We also have the protections of Section 203 of the Delaware General Corporation Law, which could have anti-takeover effects.

Risks Relating to Government Regulation of Manufacture and Sale of Our Products and Services.

The costs of complying with the requirements of federal, state and foreign laws pertaining to the privacy and security of personal information, including health related information and the potential liability associated with failure to do so could materially adversely affect our business and results of operations.

Numerous state and federal laws and regulations, govern the collection, dissemination, use, privacy, confidentiality, security, availability and integrity of individually identifiable information, including protected health information (PHI). For example, HIPAA establishes national privacy and security standards for protection of PHI by covered entities, such as our genetics testing subsidiaries, and the

business associates with whom such entities contract for services, including another one of our subsidiaries, Eye Care Prime LLC, which offers value-added software solutions for eye care professionals. HIPAA requires both covered entities and business associates to develop and maintain policies and procedures for PHI that is used or disclosed, and to adopt administrative, physical and technical safeguards to protect PHI. When we are acting as a business associate, our clients that are covered entities are mandated by HIPAA to enter into written agreements with us - known as business associate agreements - that require us to safeguard PHI in accordance with HIPAA. Our genetics testing subsidiaries are likewise required to enter into business associate agreements with any of their business associates.

Mandatory penalties for HIPAA violations can be significant. A single breach incident can result in violations of multiple standards. If a person knowingly or intentionally obtains or discloses PHI in violation of HIPAA requirements, criminal penalties may also be imposed.

We maintain safeguards that we believe are reasonable and appropriate to protect the privacy and security of PHI and other personally identifiable information consistent with applicable law and our contractual obligations; however, our systems may be vulnerable to physical break-ins, viruses, hackers, and other potential sources of security breaches. In addition, we may not be able to prevent incidences of inappropriate use or unauthorized access to PHI by our employees or contractors. Any such breaches could result in exposure to liability under federal and state laws and/or under our contractual arrangements and could adversely impact our business.

Even when HIPAA does not apply, according to the FTC, violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities.

Further, California enacted the CCPA, on June 28, 2018, which went into effect on January 1, 2020. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Although there are limited exemptions for health-related information, including clinical trial data, the CCPA may increase our compliance costs and potential liability. Some observers have noted that the CCPA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could increase our potential liability and adversely affect our business. Similar laws have been proposed in other states and at the federal level, and if passed, such laws may have potentially conflicting requirements that would make compliance challenging.

We are also subject to laws and regulations in countries other than United States covering data privacy and the protection of health-related and other personal information. EU and EEA member states and other jurisdictions have adopted data protection laws and regulations, which impose significant compliance obligations. For example, the GDPR went into effect on May 25, 2018, and imposes stringent operational requirements for processors and controllers of personal data of individuals within the EEA and the United Kingdom, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, increased requirements pertaining to health data and pseudonymized (i.e., key-coded) data, mandatory data breach notification requirements, handling data subject access requests and higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. In addition, member states of the EEA may impose further obligations relating to the processing of genetic, biometric or health data, which could further add to our compliance costs and limit how we process this information. In addition, the GDPR increases the

scrutiny of transfers of personal data from clinical trial sites located in the EEA to the United States and other jurisdictions that the European Commission does not recognize as having “adequate” data protection laws; in July 2020, the Court of Justice of the European Union limited how organizations could lawfully transfer personal data from the EEA to the United States by invalidating the EU-US Privacy Shield and imposing further restrictions on use of the standard contractual clauses, which could increase our costs and our ability to efficiently process personal data from the EEA.

Compliance with U.S. and foreign privacy and security laws, rules and regulations could require us to take on more onerous obligations in our contracts, require us to engage in costly compliance exercises, restrict our ability to collect, use and disclose data, or in some cases, impact our or our partners’ or suppliers’ ability to operate in certain jurisdictions. Each of these constantly evolving laws can be subject to varying interpretations. Any failure or perceived failure by us to comply with privacy or security laws, policies, legal obligations or industry standards or any security incident that results in the unauthorized release or transfer of personally identifiable information may result in governmental enforcement actions and investigations including by European Data Protection Authorities, fines and penalties, litigation and/or adverse publicity, including by consumer advocacy groups, and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. For example, Companies that must comply with the GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and potential fines for noncompliance of up to €20 million or 4% of the annual global revenues of the noncompliant company, whichever is greater. Additionally, following the United Kingdom’s withdrawal from the EEA and the EU, and the expiry of the transition period, companies will have to comply with the GDPR and the GDPR as incorporated into the United Kingdom national law, the latter regime having the ability to separately fine up to the greater of £17.5 million or 4% of global turnover. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, for example around how data can lawfully be transferred between each jurisdiction, which exposes us to further compliance risk. Such failures could have a material adverse effect on our financial condition and operations. If the third parties we work with violate applicable laws, contractual obligations or suffer a security breach, such violations may also put us in breach of our obligations under privacy laws and regulations and/or could in turn have a material adverse effect on our business.

Changes in legislation and government regulation of the health care industry both in the United States and internationally, as well as third-party payors' efforts to control the costs of health care could materially adversely affect our business.

The ACA made extensive changes to the delivery of health care in the United States. Among the provisions of the ACA, of greatest importance to the medical device industry and pharmaceutical industry are the following:

- Establishment of the Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research;
- Payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain health care services through bundled payment models;
- Creation of the Independent Payment Advisory Board which has authority to recommend certain changes to reduce Medicare spending and those recommendations could have the effect of law even if Congress doesn't act on the recommendations;
- Establishment of a Center for Medicare Innovation at CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending; and

- An increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for most branded and generic drugs, respectively.

These measures could result in decreased net revenues or increased expenses from our fertility, office and surgical products and decrease potential returns from our development efforts. There have been judicial and Congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. Additionally, recent reform proposals have introduced greater uncertainty with respect to tax and trade policies, tariffs and government regulations affecting trade between the United States and other countries. Major developments in tax policy or trade relations could have a material effect on our balance sheet and results of operations.

Other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. The Budget Control Act of 2011, among other things, included aggregate reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments, will remain in effect until 2030, with the temporary suspension from May 1, 2020 through December 31, 2020, unless additional action is taken by Congress. The American Taxpayer Relief Act of 2012, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers. In addition, the Medicare Access and CHIP Reauthorization Act of 2015, among other things, repealed the formula by which Medicare made annual payment adjustments to physicians and replaced the former formula with fixed annual updates and a new system of incentive payments began in 2019 that are based on various performance measures and physicians' participation in alternative payment models such as accountable care organizations.

We expect that additional state and federal health care reform measures will be adopted in the future, including those initiatives affecting coverage and reimbursement for our products, any of which could limit the amounts that federal and state governments will pay for health care products and services, which could adversely affect the growth of the market for our products or demand for our products, or result in additional pricing pressures. Also, any adoption of health care reform proposals on a state-by-state basis could require us to develop state-specific marketing and sales approaches. We cannot predict the effect such reforms or the prospect of their enactment may have on our business.

In addition, third-party payors, whether governmental or commercial, whether inside the United States or abroad, increasingly attempt to contain or reduce the costs of health care. These cost-control methods include prospective payment systems, capitated rates, group purchasing, redesign of benefits, requiring pre-authorizations or second opinions prior to certain medical procedures, encouragement of healthier lifestyles and exploration of more cost-effective methods of delivering health care. Although cost controls or other requirements imposed by third-party payors have not historically had a significant effect on contact lens prices or distribution practices, this could change in the future and could adversely affect our business, financial condition and results of operations.

We may enroll as in-network providers and suppliers with certain payors. Although, becoming an in-network provider or enrolling as a supplier means that we have agreed with these payors to provide certain of our tests at negotiated rates, it does not obligate any physicians to order our tests or guarantee that we will receive reimbursement for our tests from these or any other payors at adequate levels. Thus, these payor relationships, or any similar relationships we may establish in the future, may not result in acceptable levels of reimbursement for our tests or meaningful increases in our physician customer base. We cannot predict whether, under what circumstances, or at what payment levels payors will cover and reimburse for our tests. If we fail to establish and maintain broad coverage and reimbursement for our tests, our ability to generate increased revenue and grow our test volume and customer base could be limited and our future prospects and our business could suffer.

On April 5, 2017, the European Parliament passed the Medical Devices Regulation, which repeals and replaces the EU Medical Devices Directive. Unlike directives, which must be implemented into the national laws of the European Economic Area (EEA) member states, the regulations would be directly applicable (i.e., without the need for adoption of EEA member State laws implementing them) in all EEA member states and are intended to eliminate current differences in the regulation of medical devices among EEA member states. The Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EEA for medical devices and In Vitro Diagnostic Devices and ensure a high level of safety and health while supporting innovation.

MDR was to become applicable in May 2020, but on April 23, 2020, to take the pressure off EEA national authorities, notified bodies, manufacturers and other actors so they can focus fully on urgent priorities related to the COVID 19 pandemic, the European Council and Parliament adopted Regulation 2020/561, postponing the date of application of the Medical Devices Regulation by one year (to May 2021). The IVDR will become applicable in May 2022. Once applicable, the new regulations will, among other things:

- strengthen the rules on placing devices on the market and reinforce surveillance once they are available;
- establish explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;
- set up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU; and
- strengthen rules for the assessment of certain high-risk devices, such as implants, which may have to undergo an additional check by experts before they are placed on the market.

These modifications may have an impact on the way we conduct our business in the EEA and an adverse impact on our overall business operations and financial results.

Laws pertaining to health care fraud and abuse could materially adversely affect our business, financial condition and results of operations.

We may be subject to various federal, state and foreign laws pertaining to health care fraud and abuse, including anti-kickback, physician self-referral false claims and physician payment transparency laws and regulations. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including our commercial laboratory operations and how we research, market, sell and distribute any products for which we obtain marketing approval. Such laws include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or providing any remuneration (including any kickback, bribe or certain rebates), directly or indirectly, overtly or covertly, in cash or in kind, in return for, either the referral of an individual or the purchase, lease, or order, or arranging for or recommending the purchase, lease, or order of any good, facility, item or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the federal Anti- Kickback Statute or specific intent to violate it in order to have committed a violation;

- the federal physician self-referral prohibitions, commonly known as the Stark Law, which generally prohibit entities from billing a patient or the Medicare or Medicaid programs for certain designated health services, including clinical laboratory services, when the physician ordering the service, or any member of such physician's immediate family, has a financial interest, such as an ownership or investment interest in or compensation arrangement with us, unless the arrangement meets an exception to the prohibition. These prohibitions apply regardless of any intent by the parties to induce or reward referrals or the reasons for the financial relationship and the referral;

- the federal false claims laws, including the civil False Claims Act, and civil monetary penalties laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making or causing to be made a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti- Kickback Statute of Stark Law constitutes a false or fraudulent claim for purposes of the civil False Claims Act;

- the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the CMS, information related to payments and other "transfers of value" made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by such healthcare professionals and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report such information regarding payments and transfers of value provided during the previous year to physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists and certified nurse-midwives; and

- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers and self-pay patients; some state laws require biotechnology companies to comply with the industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government and may require drug and device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; some state laws that require biotechnology companies to report information on the pricing of certain drug products; and some state and local laws require the registration of sales representatives.

In addition, federal government price reporting laws, among other things, require us to calculate and report complex pricing metrics to government programs, where such reported prices may be used in the calculation of reimbursement and/or discounts on our marketed drugs. Participation in these programs and

compliance with the applicable requirements may subject us to potentially significant discounts on our products, increased infrastructure costs and potentially limit our ability to offer certain marketplace discounts.

Violations of these laws are punishable by criminal and civil sanctions, including, in some instances, exclusion from participation in federal and state health care programs, including Medicare, Medicaid, Veterans Administration health programs and TRICARE. Similarly, if the physicians or other providers or entities with whom we do business are found to be non-compliant with applicable laws, they may be subject to sanctions, which could indirectly have a negative impact on our business, financial condition and results of operations. Because of the complex and far-reaching nature of these laws, there can be no assurance that we would not be required to alter one or more of our practices to be in compliance with these laws. Any violations of these laws or regulations could result in a material adverse effect on our business, financial condition and results of operations. In addition, changes in these laws, regulations, or administrative or judicial interpretations, may require us to further change our business practices or subject our existing business practices to legal challenges, which could have a material adverse effect on our business, financial condition and results of operations.

Legislative or regulatory reforms in the United States or the EU may make it more difficult and costly for us to obtain regulatory clearances or approvals for our products or to manufacture, market or distribute our products after clearance or approval is obtained.

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the regulation of medical devices. In addition, the FDA may change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay approval or clearance of our future products under development or impact our ability to modify our currently cleared products on a timely basis. Over the last several years, the FDA has proposed reforms to its 510(k) clearance process, and such proposals could include increased requirements for clinical data and a longer review period, or could make it more difficult for manufacturers to utilize the 510(k) clearance process for their products.

In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. Any new statutes, regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of any future products or make it more difficult to obtain clearance or approval for, manufacture, market or distribute our products. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require additional testing prior to obtaining clearance or approval; changes to manufacturing methods; recall, replacement or discontinuance of our products; or additional record keeping.

Our medical device products are subject to reporting requirements and recalls, even after receiving regulatory clearance or approval, which could harm our reputation, business and financial results.

After a device is placed on the market, numerous regulatory requirements apply, including the FDA's QSR regulations, which require manufacturers to follow, among other things, design, testing, production, control, documentation and other quality assurance procedures during the manufacturing process; labeling regulations, which prohibit the promotion of products for unapproved or “off-label” uses and impose other restrictions on labeling; and medical device reporting regulations that require us to report to FDA or similar governmental bodies in other countries if our products may have caused or contributed to a death or serious injury or malfunction in a way that would be reasonably likely to contribute to death or serious injury if the malfunction were to recur. The FDA and similar governmental bodies in other countries have the authority to require the recall of our products in the event of material deficiencies or defects in design or manufacture or in the event that a product poses an unacceptable risk to health. Medical device

manufacturers, such as CooperVision and CooperSurgical, may, under their own initiative, recall a product if a reasonable possibility of serious injury or any material deficiency in a device is found, or withdraw a product to improve device performance or for other reasons. The FDA requires that certain classifications of recalls be reported to the FDA within 10 working days after the recall is initiated. Recalls of any of our products may divert managerial and financial resources and have an adverse effect on our financial condition and results of operations. A recall could harm our reputation with customers and consumers which could reduce the sales of our products. In addition, the FDA or other foreign governmental agencies may implement enforcement actions in connection with a recall which could impair our product offerings and be harmful to our business and financial results.

If our manufacturing operations fail to comply with applicable regulations, our manufacturing could be delayed or disrupted, our products could be subject to recall, and sales and profitability could suffer.

Our manufacturing operations and processes are required to comply with numerous federal, state and foreign regulatory requirements, including the FDA's cGMP for medical devices, known as the QSR regulations, which govern the procedures related to the design, testing, production processes, controls, quality assurance, labeling, packaging, storage, importing, exporting and shipping of our products. We also are subject to state requirements and licenses applicable to manufacturers of medical devices. In addition, we must engage in extensive recordkeeping and reporting and must make available our manufacturing facilities and records for periodic unscheduled inspections by governmental agencies, including the FDA, state authorities and comparable agencies in other countries. Failure to comply with QSR requirements and other applicable domestic or international regulatory requirements or to respond to any adverse inspectional observations or product safety issues could result in disruption of our operations and manufacturing delays in addition to, among other things, warning letters, significant fines, injunctions, suspension of approvals, seizures, recalls or import holds of products, operating restrictions and criminal prosecutions. As a result, any failure to comply with applicable requirements could adversely affect our product sales and profitability.

Our failure to comply with regulatory requirements or to receive regulatory clearance or approval for our products or operations could adversely affect our business.

Our products and operations are subject to rigorous regulation by the FDA, and numerous other federal, state and foreign governmental authorities. In the United States, the FDA regulates virtually all aspects of medical device and pharmaceutical design, development, testing, manufacture, safety, labeling (including, for example, unique device identifier regulations), storage, recordkeeping, reporting, marketing, promotion, advertising and distribution, as well as product import and export. Our failure to comply with FDA regulations could lead to the imposition of administrative or judicial sanctions, including injunctions, fines, warning letters, suspensions or the loss of regulatory approvals, product recalls, termination of distribution or product seizures. In the most egregious cases, criminal sanctions or closure of our manufacturing facilities are possible.

Our medical devices and pharmaceutical products require clearance or approval by the FDA before they can be commercially distributed in the United States and may require similar approvals by foreign regulatory agencies before distribution in foreign jurisdictions. Medical devices and drug products may only be marketed for the indications for which they are approved or cleared. The process of obtaining, renewing and maintaining regulatory clearances and approvals to market a medical device, particularly from the FDA, can be costly and time consuming. There can be no assurance that such clearances and approvals will be granted on a timely basis, if at all, and significant delays in the introduction of any new products or product enhancements may occur, which could adversely affect our competitive position and results of operations. In addition, the FDA and authorities in foreign jurisdictions may change their policies, adopt additional regulations or revise existing regulations, each of which could prevent or delay premarket approval or clearance of our products, increase the cost of compliance, impose additional

regulatory requirements on us, or otherwise impact our ability to market our currently approved or cleared products.

Modifications and enhancements to medical devices also require a new FDA clearance or approval if they could significantly affect its safety or effectiveness or would constitute a major change in its intended use, design or manufacture. The FDA requires every manufacturer to make this determination in the first instance, but the FDA may review any manufacturer's decision. We have made modifications and enhancements to our medical devices that we do not believe require a new clearance or application, but we cannot confirm that the FDA will agree with our decisions. If the FDA requires us to seek clearance or approval for a modification of a previously cleared product for which we have concluded that new clearances or approvals are unnecessary, we may be required to cease marketing or to recall the modified product until we obtain clearance or approval, and we may be subject to significant regulatory fines or penalties, which could have a material adverse effect on our financial results and competitive position. We also cannot assure that we will be successful in obtaining clearances or approvals for our modifications, if required.

Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our product candidates. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results may be adversely affected.

The FDA’s and other regulatory authorities’ policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business, prospects, financial condition and results of operations. We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad.

Development and marketing of our products are subject to strict governmental regulation by foreign regulatory agencies, and failure to receive, or delay in receiving, foreign qualifications could have a material adverse effect on our business.

In many of the foreign countries in which we market our products, we are subject to regulations affecting, among other things, product standards, packaging requirements, labeling requirements, import restrictions, tariff regulations, the reporting of certain payments to health care practitioners in certain markets (for example, the French Sunshine Act of 2013), duties and tax requirements. Many of the regulations applicable to our devices and products in such countries are similar to those of the FDA.

In many countries, the national health or social security organizations require our products to be qualified before they can be marketed with the benefit of reimbursement eligibility. To date, we have not experienced difficulty in complying with these regulations. However, our failure to receive, or delays in the receipt of, relevant foreign qualifications could have a material adverse effect on our business, financial condition and results of operations.

Increased regulatory scrutiny of genetic testing may adversely affect our business through increased costs and risks associated with gaining marketing approvals and potential decreased demand for our genetic testing services.

We offer certain genetic testing services to help identify the likelihood of pregnancy as well as identify possible disorders or diseases of a child prior to birth. Regulatory and legislative proposals addressing oversight of genetic testing have been introduced in the United States, and we expect that new proposals

will be introduced from time to time both in the United States and in foreign countries in the future. Although the FDA has statutory authority to assure that medical devices, including IVDs, are safe and effective for their intended uses, the FDA has historically exercised its enforcement discretion and not enforced applicable provisions of the FDCA and regulations with respect to laboratory developed tests (LDTs). We believe our tests fall within the definition of an LDT. As a result, we believe our tests are not currently subject to the FDA's enforcement of its medical device regulations and the applicable FDCA provisions. However, if there are changes in the FDA's policy, or if the FDA disagrees that our marketed tests are LDTs or that we are marketing our tests outside the scope of the FDA's current policy of enforcement discretion, we may become subject to extensive regulatory requirements and may be required to stop selling our existing tests or launching any other tests we may develop and to conduct additional clinical trials or take other actions prior to continuing to market our tests. This could significantly increase the costs and expenses of conducting, or otherwise harm, our business.

Legislative proposals addressing the FDA's oversight of LDT have been introduced by Congress in the past and new legislative proposals may be introduced from time to time in the future. The likelihood that Congress will pass such legislation and the extent to which such legislation may affect the FDA's ability to enforce its medical device regulations with respect to certain LDT is difficult to predict at this time. If the FDA ultimately begins to enforce its medical device requirements with respect to LDT, our genetic tests may be subject to additional regulatory requirements imposed by the FDA, the nature and extent of which would depend upon applicable final guidance or regulation by the FDA or instruction by Congress. If the FDA imposes significant changes to the regulation of LDT it could reduce our revenue or increase our costs and adversely affect our business, prospects, results of operations or financial condition.

Any new FDA enforcement policies affecting LDT or new legislation, regulations such as the EU IVDR regulation may result in increased regulatory burdens on our ability to continue marketing our genetic products and to develop and introduce new products in the future, which could reduce our revenue or increase our costs and adversely affect our business, prospects, results of operations or financial condition.

If we fail to comply with applicable federal, state, local and foreign laboratory licensing requirements, we could lose the ability to perform our genetic tests or experience disruptions to our business.

We are subject to the Clinical Laboratory Improvement Amendments of 1988 (CLIA), UK Human Fertilization & Embryology Association (HFEA) regulating IVF, a federal law regulating clinical laboratories that perform testing on specimens derived from humans for the purpose of providing information for the diagnosis, prevention or treatment of disease. Our clinical laboratories must be certified under CLIA and ISO 15189 in order for us to perform testing on human specimens. In addition, our proprietary tests must also be recognized as part of our accredited programs under CLIA so that we can offer them in our laboratory. CLIA is intended to ensure the quality and reliability of clinical laboratories in the United States by mandating specific standards in the areas of personnel qualifications, administration, and participation in proficiency testing, patient test management, quality control, quality assurance and inspections. The law also requires us to maintain a state laboratory license to conduct testing in that state. Our laboratories are located in Japan, the United Kingdom and United States, and we must maintain the requisite licenses in each jurisdiction.

Any sanction imposed under CLIA, its implementing regulations, or state or foreign laws or regulations governing licensure, or our failure to renew a CLIA certificate, a state license or accreditation, could have a material and adverse effect on our diagnostic testing business, operating results and financial condition. The Centers for Medicare & Medicaid Services (CMS) also has the authority to impose a wide range of sanctions, including revocation of the CLIA certification along with a bar on the ownership or operation of a CLIA-certified laboratory by any owners or operators of the deficient laboratory. If we were to lose our CLIA certification or required state licensure, we would not be able to operate our clinical laboratory

and conduct our tests, in full or in particular states, which would adversely impact our diagnostic testing business, operating results, and financial condition.

Pricing pressure from our competitors, customers and changes in third-party coverage and reimbursement may adversely affect demand for our products and negatively impact our operating results.

Competition in our industry has increased as a result of new market entrants, new technologies and as more established companies have intensified competitive pricing pressure. As a result of these competitive forces, we believe there will continue to be pricing pressure in the future. Because our CooperSurgical products are generally purchased by hospitals and surgical centers, OB/GYN medical offices and fertility clinics, and billed to various third-party payors, changes in the purchasing behavior of such customers or the amount such payors are willing to reimburse our customers for procedures using our products, including as a result of healthcare reform initiatives, could create additional pricing pressure on us. In addition to these competitive forces, we continue to see pricing pressure as our customers introduce new pricing structures into their contracts and agreements, including fixed price formulas, capitated pricing and structured pricing intended to contain healthcare costs. Such trends may adversely affect demand for our products and may drive down the prices we are able to charge for our products, both of which would negatively affect our operating results.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, cleared or approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA to review and clear or approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the FDA have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new drugs and medical devices or modifications to cleared or approved drugs and medical devices to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Separately, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities, and on March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic manufacturing facilities. Subsequently, on July 10, 2020, the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA intends to use this risk-based assessment system to identify the categories of regulatory activity that can occur within a given geographic area, ranging from mission critical inspections to resumption of all regulatory activities. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Ethical, legal and social concerns related to the use of genetic information could reduce demand for our tests.

Genetic testing has raised ethical, legal and social issues regarding privacy and the appropriate uses of the resulting information. Government authorities could, for social or other purposes, limit or regulate the use of genetic information or genetic testing or prohibit testing for genetic predisposition to certain conditions, particularly for those that have no known cure. Similarly, these concerns may lead patients to refuse to use, or physicians to be reluctant to order, genetic tests even if permissible. These and other ethical, legal and social concerns may limit market acceptance and adoption of our tests or reduce the potential markets for our tests, either of which could have an adverse effect on our business, financial condition and results of operations.

Risks Relating to Tax

Increases in our effective tax rates or adverse outcomes resulting from examination of income tax returns could adversely affect our results.

Determination of the Company's effective tax rate and evaluation of its tax positions is uncertain with rapidly changing enactment, interpretation and enforcement of tax regulations by taxing authorities globally. When tax matters arise, several years may elapse before such matters are audited and finally resolved. Unfavorable resolution of any tax matter in any of the jurisdictions in which we operate could increase the effective tax rate, which would have an adverse effect on the Company's operating results. Any resolution of a tax matter may require the use of cash in the year of resolution. For instance, in fiscal 2019, we were required to pay additional taxes resulting from an inquiry in the United Kingdom related to the transfer out of the country of certain intellectual property rights in connection with a 2014 acquisition.

Our future effective tax rates could be adversely affected by earnings being higher than anticipated in countries where we have higher statutory rates or lower than anticipated in countries where we have lower statutory rates, by changes in valuation of our deferred tax assets and liabilities, or by changes in tax laws or interpretations of those laws. We are also subject to the examination of our tax filings by domestic and foreign tax authorities and the outcome of these examinations could have an adverse effect on our operating results and financial condition.

We operate globally and changes in tax laws could adversely affect our results.

We are subject to income taxes in the United States and various jurisdictions outside of the United States. Our effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates. Our tax expense could also be impacted by changes in non-deductible expenses, changes in excess tax benefits of stock-based compensation, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes and effects from acquisitions.

We are subject to tax examinations in multiple jurisdictions. While we regularly evaluate new information that may change our judgment resulting in recognition, derecognition or change in measurement of a tax position taken, there can be no assurance that the final determination of any examinations will not have an adverse effect on our operating results and financial position.

Our tax provision could also be impacted by changes in accounting principles, and changes in U.S. federal and state or international tax laws applicable to corporate multinationals. In addition, government agencies in non-U.S. jurisdictions where we and our affiliates do business and the Organization for Economic Co-operation and Development (OECD), have recently focused on issues related to the taxation of multinational corporations. One example is in the area of "base erosion and profit shifting," where profits are claimed to be earned for tax purposes in low-tax jurisdictions, or payments are made

between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. The OECD has released several components of its comprehensive plan to create an agreed set of international rules for fighting base erosion and profit shifting. As a result, the tax laws in the U.S. and other countries in which we and our affiliates do business could change and any such change could be materially and adversely affect our business.

We may also be subject to additional tax liabilities and penalties due to changes in non-income based taxes resulting from changes in federal, state or international tax laws, changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions, results of tax examinations, settlements or judicial decisions, changes in accounting principles, changes to the business operations, including acquisitions, as well as the evaluation of new information that results in a change to a tax position taken in a prior period.

Risks Relating to Interest and Foreign Exchange Rates, Debt and Equity

Exchange rate fluctuations and foreign currency hedges could adversely affect our financial results.

As a result of our international operations, currency exchange rate fluctuations may affect our results of operations and financial position. Our most significant currency exposures are the British pound sterling, euro and Japanese yen. We are also exposed to the Danish krone, Swedish krona, Australian dollar and Canadian dollar among other currencies. We expect to generate an increasing portion of our revenue and incur a significant portion of our expenses in currencies other than U.S. dollars. To the extent we are unable to materially offset non-functional currency flows, exchange rate fluctuations could have a positive or negative impact on our financial condition and results of operations. Because our consolidated financial results are reported in U.S. dollars, if we generate sales or earnings in other currencies, the translation of those results into U.S. dollars can result in a significant increase or decrease in the amount of those sales or earnings and can make it more difficult for our shareholders to understand the relative strengths or weaknesses of the underlying business on a period-over-period comparative basis. Currently we do not enter into foreign exchange agreements with financial institutions to reduce our net exposure to fluctuations in foreign currency values relative to our non-functional currency obligations or balances, and although we may enter into these types of agreement in the future, they would not eliminate that risk entirely.

We are vulnerable to interest rate risk with respect to our debt.

We are subject to interest rate risk in connection with the issuance of variable and fixed-rate debt. In order to maintain a desired mix of fixed-rate and variable-rate debt, from time to time we may use interest rate swap agreements to fix a portion of our variable-rate debt as further described in the Note 14 of Consolidated Financial Statements. We may not be successful in structuring such swap agreements to manage our risks effectively and, which could adversely affect our business, earnings and financial condition.

The UK's Financial Conduct Authority, which regulates the London Interbank Offered Rate (LIBOR), announced in July 2017 that it will no longer persuade or require banks to submit rates for LIBOR after 2021. We have multiple debt facilities which bear interest at a variable rate based on the Eurodollar LIBOR rate in effect from time to time. A change or transition away from LIBOR as a common reference rate in the global financial market could have a material, adverse effect on our business. Management continues to monitor the status and discussions regarding LIBOR. We are not yet able to reasonably estimate the expected impact.

Our indebtedness could adversely affect our financial health and prevent us from fulfilling our debt obligations.

We have now and expect to continue to have a significant amount of indebtedness.

Our indebtedness could:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, research and development efforts and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- result in greater interest rate risk and volatility;
- limit our ability to borrow additional funds; and
- make it more difficult for us to satisfy our obligations with respect to our debt, including our obligation to repay our credit facilities under certain circumstances, or refinance our indebtedness on favorable terms or at all.

Our credit facilities contain financial and other restrictive covenants that could limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debt, which could adversely affect our business, earnings and financial condition.

Volatility in the securities markets, interest rates, and other factors could substantially increase our defined benefit plan costs.

We sponsor a defined benefit plan for certain employees in the United States. This defined benefit plan is funded with trust assets invested in a diversified portfolio of securities and other investments. Changes in interest rates, mortality rates, early retirement rates, investment returns, discount rates and the market value of plan assets can affect the funded status of our defined benefit plan and cause volatility in the net periodic benefit cost and future funding requirements of the plan. A significant increase in our obligations or future funding requirements could have a negative impact on our results of operations and cash flows from operations.

Item 1B. *Unresolved Staff Comments*.

None.

Item 2. ***Properties.***

The following is a summary of Cooper's principal facilities as of October 31, 2020. We generally lease our office and operations facilities but own several manufacturing and research and development facilities, including 224,533 square feet in the United Kingdom, 164,946 square feet in Costa Rica, 63,787 square feet in Denmark, 76,778 square feet in New York and 33,630 square feet in Texas. Our lease agreements expire at various dates through the year 2045. We believe our properties are suitable and adequate for our businesses.

Location	Approximate Square Feet	Operations
AMERICAS		
United States:		
California	109,900	Executive offices; CooperVision research and development and administrative offices; CooperSurgical laboratory
New York	423,175	CooperVision manufacturing, sales / commercial, distribution and administrative offices; CooperSurgical manufacturing, office and distribution
Connecticut	301,962	CooperSurgical manufacturing, marketing, distribution, research and development and administrative offices
Texas	36,113	CooperSurgical manufacturing
Puerto Rico	527,285	CooperVision manufacturing, research and development and distribution
Costa Rica	167,066	CooperVision and CooperSurgical manufacturing and office
Brazil	16,580	CooperVision sales / commercial offices and distribution
Canada	30,625	CooperVision sales / commercial offices and CooperSurgical office
Other Americas	159,392	CooperVision sales / commercial offices and distribution; CooperSurgical manufacturing, sales / commercial offices and laboratory
EMEA		
United Kingdom	793,796	CooperVision manufacturing, sales / commercial offices, distribution, research and development and administrative offices; CooperSurgical sales / commercial offices and manufacturing, genetics lab
Hungary	330,269	CooperVision manufacturing, distribution and sales / commercial offices
Belgium	280,067	CooperVision distribution
Spain	180,058	CooperVision distribution, sales / commercial offices and administrative offices; CooperSurgical sales / commercial offices
Denmark	66,155	CooperSurgical manufacturing, marketing and administrative offices
Other EMEA	258,038	CooperVision and CooperSurgical sales / commercial offices and distribution
ASIA PACIFIC		
Japan	92,636	CooperVision sales / commercial, distribution and administrative offices; CooperSurgical laboratory, sales, marketing and distribution
Australia	27,005	CooperVision sales / commercial, distribution and administrative offices; CooperSurgical sales / distribution offices
Other Asia Pacific	89,359	CooperVision and CooperSurgical sales / commercial offices and distribution

Item 3. ***Legal Proceedings***

Information regarding legal proceedings is included in Note 12. Contingencies of the Consolidated Financial Statements.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.***

Cooper's common stock, par value $0.10 per share, is traded on the New York Stock Exchange under the symbol “COO.” At December 1, 2020, there were 303 common stockholders of record.

Dividend Policy

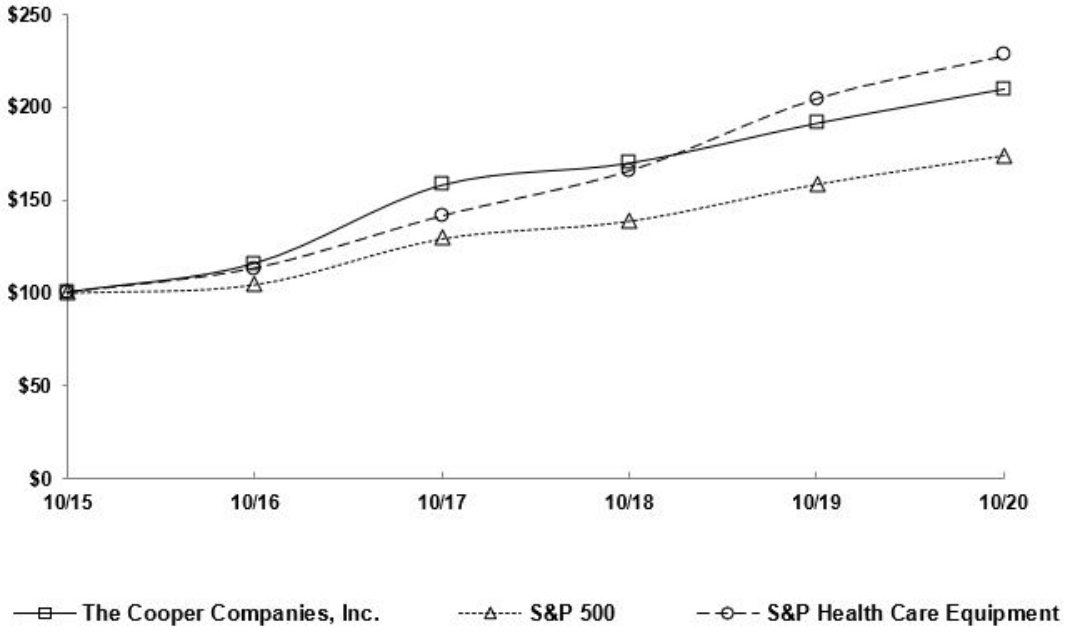
Our current policy is to pay annual cash dividends on our common stock of $0.06 per share, in two semiannual payments of $0.03 per share each. In dollar terms, we paid cash for dividends of $3.0 million in each of fiscal 2020 and 2019. Dividends are paid when, as and if declared at the discretion of our Board of Directors from funds legally available for that purpose. Our Board of Directors periodically reviews our dividend policy and considers the Company's earnings, financial condition, liquidity needs, business plans and opportunities and other factors in making and setting dividend policy.

Performance Graph

The following graph compares the cumulative total return on Cooper's common stock with the cumulative total return of the Standard & Poor 500 and the Standard & Poor's Health Care Equipment Index for the five-year period ended October 31, 2020. The graph assumes that the value of the investment in Cooper and in each index was $100 on October 31, 2015 and assumes that all dividends were reinvested.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among The Cooper Companies, Inc.,
the S&P 500 Index and the S&P Health Care Equipment Index



*$100 invested on October 31, 2015 in stock or index, including reinvestment of dividends.
Fiscal year ending October 31.
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	October 2015	October 2016	October 2017	October 2018	October 2019	October 2020
The Cooper Companies, Inc.	$ 100.00	$ 115.59	$ 157.80	$ 169.70	$ 191.21	$ 209.68
S&P 500	$ 100.00	$ 104.51	$ 129.21	$ 138.70	$ 158.57	$ 173.97
S&P Health Care Equipment	$ 100.00	$ 113.12	$ 141.37	$ 165.72	$ 204.72	$ 227.89

Issuer Purchases of Equity Securities

The Company's share repurchase activity during the three-month period ended October 31, 2020 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs
8/1/20 - 8/31/20	—	$ —	—	$ 359,655,532
9/1/20 - 9/30/20	—	$ —	—	$ 359,655,532
10/1/20 - 10/31/20	—	$ —	—	$ 359,655,532
	—		—	

The transactions described in the table above represent the repurchase of the Company’s common stock on the New York Stock Exchange as part of the share repurchase program approved by the Company’s Board of Directors in December 2011 (2012 Share Repurchase Program). The program as amended in December 2012 and December 2013 provides authorization for a total of $500.0 million. In March 2017, the program was amended and approved by the Company's Board of Directors for an increase of $500.0 million, providing authorization for a total of $1.0 billion. Purchases under the 2012 Share Repurchase Program may be made from time-to-time on the open market at prevailing market prices or in privately negotiated transactions and are subject to a review of the circumstances in place at the time and will be made from time to time as permitted by securities laws and other legal requirements. This program has no expiration date and may be discontinued at any time.

During the fiscal year ended October 31, 2020, we repurchased a total of 160.8 thousand shares of common stock for $47.8 million at an average price of $296.9 per share under the repurchase program. At October 31, 2020, approximately $359.7 million remained authorized under the 2012 Share Repurchase Program.

Equity Compensation Plan Information

The following table sets forth certain information as of October 31, 2020, concerning the shares of our Common Stock that may be issued under any form of award granted under our equity compensation plans in effect as of October 31, 2020:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights[1] (A)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A) (C)
Equity compensation plans approved by shareholders[2]	1,479,038	$213.53	2,120,189
Equity compensation plans not approved by shareholders	—	—	—
Total	1,479,038	$213.53	2,120,189

[1] The amount of total securities to be issued under Company equity plans upon exercise of outstanding options, warrants and rights shown in Column A includes 368,620 Restricted Stock Units granted pursuant to the Company's equity plans. These awards allow for the distribution of shares to the grant recipient upon the completion of time-based vesting periods. The total also includes 6,911 shares representing the maximum number of shares that may be issued subject to Performance Share Awards outstanding as of the end of the fiscal year. Restricted Stock Units and Performance Share Awards do not have an associated exercise price. Accordingly, these awards are not reflected in the weighted-average exercise price disclosed in Column B.

[2] Includes information with respect to the Third Amended and Restated 2007 Long-Term Incentive Plan for Employees of the Cooper Companies, Inc. (the 2007 Plan), which was approved by stockholders on March 17, 2016, and provides for the issuance of up to 6,930,000 shares of Common Stock, the 2019 Employee Stock Purchase Plan (the 2019 ESPP), which was approved by stockholders on March 18, 2019 and provides for the issuance of up to 1,000,000 shares of Common Stock, and the 2020 Long Term Incentive Plan for Non-Employee Directors of the Cooper Companies, Inc. (the Directors Plan), which was approved by stockholders on March 18, 2020 and provided for the issuance of up to 50,000 shares of Common Stock. As of October 31, 2020, up to 1,088,901 shares of Common Stock may be issued pursuant to the 2007 Plan, up to 988,359 shares of Common Stock may be issued pursuant to the 2019 ESPP and up to 42,929 shares of Common Stock may be issued pursuant to the 2020 Directors Plan.

Item 6. ***Selected Financial Data.***

Five Year Financial Highlights

Years Ended October 31, (In millions, except per share amounts)	2020	2019	2018	2017	2016
Consolidated Operations					
Net sales	$ 2,430.9	$ 2,653.4	$ 2,532.8	$ 2,139.0	$ 1,966.8
Gross profit	$ 1,534.8	$ 1,756.8	$ 1,632.3	$ 1,365.8	$ 1,173.1
Income before income taxes	$ 266.5	$ 477.4	$ 331.9	$ 394.0	$ 295.6
Net income attributable to Cooper stockholders	$ 238.4	$ 466.7	$ 139.9	$ 372.9	$ 273.9
Diluted earnings per share attributable to stockholders	$ 4.81	$ 9.33	$ 2.81	$ 7.52	$ 5.59
Number of shares used to compute diluted earnings per share	49.6	50.0	49.7	49.6	49.0
Dividends paid per share	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.06
Consolidated Financial Position					
Current assets	$ 1,274.2	$ 1,163.4	$ 1,090.9	$ 953.2	$ 937.1
Property, plant and equipment, net	1,281.9	1,132.1	976.0	910.1	877.7
Operating lease right-of-use assets	260.2	—	—	—	—
Goodwill	2,447.3	2,428.9	2,392.1	2,354.8	2,164.7
Other intangible assets, net	1,289.0	1,405.3	1,521.3	504.7	441.1
Deferred tax assets and other assets	184.9	144.8	132.5	135.9	58.0
Total assets [1]	$ 6,737.5	$ 6,274.5	$ 6,112.8	$ 4,858.7	$ 4,478.6
Short-term debt	$ 409.3	$ 563.7	$ 37.1	$ 23.4	$ 226.3
Other current liabilities	595.1	546.9	499.4	372.7	316.9
Long-term debt	1,383.9	1,262.6	1,985.7	1,149.3	1,107.4
Long-term tax payable	162.0	124.8	141.5	—	—
Other liabilities	362.4	147.9	141.3	137.5	132.1
Total liabilities	2,912.7	2,645.9	2,805.0	1,682.9	1,782.7
Stockholders' equity	3,824.8	3,628.6	3,307.8	3,175.8	2,695.9
Total liabilities and stockholders' equity	$ 6,737.5	$ 6,274.5	$ 6,112.8	$ 4,858.7	$ 4,478.6

[1] On November 1, 2019, we adopted Accounting Standards Codification No. 842, *Leases* ("ASC 842"), using an optional transition method and as a result, the comparative information has not been restated and is reported under the accounting standards in effect for these years. See Note 1 to the Consolidated Financial Statements for additional information.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

Note numbers refer to “Notes to Consolidated Financial Statements” in Item 8. Financial Statements and Supplementary Data.

RESULTS OF OPERATIONS

In this section, we discuss the results of our operations for fiscal 2020 compared with fiscal 2019. We discuss our cash flows and current financial condition under “Capital Resources and Liquidity.” For a discussion related to fiscal 2019 compared with fiscal 2018, please refer to Item 7 of Part II, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the Year Ended October 31, 2019, which was filed with the United States Securities and Exchange Commission (SEC) on December 20, 2019, and is available on the SEC's website at www.sec.gov and our Investor Relations website at investor.coopercos.com.

Within the tables presented, percentages are calculated based on the underlying whole-dollar amounts and, therefore, may not recalculate exactly from the rounded numbers used for disclosure purposes.

Non-GAAP Financial Measures

The succeeding sections of Management’s Discussion and Analysis (MD&A) may include certain financial measures that are not defined by accounting principles generally accepted in the United States of America (GAAP). These measures, which are referred to as non-GAAP measures, are listed below:

- *Free Cash Flow* - Free cash flow is calculated as net cash provided by operating activities less capital expenditures.
- *Constant currency* - Constant currency is defined as excluding the effect of foreign currency fluctuations.

For a discussion of these measures and the reasons management believes they are useful to investors, refer to “Summary of Non-GAAP Financial Measures” below. To the extent applicable, this MD&A includes reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

The presentation of these non-GAAP financial measures is not intended to be a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP and may be different from non-GAAP financial measures used by other companies, and therefore, may not be comparable among companies.

COVID-19 Considerations

The World Health Organization categorized the Coronavirus disease 2019 (COVID-19) as a pandemic. The COVID-19 pandemic has caused a severe global health crisis, along with economic and societal disruptions and uncertainties, which have negatively impacted business and healthcare activity globally. As a result of healthcare systems responding to the demands of managing the pandemic, governments around the world imposing measures designed to reduce the transmission of the COVID-19 virus, and individuals responding to the concerns of contracting the COVID-19 virus, many optical practitioners and retailers, hospitals, medical offices and fertility clinics closed their facilities, restricted access, or delayed or canceled patient visits, exams and elective medical procedures, and many customers that have reopened are experiencing reduced patient visits. This has had, and we believe will continue to have, an adverse effect on our sales, operating results and cash flows.

We have taken an active role in addressing the ongoing pandemic's impact on our employees, suppliers, distribution channels, operations and customers, including taking precautionary measures, such as implementing contingency plans, and making operational adjustments as necessary. We have taken measures to help ensure the safety of our personnel in all our facilities, and we have endeavored and continue to follow recommended actions of government and health authorities to protect our employees worldwide.

As of the date of this filing, we have not experienced any significant disruption at our manufacturing facilities. We have had no significant disruption in our access to necessary raw materials and other supplies or with our distribution network; however, we have experienced higher unabsorbed fixed overhead costs, labor inefficiencies, higher cost of production and higher freight charges as a result of the COVID-19 pandemic. As a result, we instituted an inventory control project to reduce buildup of excess inventory. Our manufacturing and distribution operations have responded to the impacts related to the COVID-19 pandemic, and we have been able to continue to supply our products around the world without interruption. In the future, we may decide or need to implement additional precautionary measures or operational adjustments as we deem prudent to meet consumer demand or to help further ensure employee safety. We believe that the actions we are taking have enabled us to keep our employees safe and our supply chain intact and will help us emerge from this global pandemic operationally sound and well positioned for long-term growth.

The extent to which the global COVID-19 pandemic and related economic disruptions impact our business, results of operations, cash flow and financial condition will depend on future developments. At this time, future developments are highly uncertain, difficult to predict and largely outside of our control. These include, but are not limited to, the spread, duration and severity of the pandemic outbreak and any subsequent waves of additional outbreaks, actions taken by governments to contain the pandemic, address its impact or respond to the reduction in global and local economic activity, and how quickly and to what extent normal economic and operating conditions can resume. We will continue to closely monitor the developments relating to the COVID-19 pandemic and the responses from governments and private sector participants and their respective impact on our Company and on our customers, suppliers, vendors and business partners.

For more information on the risks associated with the COVID-19 pandemic, refer to Part I, Item 1A, "Risk Factors" herein.

Outlook

Overall, we remain optimistic about the long-term prospects for the worldwide contact lens and general health care markets. However, the impact, risks and uncertainty relating to the global COVID-19 pandemic and related economic disruptions, as further described in the "COVID-19 Considerations" section above and in the "Risk Factors" section in Part I, Item 1A of this filing, have adversely affected our sales, cash flow and current performance and are likely to further adversely affect our future sales, cash flow and performance. Additionally, other events affecting the economy as a whole, including but not limited to the uncertainty and instability of global markets driven by foreign currency volatility, changes in tax legislation, debt concerns, the uncertainty during and after the transition period following the United Kingdom's withdrawal from the EU, changes to existing regulations and new regulations, global trade barriers including additional tariffs and the trend of consolidations within the health care industry could impact our current performance and continue to represent a risk to our future performance.

CooperVision - We compete in the worldwide contact lens market with our spherical, toric, multifocal, toric multifocal and myopia management contact lenses offered in a variety of materials including using silicone hydrogel Aquaform® technology, PC Technology™ and ActivControl™ technology. We believe that there will be lower contact lens wearer dropout rates as technology improves and enhances the

wearing experience through a combination of improved designs and materials and the growth of preferred modalities such as single-use and monthly wearing options. CooperVision also competes in the myopia management and specialty eye care markets with products such as ortho-k and scleral lenses. In November 2019, CooperVision received United States Food and Drug Administration (FDA) approval for its MiSight® 1 day lens, which is the first and only FDA-approved product indicated to slow the progression of myopia in children with treatment initiated between the ages of 8-12 and became available in the United States during fiscal 2020. CooperVision is focused on greater worldwide market penetration using recently introduced products, and we continue to expand our presence in existing and emerging markets, including through acquisitions.

On August 7, 2020, CooperVision completed the acquisition of a privately-held U.S contact lens manufacturer focusing on ortho-k lenses. This acquisition expands CooperVision's specialty eye care portfolio and its leadership in addressing the increasing severity and prevalence of myopia.

On December 28, 2018, CooperVision completed the acquisition of a privately-held scleral lens company, which expands CooperVision's specialty and scleral lens portfolio.

Our ability to compete successfully with a full range of silicone hydrogel products is an important factor to achieving our desired future levels of sales growth and profitability. CooperVision manufactures and markets a wide variety of silicone hydrogel contact lenses. Our single-use silicone hydrogel product franchises, clariti® and MyDay®, remain a focus as we expect increasing demand for these products as well as future single-use products as the global contact lens market continues to shift to this modality. Outside of single-use, the Biofinity® and Avaira Vitality® product families comprise our focus in the FRP, or frequent replacement product, market which encompasses the 2-week and monthly modalities. Included in this segment are unique products such as Biofinity Energys®, which helps individuals with digital eye fatigue.

CooperSurgical - Our CooperSurgical business competes in the general health care market with a commitment to advancing the health of women, babies and families through its diversified portfolio of products and services focusing on women's health and fertility. CooperSurgical has established its market presence and distribution system by developing products and acquiring companies, products and services that complement its business model.

CooperSurgical acquired a privately-held distributor of IVF medical devices and systems on December 13, 2019.

On December 31, 2018, CooperSurgical acquired a privately-held U.S. medical device company that develops mechanical surgical solutions for skin closure.

Capital Resources - At October 31, 2020, we had $115.9 million in unrestricted cash, primarily held outside the United States, and $754.6 million available under our 2020 Revolving Credit Facility. Debt outstanding at October 31, 2020 primarily consisted of:

- $850.0 million term loan entered into on April 1, 2020
- $534.0 million drawn under our 2020 Revolving Credit Facility entered into on April 1, 2020
- $350.0 million term loan entered into on October 16, 2020

See Note 5. Debt of the Consolidated Financial Statements for additional information.

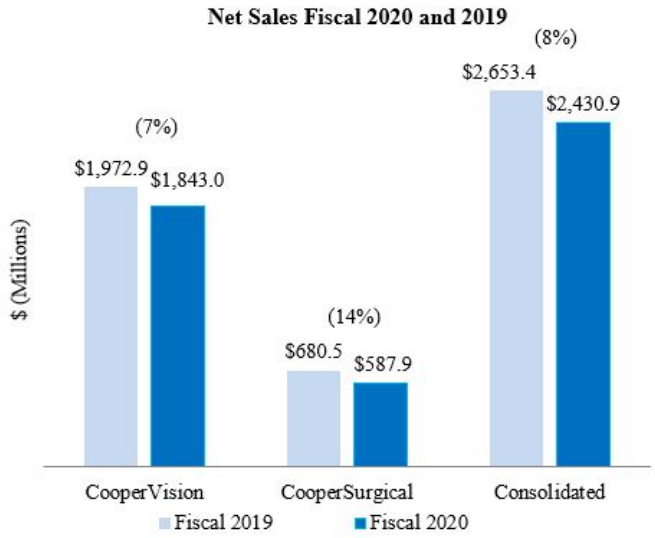
Transition from LIBOR

The United Kingdom's Financial Conduct Authority, which regulates the London Interbank Offered

Rate (LIBOR), announced in July 2017 that it will no longer persuade or require banks to submit rates for LIBOR after 2021. Further, in March 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The Company has material contracts that are indexed to LIBOR and is continuing to monitor this activity and evaluate the related risk. We are continuing to evaluate the scope of impacted contracts and the potential impact. We are also monitoring the developments regarding alternative rates and may amend certain contracts to accommodate those rates if the contract does not already specify a replacement rate. While the notional value of agreements potentially indexed to LIBOR is material, we are not yet able to reasonably estimate the expected impact.

We believe that current cash, cash equivalents and future cash flow from operating activities will be sufficient to meet our anticipated cash needs, including working capital needs, capital expenditures and contractual obligations for at least 12 months from the issuance date of the financial statements included in this annual report. To the extent additional funds are necessary to meet our liquidity needs such as that for acquisitions, share repurchases, cash dividends or other activities as we execute our business strategy, we anticipate that additional funds will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds; however, such financing may not be available on favorable terms, or at all.

2020 Compared with 2019



Highlights: 2020 vs. 2019

- Gross margin decreased to 63% of net sales compared with 66% in fiscal 2019, primarily due to the negative impact of the COVID-19 pandemic on net sales and cost of sales
- Operating income decreased 43% to $311.8 million from $546.7 million
- Interest expense decreased to $36.8 million from $68.0 million due to lower average debt balances and lower interest rates
- Diluted earnings per share decreased 48% to $4.81 from $9.33
- Operating cash flow decreased 32% to $486.6 million from $713.2 million.

Selected Statistical Information – Percentage of Net Sales

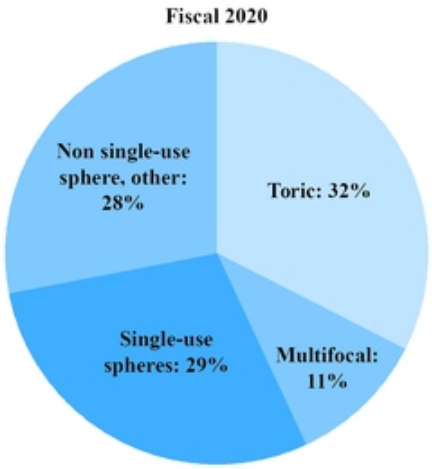
Years Ended October 31,	2020	2019	2020 vs. 2019 % Change in Absolute Values
Net sales	100%	100%	(8)%
Cost of sales	37%	34%	— %
Gross profit	63%	66%	(13)%
Selling, general and administrative expense	41%	38%	— %
Research and development expense	4%	3%	8 %
Amortization of intangibles	6%	5%	(6)%
Gain on sale of an intangible	—%	1%	— %
Operating income	13%	21%	(43)%

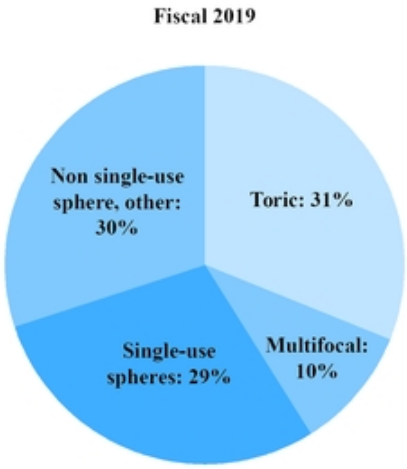
CooperVision Net Sales

The contact lens market has two major product categories:

- Spherical lenses including lenses that correct near- and farsightedness uncomplicated by more complex visual defects
- Toric and multifocal lenses including lenses that, in addition to correcting near- and farsightedness, address more complex visual defects such as astigmatism and presbyopia by adding optical properties of cylinder and axis, which correct for irregularities in the shape of the cornea.

CooperVision Net Sales by Category





($ in millions)	2020	2019	2020 vs. 2019 % Change
Toric	$ 598.2	$ 620.0	(4)%
Multifocal	197.0	202.9	(3)%
Single-use spheres	529.0	568.2	(7)%
Non single-use sphere, other	518.8	581.8	(11)%
	$ 1,843.0	$ 1,972.9	(7)%

In the fiscal year ended October 31, 2020:

- The COVID-19 pandemic has negatively impacted our business. Net sales in fiscal 2020 declined by 7%, compared to fiscal 2019. Customers have either slowed down purchases or delayed orders due to a desire to reduce inventories, reduced contact lens wear driven by limited social interaction and lack of patient access on account of certain office closures and reduced access as offices reopen. We started experiencing downward pressure on net sales when markets started closing during our second quarter of fiscal 2020 as social restrictions were put in place and the offices of health care providers were closed
- CooperVision's net sales declined across product categories and all our markets, however the net sales decline was partially offset by higher sales of MyDay, MiSight and Biofinity Energys
- "Other" products primarily include lens care which represented approximately 2% of net sales in fiscal 2020 and 2019

- Total silicone hydrogel products decreased by 4%, representing 74% of net sales in the fiscal 2020 compared to 72% in fiscal 2019
- Foreign exchange rates negatively impacted sales by approximately $2.4 million, compared to a negative impact of $53.6 million in fiscal 2019. In fiscal 2020, net sales decreased 6% in constant currency over the prior year
- Sales reduction was primarily driven by a decrease in the volume of lenses sold. Average realized prices by product did not materially influence sales
- We expect to continue seeing downward pressure on net sales if the COVID-19 pandemic continues, optical retailers and healthcare centers continue to restrict access, and social distancing measures continue.

CooperVision Net Sales by Geography

CooperVision competes in the worldwide soft contact lens market and services in three primary regions: the Americas, EMEA (Europe, Middle East and Africa) and Asia Pacific.

($ in millions)	2020	2019	2020 vs. 2019 % Change
Americas	$ 720.3	$ 763.8	(6)%
EMEA	690.1	746.5	(8)%
Asia Pacific	432.6	462.6	(6)%
	$ 1,843.0	$ 1,972.9	(7)%

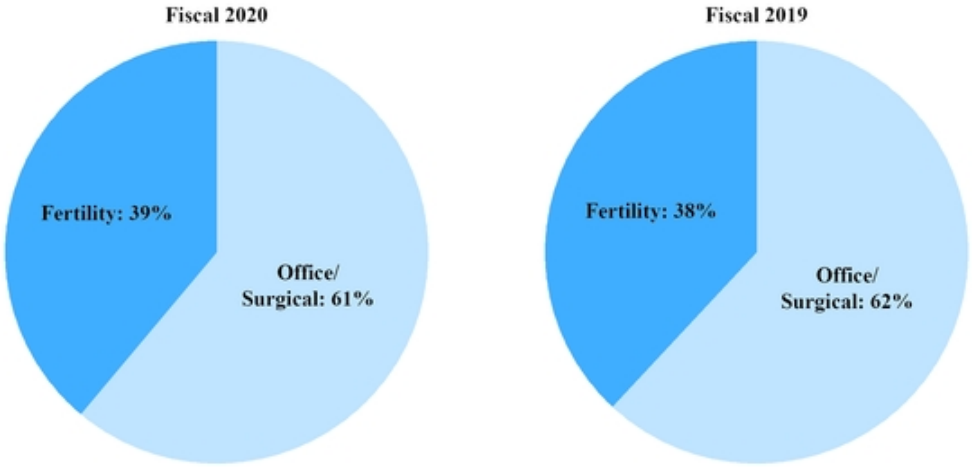
CooperVision's regional reduction in net sales was primarily attributable to disruption from the COVID-19 pandemic. We expect to continue seeing downward pressure on net sales if the COVID-19 pandemic continues, optical retailers and healthcare centers continue to restrict access, and social distancing measures continue.

Refer to CooperVision Net Sales by Category above for further discussion.

CooperSurgical Net Sales by Category

CooperSurgical supplies the family health care market with a diversified portfolio of products and services. Our office and surgical offerings include products that facilitate surgical and non-surgical procedures that are commonly performed primarily by OB/GYN in hospitals, surgical centers, fertility clinics and medical offices. Fertility offerings include highly specialized products and services that target the IVF process, including diagnostics testing with a goal to make fertility treatment safer, more efficient and convenient.

The chart below shows the percentage of net sales of office and surgical products and fertility.



($ in millions)	2020	2019	2020 vs 2019 % Change
Office and surgical products	$ 358.8	$ 422.4	(15)%
Fertility	229.1	258.1	(11)%
	$ 587.9	$ 680.5	(14)%

In the fiscal year ended October 31, 2020:

- We have experienced COVID-19 pandemic-related economic disruptions and decline in net sales during fiscal 2020. We experienced downward pressure on revenue when major markets started closing as social restrictions were put in place and the offices of certain health care providers were closed. In response to the COVID-19 pandemic, as a precautionary measure, certain health care facilities and medical offices were closed or restricted access and surgeries and elective medical procedures and exams have been deferred or canceled. Further, there has been a significant reduction in physician office visits, and healthcare centers have postponed or canceled capital purchases
- Office and surgical products decreased compared to the prior year mainly due to reduction in PARAGARD IUD sales. Further, there has been a reduction in revenue from other surgical products such as Uterine Manipulators and Closure products, partially offset by an increase in revenue from Incisive Surgical and Endosee products
- Fertility net sales declined compared to the prior year mainly due to reduction in revenue from IVF consumables and equipment
- Foreign exchange rates negatively impacted sales by approximately $2.1 million, compared to a negative impact of $9.0 million in the prior year. In fiscal 2020, net sales decreased 13% in constant currency over the prior year
- We expect to continue seeing downward pressure on net sales if the COVID-19 pandemic continues, hospitals and healthcare centers continue to restrict access, and social distancing measures continue.

Gross Margin

Consolidated Gross Margin decreased in fiscal 2020 to 63% compared to 66% of fiscal 2019 due to:

- Decreased revenue due to negative impact of COVID-19 pandemic
- Increased cost of sales which included $90.1 million of costs primarily related to the COVID-19 pandemic and other manufacturing related costs
- Fiscal 2019 included $28.2 million of primarily product transition, integration and manufacturing related costs.

Selling, General and Administrative Expense (SGA)

($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs. 2019 % Change
CooperVision	$ 682.3	37%	$ 682.4	35%	— %
CooperSurgical	261.0	44%	266.2	39%	(2)%
Corporate	49.2	—	47.6	—	3 %
	$ 992.5	41%	$ 996.2	38%	— %

SGA expense remained relatively flat in fiscal 2020 compared with fiscal 2019. As a percentage of sales, SGA increased in fiscal 2020 compared to fiscal 2019, due to salaries and benefits, selling, advertising and marketing activities, and fixed General and Administrative (G&A) costs.

CooperVision's SGA remained relatively flat in fiscal 2020 compared to fiscal 2019 primarily due to advertising and marketing activities, including MiSight and increase in G&A costs, partially, offset by lower travel expenses. CooperVision's SGA in fiscal 2020 included $6.5 million primarily related to acquisition and integration activities. CooperVision's SGA in fiscal 2019 included $7.1 million of acquisition costs, integration costs and costs related to new product launches.

The decrease in CooperSurgical's SGA in fiscal 2020 compared to fiscal 2019 was primarily due to lower selling and distribution expenses due to lower sales and savings from lower travel expenses, partially offset by an increase in G&A costs. CooperSurgical's SGA in fiscal 2020, included $19.8 million, primarily related to integration expenses and MDR costs. CooperSurgical's SGA in fiscal 2019 included $19.6 million of acquisition and integration expenses of acquired companies, as well as MDR costs.

Corporate SGA increased in fiscal 2020 compared to fiscal 2019 primarily due to higher share-based compensation expense.

Research and Development Expense (R&D)

($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs. 2019 % Change
CooperVision	$ 54.1	3%	$ 55.5	3%	(2)%
CooperSurgical	39.2	7%	31.2	5%	25 %
	$ 93.3	4%	$ 86.7	3%	8 %

- CooperVision's R&D decreased in fiscal 2020 compared to fiscal 2019 mainly due to timing of clinical studies. As a percentage of sales, R&D expense remained flat. CooperVision's R&D activities are primarily focused on the development of contact lenses, manufacturing technology and process enhancements
- The increase in CooperSurgical's R&D in fiscal 2020 compared to fiscal 2019 was primarily due to increased investment activities in developing new products and services and upgrades of existing products. CooperSurgical has not paused research programs during the COVID-19

pandemic and has maintained its spend on innovations and increased its spend on key regulatory investment areas to support our long-term objectives. As a percentage of sales, R&D expense increased due to increased investment in developing new products coupled with a decline in sales.

- CooperSurgical's R&D activities include diagnostics, IVF product development and the design and upgrade of surgical procedure devices.

Amortization Expense

($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs. 2019 % Change
CooperVision	$ 32.4	2%	$ 40.9	2%	(21)%
CooperSurgical	104.8	18%	104.9	15%	— %
	$ 137.2	6%	$ 145.8	5%	(6)%

CooperVision amortization expense decreased in fiscal 2020 compared to fiscal 2019 due to certain intangible assets becoming fully amortized.

CooperSurgical's amortization expense remained relatively flat.

Gain on Sale of an Intangible Asset

In the second quarter of fiscal 2019, CooperSurgical sold an exclusive distribution right to distribute Filshie Clip System in the United States for $21.0 million and recognized a gain of $19.0 million.

Operating Income

($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs. 2019 % Change
CooperVision	$ 375.7	20 %	$ 506.4	26%	(26)%
CooperSurgical	(14.7)	(3)%	87.9	13%	(117)%
Corporate	(49.2)	—	(47.6)	—	(3)%
	$ 311.8	13 %	$ 546.7	21%	(43)%

The operating income for fiscal 2020 was primarily impacted by the COVID-19 pandemic which resulted from a decrease to our net sales and additional expenses due to the COVID-19 pandemic related costs as discussed above.

CooperVision operating income decreased as a percentage of net sales and in absolute dollars in fiscal 2020 compared to fiscal 2019 primarily due to a decrease in net sales partially offset by a decrease in operating expenses and a decrease in amortization expenses.

CooperSurgical operating income decreased as a percentage of net sales and in absolute dollars in fiscal 2020 compared to fiscal 2019 primarily due to a decrease in net sales and higher R&D expenses to support growth partially offset by a decrease in SGA. In the second quarter of fiscal 2019, CooperSurgical sold an exclusive distribution right to distribute Filshie Clip System in the U.S. for $21.0 million and recognized a gain of $19.0 million.

Corporate operating loss increased in fiscal 2020 compared to fiscal 2019, primarily due to higher stock-based compensation expense.

On a consolidated basis, operating income decreased in absolute dollars and as a percentage of net sales primarily due to the negative impact of the COVID-19 pandemic, as discussed above.

Interest Expense

($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs. 2019 % Change
Interest expense	$ 36.8	2%	$ 68.0	3%	(46)%

Interest expense decreased as a percentage of net sales and in absolute dollars during fiscal 2020 primarily due to lower interest rates and lower average debt balances compared to the prior year, partially offset by the write-off of debt issuance costs.

Other Expense (Income), Net

($ in millions)	2020	2019
Foreign exchange loss	$ 1.2	$ 2.2
Other expense (income), net	7.3	(0.9)
	$ 8.5	$ 1.3

Foreign exchange loss primarily resulted from the revaluation and settlement of foreign currency-denominated balances.

Other expense (income) increased in fiscal 2020, primarily due to non-consolidated subsidiary investments losses and advances during the year.

Provision for Income Taxes

The Company's effective tax rate (ETR) was 10.6% and 2.3% for fiscal 2020 and fiscal 2019, respectively. The ETR in fiscal 2020 increased in comparison to fiscal 2019 primarily due to foreign earnings subject to US tax, partially offset by a shift in the geographic mix of income.

The ETR for both fiscal 2020 and fiscal 2019 was less than the US federal statutory tax rate primarily due to foreign earnings in jurisdictions with lower tax rates, a step-up of the US tax-deductible basis of intellectual property rights from intra-entity sales and excess tax benefits from share-based compensation. This was partially offset by foreign earnings subject to US tax. The jurisdictions with lower tax rates with the most significant tax impact include Barbados, Puerto Rico and the United Kingdom. See Note 6. Income Taxes of the Consolidated Financial Statements for additional information.

Share-Based Compensation Plans

We grant various share-based compensation awards, including stock options, performance shares and restricted stock units. The share-based compensation and related income tax benefit recognized in the Consolidated Financial Statements in fiscal 2020 was $38.6 and $4.8, respectively, compared to $36.3 million and $5.1 million, respectively, in fiscal 2019. As of October 31, 2020, there was $82.5 million of total unrecognized share-based compensation cost related to non-vested awards. See Note 9. Stock Plans of the Consolidated Financial Statements for additional information.

We estimate the fair value of each stock option award on the date of grant using the Black-Scholes valuation model, which requires management to make estimates regarding expected option life, stock price volatility and other assumptions. The use of different assumptions could lead to a different estimate of fair value. The expected life of the stock option is based on the observed and expected time to post-vesting forfeiture and/or exercise. Groups of employees that have similar historical exercise behavior are

considered separately for valuation purposes. If our assumption for the expected life increased by one year, the fair value of an individual option granted in fiscal 2020 would have increased by approximately $8.08. To determine the stock price volatility, management considers implied volatility from publicly-traded options on the Company's stock at the date of grant, historical volatility and other factors. If our assumption for stock price volatility increased by one percentage point, the fair value of an individual option granted in fiscal 2020 would have increased by approximately $2.37.

Retirement Income Plan Soft Freeze

On June 18, 2019 the Board of Directors of the Company approved a soft freeze of the Plan effective August 1, 2019. The Plan was closed to employees hired on or after August 1, 2019, including former participants or employees rehired on or after August 1, 2019 and employees hired in connection with a stock or asset acquisition, merger or other similar transaction on or after August 1, 2019. Existing employees already covered by the Plan, continue to accrue their benefits. There is no material impact on the Company's results of operations, financial position and cash flows for the fiscal 2020 and 2019.

Employee Stock Purchase Plan

On March 18, 2019, the Company received stockholder approval for the Employee Stock Purchase Plan (ESPP). The first offering period began on November 4, 2019 and offerings are generally made on a quarterly basis. The purpose of the ESPP is to provide eligible employees of the Company with the opportunity to acquire shares of common stock at 85% of the market price on the last business day of each offering period by means of accumulated payroll deductions. Payroll deductions will be limited to 15% of the employee’s eligible compensation, not to exceed $21.3 thousand in any one calendar year. The ESPP initially authorized the issuance of 1,000,000 shares of common stock. These shares will be made available from shares of common stock reacquired by the Company as Treasury Stock. During fiscal year ended October 31, 2020, we issued 11,641 shares to our employees under the ESPP. At October 31, 2020, the number of shares remaining available for future issuance under the ESPP is 988,359 shares. Total ESPP Share-based compensation recognized during the fiscal year ended October 31, 2020 was $0.7 million.

CAPITAL RESOURCES AND LIQUIDITY

2020 Highlights

- Operating cash flow of $486.6 million compared to $713.2 million in fiscal 2019
- Expenditures for purchases of property, plant and equipment of $310.4 million up from $292.1 million in fiscal 2019
- Cash payments for acquisitions and others of $54.1 million compared to $59.2 million in fiscal 2019
- Total debt, net of debt issuance cost, at $1.8 billion at the end of fiscal 2020 compared to $1.8 billion at the end of fiscal 2019
- Cash provided by operations of $486.6 million offset by capital expenditures of $310.4 million resulted in positive free cash flow of $176.2 million, down 58% compared to the prior year period

Comparative Statistics

Years Ended October 31, ($ in millions)	2020	2019
Cash and cash equivalents	$115.9	$89.0
Total assets	$6,737.5	$6,274.5
Working capital	$269.8	$52.8
Total debt	$1,793.2	$1,826.3
Stockholders' equity	$3,824.8	$3,628.6
Ratio of debt to equity	0.47:1	0.50:1
Debt as a percentage of total capitalization	32%	33%

Working Capital

The increase in working capital at October 31, 2020 from the end of fiscal 2019 was primarily due to:

- decrease in short-term debt of $154.4 million primarily due to repayment of the outstanding balance of the 2019 Term Loan at maturity net of the amount of borrowings received under the new 2020 Term Loan Agreement, entered into on October 16, 2020 (see below)
- increase in inventories of $63.5 million due to lower sales from the impact of the COVID-19 pandemic and higher manufacturing costs
- increase in cash and cash equivalents of $26.9 million
- decrease in other current liabilities of $25.3 million primarily due to timing of payments and a reduction in fiscal 2020 customer rebate accruals due to the decrease in sales resulting from the COVID-19 pandemic
- increase in prepaid expense and other current assets of $20.3 million, partially offset by;
- increase in accounts payable of $25.9 million due to timing of payments
- increase in employee compensation and benefits of $14.3 million
- recognition of current operating lease liabilities of $33.3 million on adoption of ASC 842, Leases.

At October 31, 2020, our inventory months on hand were 6.6 compared to 6.4 at October 31, 2019. The $63.5 million increase in inventories was primarily due to lower sales from the impact of the COVID-19 pandemic and higher manufacturing costs.

Our days sales outstanding (DSO) was 60 days at October 31, 2020 compared to 56 days at October 31, 2019. The increase in DSO from October 31, 2019 to October 31, 2020 was primarily due to timing of collections.

Operating Cash Flow

Cash provided by operating activities decreased by $226.6 million from $713.2 million in fiscal 2019 to $486.6 million in fiscal 2020. This decrease in cash flow provided by operating activities primarily consists of:

- decrease in net income of $228.3 million from a net income of $466.7 million in fiscal 2019 to $238.4 million in fiscal 2020 which resulted from a decrease in our net sales and additional expenses due to the COVID-19 pandemic;
- $80.9 million decrease in the net changes in prepayments and other assets primarily due to the refund of the prepayment made to the U.K. Tax Authorities in the prior year period and capitalized cloud computing costs;
- $42.4 million decrease in the net changes in accrued liabilities partially due to reduction in indirect value-added tax, chargebacks and customer rebate accruals as a result of the decrease in sales;
- $25.0 million decrease in the net changes in inventories primarily due to lower sales;
- $20.0 million decrease in the net changes in operating lease liability and right-of-use asset due to impact from adoption of ASC 842, Leases;
- $21.1 million decrease in the net changes in income tax payable, partially offset by;
- $64.1 million increase in the net changes in trade receivables primarily due to timing of collections;
- increase of $32.5 million in non-cash lease expense due to impact from adoption of ASC 842, Leases;
- increase of $20.0 million driven by net changes in long term tax liabilities and defined benefit plan;
- $19.6 million increase in the net changes in accounts payable primarily due to timing of payments;
- decrease of $19.0 million due to a gain on sale of an intangible asset, representing the sale by CooperSurgical of the Filshie Clip exclusive distribution right recognized in prior year period;
- increase of $16.7 million in impairment and loss on disposal of property, plant and equipment; and
- $15.0 million increase in the net changes in deferred income taxes.

Investing Cash Flow

Cash used in investing activities increased by $13.2 million to $364.5 million in fiscal 2020 from $351.3 million in fiscal 2019 primarily due to:

- increase of $18.3 million in capital expenditures, partially offset by;
- decrease of $5.1 million in payments made for acquisitions in the fiscal 2020 compared to the prior year period.

Financing Cash Flow

Cash provided by financing activities decreased by $255.9 million to $95.5 million cash outflow in fiscal 2020 compared to $351.4 million cash outflow in fiscal 2019, primarily due to:

- $2,068.6 million increase in proceeds from long-term debt, primarily due to funds received from the 2020 Credit Agreement (as defined below) partially offset by;
- $1,374.1 million increase in repayments of long-term debt, primarily related to termination of 2019 Term Loan Agreement (as defined below), 2017 Term Loan Agreement (as defined below) and the 2016 Credit Agreement (as defined below); and
- $531.9 million decrease in net proceeds from short-term debt, primarily due to movements in short term loans.

On April 1, 2020, the Company entered into a Revolving Credit and Term Loan Agreement (the 2020 Credit Agreement), among the Company and KeyBank National Association, as administrative agent. The 2020 Credit Agreement provides for (a) a multicurrency revolving credit facility (the 2020 Revolving Credit Facility) in an aggregate principal amount of $1.29 billion and (b) a term loan facility (the 2020 Term Loan Facility) in an aggregate principal amount of $850.0 million, each of which, unless terminated earlier, mature on April 1, 2025. In addition, the Company has the ability from time to time to request an increase to the size of the revolving credit facility or establish one or more new term loans under the term loan facility in an aggregate amount up to $1.605 billion, subject to the discretionary participation of the lenders.

On April 1, 2020, in connection with the Company's entry into the 2020 Credit Agreement, the Company terminated the senior unsecured term loan agreement entered into on November 1, 2017 in connection with PARAGARD (the 2017 Term Loan Agreement) and the Revolving Credit and Term Loan Agreement entered into on March 1, 2016 (the 2016 Credit Agreement). In connection with the termination, all borrowings outstanding under the 2017 Term Loan Agreement and the 2016 Credit Agreement were repaid.

At maturity, on September 25, 2020, outstanding amounts under the 2019 Term Loan Agreement (including the Second Amendment to the 2018 Term Loan Agreement) were fully repaid using borrowings under the 2020 Revolving Credit Facility.

On October 16, 2020, the Company entered into a 364-day, $350.0 million, term loan agreement (the 2020 Term Loan Agreement) by and among the Company, the lenders party thereto and The Bank of Nova Scotia, as administrative agent which matures on October 15, 2021.

The following is a summary of the maximum commitments and the net amounts available to us under different credit facilities as of October 31, 2020:

(In millions)	Facility Limit	Outstanding Borrowings	Outstanding Letters of Credit	Total Amount Available	Maturity Date
2020 Revolving Credit Facility	$ 1,290.0	$ 534.0	$ 1.4	$ 754.6	April 1, 2025
2020 Term Loan Facility	850.0	850.0	n/a	—	April 1, 2025
2020 Term Loan	350.0	350.0	n/a	—	October 15, 2021
Total	$ 2,490	$ 1,734	$ 1.4	$ 754.6	

The 2020 Credit Agreement and the 2019 Term Loan Agreement contain customary restrictive covenants, as well as financial covenants that require the Company to maintain a certain Total Leverage Ratio and

Interest Coverage Ratio. As defined, in the 2020 Credit Agreement and the 2019 Term Loan Agreement, we are required to maintain an Interest Coverage Ratio of at least 3.00 to 1.00, and a Total Leverage Ratio of no higher than 3.75 to 1.00. At October 31, 2020, we were in compliance with the Interest Coverage Ratio at 21.19 to 1.00 and the Total Leverage Ratio at 2.15 to 1.00. The Company, after considering the potential impacts of the COVID-19 pandemic, expects to remain in compliance with its financial maintenance covenant and meet its debt service obligations for at least the twelve months following the date of issuance of these financial statements.

See Note 5. Debt of the Consolidated Financial Statements for additional information.

Considering recent market conditions and the ongoing COVID-19 pandemic crisis, we have re-evaluated our operating cash flows and cash requirements and continue to believe that current cash, cash equivalents, future cash flow from operating activities and cash available under our 2020 Credit Agreement will be sufficient to meet our anticipated cash needs, including working capital needs, capital expenditures and contractual obligations for at least 12 months from the issuance date of the Consolidated Financial Statements included in this quarterly report. To the extent additional funds are necessary to meet our liquidity needs such as that for acquisitions, share repurchases, cash dividends or other activities as we execute our business strategy, we anticipate that additional funds will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds; however, such financing may not be available on favorable terms, or at all.

Share Repurchases

In December 2011, the Company's Board of Directors authorized the 2012 Share Repurchase Program and through subsequent amendments, the most recent in March 2017, the total repurchase authorization was increased from $500.0 million to $1.0 billion of the Company's common stock. The program has no expiration date and may be discontinued at any time. Purchases under the 2012 Share Repurchase Program are subject to a review of the circumstances in place at the time and may be made from time to time as permitted by securities laws and other legal requirements.

The Company's share repurchases during the fiscal year ended October 31, 2020 and 2019 as follows:

Years Ended October 31, ($ in millions)	2020	2019
Number of shares	160,850	536,972
Average repurchase price per share	$ 296.9	$ 292.7
Total costs of shares repurchased (in millions)	$ 47.8	$ 156.1

At October 31, 2020, $359.7 million remained authorized for repurchase under the program.

Dividends

In fiscal 2020 and 2019, the Company paid a semiannual dividend of 3 cents per share: $1.5 million or 3 cents per share on February 10, 2020 to stockholders of record on January 23, 2020; $1.5 million or 3 cents on August 7, 2020 to stockholders of record on July 23, 2020; $1.5 million or 3 cents per share on February 8, 2019 to stockholders of record on January 22, 2019; $1.5 million or 3 cents per share on August 7, 2019 to stockholders of record on July 23, 2019.

OFF BALANCE SHEET ARRANGEMENTS

None.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

As of October 31, 2020, we had the following contractual obligations and commercial commitments:

Payments Due by Period (In millions)	Total	2021	2022 & 2023	2024 & 2025	2026 & Beyond
Contractual obligations:					
Long-term debt	$ 1,384.2	$ —	$ —	$ 1,384.2	$ —
Interest payments	120.5	27.3	47.8	37.2	8.2
Operating leases	325.3	40.7	68.9	57.3	158.4
Transition tax on unremitted foreign earnings and profits [1]	124.0	11.8	23.6	51.7	36.9
Purchase obligation [2]	90.3	70.1	16.8	3.4	—
Defined benefit plan [3]	135.8	10.0	22.9	26.6	76.3
Total contractual obligations	2,180.1	159.9	180.0	1,560.4	279.8
Commercial commitments:					
Stand-by letters of credit	4.5	4.5	—	—	—
Total	$ 2,184.6	$ 164.4	$ 180.0	$ 1,560.4	$ 279.8

[1] As of October 31, 2020, we had $124.0 million of income tax liabilities related to the one-time transition tax that resulted from the enactment of the 2017 Act, which is payable in six annual installments. The installment for 2021 is classified as a current income tax payable on our consolidated balance sheet.

We are unable to reliably estimate the timing of future payments related to uncertain tax positions; therefore, about $58.5 million of our long-term income taxes payable have been excluded from the table above. However, other long-term liabilities, included in our consolidated balance sheet, include a reserve for a portion of these uncertain tax positions. See Note 6. Income Taxes of the Consolidated Financial Statements for additional information.

[2] Purchase obligations consist of agreements to purchase goods and services that are enforceable and legally binding and includes obligations for inventory, capital expenditures and other operating expense commitments.

[3] The expected future benefit payments for pension plans through 2030 are disclosed in Note 10. Employee Benefits of the Consolidated Financial Statements.

Inflation and Changing Prices

Inflation has had no appreciable effect on our operations in the last three fiscal years.

Summary of Non-GAAP Financial Measures

The non-GAAP financial measures that may be included in this MD&A and the reasons management believes they are useful to investors are described below. These measures should be considered supplemental in nature and are not intended to be a substitute for the related financial information prepared in accordance with GAAP. In addition, these measures may not be the same as similarly named measures presented by other companies.

Free cash flow is defined as cash provided by operating activities less capital expenditures. Management believes free cash flow is useful for investors as an additional measure of liquidity because it represents

cash that is available to grow the business, make strategic acquisitions, repay debt, buyback common stock or fund the dividend. We use free cash flow internally to understand, manage, make operating decisions and evaluate our business. In addition, we use free cash flow to help plan and forecast future periods.

Constant currency is defined as excluding the effect of foreign currency rate fluctuations. In order to assist with the assessment of how our underlying businesses performed, we compare the percentage change in net sales from one period to another, excluding the effect of foreign currency fluctuations. To present this information, current period revenue for entities reporting in currencies other than the United States dollar are converted into United States dollars at the average foreign exchange rates for the corresponding period in the prior year.

Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note 1. Accounting Policies of the Consolidated Financial Statements.

Estimates and Critical Accounting Policies

Management estimates and judgments are an integral part of financial statements prepared in accordance with GAAP. We believe that the critical accounting policies described in this section address the more significant estimates required of management when preparing the Consolidated Financial Statements in accordance with GAAP. We consider an accounting estimate critical if changes in the estimate may have a material impact on our financial condition or results of operations. We believe that the accounting estimates employed are appropriate and resulting balances are reasonable; however, actual results could differ from the original estimates, requiring adjustment to these balances in future periods.

The World Health Organization categorized the Coronavirus disease 2019 (COVID-19) as a pandemic. The COVID-19 pandemic has caused a severe global health crisis, along with economic and societal disruptions and uncertainties, which have negatively impacted business and healthcare activity globally. As a result of healthcare systems responding to the demands of managing the pandemic, governments around the world imposing measures designed to reduce the transmission of the COVID-19 virus, and individuals responding to the concerns of contracting the COVID-19 virus, many optical practitioners and retailers, hospitals, medical offices and fertility clinics closed their facilities, restricted access, or delayed or canceled patient visits, exams and elective medical procedures, and many customers that have reopened are experiencing reduced patient visits. This has had, and we believe will continue to have, an adverse effect on our sales, operating results and cash flows.

The preparation of Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of net sales and expenses during the reporting period. Actual results could differ from those estimates particularly as it relates to estimates reliant on forecasts and other assumptions impacted by uncertainty surrounding the COVID-19 pandemic and related economic disruptions. The extent to which the COVID-19 pandemic and related economic disruptions impact our accounting estimates will depend on future developments including, but not limited to, the continued spread, duration and severity of the COVID-19 pandemic; the occurrence, spread, duration and severity of any subsequent wave or waves of outbreaks; the actions taken by the U.S. and foreign governments to contain the COVID-19 pandemic, address its impact or respond to the reduction in global and local economic activity; the occurrence, duration and severity of a global, regional or national recession, depression or other sustained adverse market event; the impact of the developments described above on our customers and suppliers; and how

quickly and to what extent normal economic and operating conditions can resume. The accounting matters assessed included, but were not limited to:

- allowance for doubtful accounts and credit losses
- carrying value of inventory
- carrying value of goodwill and other long-lived assets

There was not a material impact to the above estimates in our Consolidated Financial Statements for fiscal 2020 as a result of the COVID-19 pandemic. We continually monitor and evaluates the estimates used as additional information becomes available. Adjustments will be made to these provisions periodically to reflect new facts and circumstances that may indicate that historical experience may not be indicative of current and/or future results. Our future assessment of the magnitude and duration of the COVID-19 pandemic, as well as other factors, could result in material changes to the estimates and material impacts to our Consolidated Financial Statements in future reporting periods.

Our critical accounting policies include:

- Revenue recognition - We recognize revenue from product sales when obligations under the terms of a contract with the customer are satisfied; generally, this occurs with the transfer of control of the goods to customers and/or when services are rendered. Our payment terms are typically between 30 to 120 days. Provisions for certain rebates, sales incentives, volume discounts, contractual pricing allowances and product returns are accounted for as variable consideration and recorded as a reduction in sales.

  Product discounts, including certain rebates, sales incentives, and volume discounts are granted based on terms of the arrangement with direct distribution customers and at times the indirect end consumer. We evaluate contractual terms, historical experience, and perform internal analysis to estimate total product discounts at the time revenue is recognized. Our PARAGARD program is subject to Medicaid rebates, which are estimated at the time of sale based upon the difference between current retail pricing and contractual Medicaid pricing and an estimate of the number of units that will be sold to Medicaid patients, which is informed by historical trends of claim history.

  Sales returns are estimated and recorded based on historical sales return data. Promotional programs, such as cooperative advertising arrangements, are recorded in the same period as related sales. Reasonably likely changes to assumptions used to calculate the accruals for rebates, sales incentives, volume discounts, contractual pricing allowances and product returns are not anticipated to have a material effect on the financial statements. We currently disclose the impact of changes to assumptions in the quarterly or annual filing in which there is a material financial statement impact.

- Valuation of goodwill - We evaluate goodwill for impairment annually during the fiscal third quarter and when an event occurs or circumstances change such that it is reasonably possible that impairment may exist. We account for goodwill, evaluate and test goodwill balances for impairment in accordance with related accounting standards. We performed an annual impairment assessment in our third quarter of fiscal 2020 and 2019, and our analysis indicated that we had no impairment of goodwill in our reporting units. We test goodwill impairment in accordance with ASU 2017-04, *Intangibles - Goodwill and other (Topic 350): Simplifying the Test for Goodwill Impairment*. We perform a qualitative assessment to test each reporting unit's goodwill for impairment. Qualitative factors considered in this assessment include industry and market considerations, overall financial performance and other relevant events and factors affecting each reporting unit. Based on our qualitative assessment, if we determine that the fair value of a reporting unit is more likely than not to be less than its carrying amount, the fair value of a reporting unit will be compared with its carrying amount and an impairment charge will be

recognized for the amount that the carrying value exceeds the fair value of the reporting unit. A reporting unit is the level of reporting at which goodwill is tested for impairment.

Goodwill impairment analysis and measurement is a process that requires significant judgment. If our common stock price trades below book value per share, there are changes in market conditions or a future downturn in our business, or a future goodwill impairment test indicates an impairment of our goodwill, we may have to recognize a non-cash impairment of goodwill that could be material and could adversely affect our results of operations in the period recognized and also adversely affect our total assets and stockholders' equity.

- Leases - We consider an arrangement a lease if the arrangement transfers the right to control the use of an identified asset in exchange for consideration. We have operating leases, but do not have material financing leases. Lease right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make payments arising from the lease agreement. These assets and liabilities are recognized at the commencement of the lease based upon the present value of the future minimum lease payments over the lease term. The lease term reflects the noncancelable period of the lease together with periods covered by an option to extend or terminate the lease when it is reasonably certain that we will exercise such option. Changes in the lease term assumption could impact the right-of-use assets and lease liabilities recognized on the balance sheet. As our leases typically do not contain a readily determinable implicit rate, we determine the present value of the lease liability using our incremental borrowing rate at the lease commencement date based on the lease term on a collateralized basis.

- Business combinations - We routinely consummate business combinations. Results of operations for acquired companies are included in our consolidated results of operations from the date of acquisition. We recognize separately from goodwill, the identifiable assets acquired, including acquired in-process research and development, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date fair values as defined by accounting standards related to fair value measurements. Key assumptions routinely utilized in allocation of purchase price to intangible assets include projected financial information such as revenue projections for companies acquired. As of the acquisition date, goodwill is measured as the excess of consideration given, over the net of the acquisition date fair values of the identifiable assets acquired and the liabilities assumed. Direct acquisition costs are expensed as incurred.

- Income taxes - We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized.

  As part of the process of preparing our Consolidated Financial Statements, we must estimate our income tax expense for each of the jurisdictions in which we operate. This process requires significant management judgments and involves estimating our current tax exposures in each jurisdiction including the impact, if any, of additional taxes resulting from tax examinations as well as judging the recoverability of deferred tax assets. To the extent recovery of deferred tax assets is not likely based on our estimation of future taxable income in each jurisdiction, a valuation allowance is established. Tax exposures can involve complex issues and may require an extended period to resolve. Frequent changes in tax laws in each jurisdiction complicate future estimates. To determine the tax rate, we use the full-year income and the related income tax

expense in each jurisdiction. We update the estimated effective tax rate for the effect of significant unusual items as they are identified. Changes in the geographic mix or estimated level of annual pre-tax income can affect the overall effective tax rate, and such changes could be material.

We file income tax returns in all jurisdictions in which we operate. We record a liability for uncertain tax positions taken or expected to be taken in income tax returns that we have determined are not more-likely-than-not realizable. Our financial statements reflect expected future tax consequences of such positions presuming the taxing authorities' full knowledge of the position and all relevant facts. These tax reserves have been established based on management's assessment as to the potential exposure attributable to our uncertain tax positions as well as interest and penalties attributable to these uncertain tax positions. All tax reserves are analyzed quarterly and adjustments are made as events occur that result in changes in judgment.

Trademarks

Aquaform®, Avaira®, Avaira Vitality®, Biofinity®, Biofinity Energys®, MyDay®, MiSight®, ActivControl® and Proclear® are registered trademarks of The Cooper Companies, Inc., its affiliates and/or subsidiaries. PC Technology™ and FIPS™ are trademarks of The Cooper Companies, Inc., its affiliates and/or subsidiaries. The clariti® mark is a registered trademark of The Cooper Companies, Inc., its affiliates and/or subsidiaries worldwide except in the United States where the use of clariti® is licensed. PARAGARD® is a registered trademark of CooperSurgical, Inc.

Item 7A. ***Quantitative and Qualitative Disclosure About Market Risk***

We are exposed to market risks that relate principally to changes in interest rates and foreign currency fluctuations. To the extent reasonable and practical, we may decide to reduce the risk of changing interest rates and foreign currency fluctuations on the underlying exposure by entering into interest rate swaps and foreign currency forward exchange contracts, respectively. We do not emphasize such transactions to the same degree as some other companies with international operations. We do not enter into derivative financial instrument transactions for speculative purposes.

We operate multiple foreign subsidiaries that manufacture and market our products worldwide. As a result, our earnings, cash flow and financial position are exposed to foreign currency risk from foreign currency denominated receivables and payables, sales transactions, capital expenditures and net investment in certain foreign operations. Most of our operations outside the United States have their local currency as their functional currency. We are exposed to risks caused by changes in foreign exchange, principally our British pound sterling, euro and Japanese yen denominated debt and receivables denominated in currencies other than the United States dollar, and from operations in other foreign currencies. Although we may enter into foreign exchange agreements with financial institutions to reduce our exposure to fluctuations in foreign currency values relative to our debt or receivables obligations, these hedging transactions do not eliminate that risk entirely. At October 31, 2020, a uniform hypothetical 5% increase or decrease in the foreign currency exchange rates in comparison to the United States dollar would have resulted in a corresponding increase or decrease in approximately $30.9 million in operating income for the fiscal year ended October 31, 2020. For additional information, see Item 1A. Risk Factors - "*Our substantial and expanding international operations are subject to uncertainties which could affect our operating results.*" and See Note 1. Accounting Policies of the Consolidated Financial Statements for additional information.

We are also exposed to risks associated with changes in interest rates, as the interest rates on our revolving lines of credit and term loans may vary with the federal funds rate and LIBOR. We may decrease this interest rate risk by hedging a portion of variable rate debt effectively converting it to fixed rate debt for varying periods.

On April 6, 2020, we entered into six interest rate swap contracts to hedge variable cash flows associated with LIBOR. The interest rate swap contracts became effective on April 6, 2020 and have maturities of seven years or less with a total notional amount of $1.5 billion. The outstanding contracts as of October 31, 2020 have a total notional amount of $1.4 billion. We believe that we are not significantly exposed to interest rate risk at this time.

We did not have any cross-currency swaps or foreign currency forward contracts as of October 31, 2020.

On October 16, 2020, we entered into a 364-day, $350.0 million, term loan agreement by and among us, the lenders party thereto and The Bank of Nova Scotia, as administrative agent which matures on October 15, 2021. We used the funds to partially repay outstanding borrowings under the 2020 Revolving Credit Facility (as defined below). At October 31, 2020, we had $350.0 million outstanding under this agreement. The interest rate was 0.93% at October 31, 2020.

On April 1, 2020, we entered into a Revolving Credit and Term Loan Agreement (the 2020 Credit Agreement), among us, CooperVision International Holding Company, LP, CooperSurgical Netherlands B.V., CooperVision Holding Kft. the lenders from time to time party thereto, and KeyBank National Association, as administrative agent. The 2020 Credit Agreement provides for (a) a multicurrency revolving credit facility (the 2020 Revolving Credit Facility) in an aggregate principal amount of $1.29 billion and (b) a term loan facility (the 2020 Term Loan Facility) in an aggregate principal amount of $850.0 million, each of which, unless terminated earlier, mature on April 1, 2025. The 2020 Credit Agreement replaced our previous credit agreement and funds from the new term loan were used to repay the outstanding amounts under the previous credit agreement, to repay an outstanding term loan, and for general corporate purposes. At October 31, 2020, we had $754.6 million available under the 2020

Revolving Credit Facility and $850.0 million outstanding under the 2020 Term Loan Facility. The interest rate on the 2020 Term Loan Facility was 1.15% at October 31, 2020.

On September 27, 2019, we extended the maturity of the 2018 Term Loan Agreement to September 25, 2020 and increased the amount to $500.0 million (as so amended, the 2019 Term Loan Agreement). At maturity, on September 25, 2020, outstanding amounts under the 2019 Term Loan Agreement were fully repaid using borrowings under the 2020 Revolving Credit Facility. The interest rate on the 2020 Revolving Credit Facility was 1.15% at October 31, 2020.

See Note 5. Debt of the Consolidated Financial Statements for additional information.

October 31, (In millions)	2020	2019
Short-term debt	$ 409.4	$ 563.7
Long-term debt	1,384.2	1,264.2
Less: unamortized debt issuance cost	(0.4)	(1.6)
Total	$ 1,793.2	$ 1,826.3

Our ultimate realized gain or loss with respect to interest rate fluctuations will depend on interest rates, the exposures that arise during the period and our hedging strategies at that time. If interest rates were to increase or decrease by 1% or 100 basis points, annual interest expense would increase or decrease by approximately $10.2 million based on average debt outstanding, after consideration of our interest rate swap contracts, for fiscal 2020. For further information about our debt, see Item 1A. Risk Factors - *"We are vulnerable to interest rate risk with respect to our debt."* and Note 1. Accounting Policies and Note 5. Debt of the Consolidated Financial Statements for additional information.

Item 8. ***Financial Statements and Supplementary Data.***

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

The Cooper Companies, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of The Cooper Companies, Inc. and subsidiaries (the Company) as of October 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended October 31, 2020, and the related notes and financial statement Schedule II (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of October 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of October 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended October 31, 2020, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of October 31, 2020 based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for Leases as of November 1, 2019 due to the adoption of Financial Accounting Standards Board Accounting Standards Codification Topic 842, *Leases*.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Unrecognized tax benefits

As discussed in Notes 1 and 6 to the consolidated financial statements, the Company has recorded a liability for unrecognized tax benefits, excluding associated interest and penalties, of $58.5 million as of October 31, 2020. A reserve for unrecognized tax benefits is recorded when there is a greater than 50% likelihood that a position taken on the Company's tax returns would not be sustained upon examination by the relevant taxing authority, based solely on the technical merits of the tax position.

We identified the assessment of unrecognized tax benefits as a critical audit matter. Evaluating the Company's interpretation of tax law and its identification and estimate of uncertain tax positions, including transfer pricing related to its international operations, required complex auditor judgment.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's

unrecognized tax benefit process, including controls related to the interpretation of tax law, identification of uncertain tax positions, and measurement of related liabilities. We involved tax and valuation professionals with specialized skills and knowledge, who assisted in:

- evaluating the Company's tax planning strategies and its interpretation and application of tax laws,
- assessing transfer pricing studies for transactions between subsidiaries of the Company for compliance with applicable laws and regulations and evaluating the transfer prices based on observations for comparable companies that perform similar functions, and
- inspecting correspondence and settlements from taxing authorities, and analyzing the expiration of statutes of limitations.

/s/ KPMG LLP

We have served as the Company's auditor since 1982.

San Francisco, California

December 11, 2020

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Statements of Income

Years Ended October 31, (In millions, except for earnings per share)	2020	2019	2018
Net sales	$ 2,430.9	$ 2,653.4	$ 2,532.8
Cost of sales	896.1	896.6	900.5
Gross profit	1,534.8	1,756.8	1,632.3
Selling, general and administrative expense	992.5	996.2	973.3
Research and development expense	93.3	86.7	84.8
Amortization of intangibles	137.2	145.8	146.7
Impairment of intangibles	—	0.4	24.4
Gain on sale of an intangible (Note 4)	—	(19.0)	—
Operating income	311.8	546.7	403.1
Interest expense	36.8	68.0	82.7
Other expense (income), net	8.5	1.3	(11.5)
Income before income taxes	266.5	477.4	331.9
Provision for income taxes (Note 6)	28.1	10.7	192.0
Net income	238.4	466.7	139.9
Net income attributable to Cooper stockholders	$ 238.4	$ 466.7	$ 139.9
Earnings per share (Note 7)			
Basic	$ 4.85	$ 9.44	$ 2.85
Diluted	$ 4.81	$ 9.33	$ 2.81
Number of shares used to compute earnings per share:		—	—
Basic	49.1	49.4	49.1
Diluted	49.6	50.0	49.7

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Years Ended October 31, (In millions)	2020	2019	2018
Net income	$ 238.4	$ 466.7	$ 139.9
Other comprehensive loss:			
Cash flow hedges, net of tax (benefit) of $(4.1) in fiscal 2020	(13.0)	—	—
Change in minimum pension liability, net of tax (benefit) provision of $(4.0), $(8.0) and $3.1, respectively	(12.8)	(25.4)	7.9
Foreign currency translation adjustment	0.9	9.0	(58.5)
Other comprehensive loss	(24.9)	(16.4)	(50.6)
Comprehensive income	$ 213.5	$ 450.3	$ 89.3
Comprehensive income attributable to Cooper stockholders	$ 213.5	$ 450.3	$ 89.3

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

October 31, (In millions)	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 115.9	$ 89.0
Trade accounts receivable, net of allowance for doubtful accounts of $10.2 at October 31, 2020 and $16.4 at October 31, 2019	435.4	435.3
Inventories (Note 1)	570.4	506.9
Prepaid expense and other current assets	152.5	132.2
Total current assets	1,274.2	1,163.4
Property, plant and equipment, at cost (Note 1)	2,474.8	2,193.9
Less: accumulated depreciation and amortization	1,192.9	1,061.8
	1,281.9	1,132.1
Operating lease right-of-use assets (Note 2)	260.2	—
Goodwill (Note 4)	2,447.3	2,428.9
Other intangibles, net (Note 4)	1,289.0	1,405.3
Deferred tax assets	80.1	78.0
Other assets	104.8	66.8
Total assets	$ 6,737.5	$ 6,274.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt (Note 5)	$ 409.3	$ 563.7
Accounts payable	176.0	150.1
Employee compensation and benefits	119.0	104.7
Operating lease liabilities (Note 2)	33.3	—
Other current liabilities	266.8	292.1
Total current liabilities	1,004.4	1,110.6
Long-term debt (Note 5)	1,383.9	1,262.6
Deferred tax liabilities	25.8	28.0
Long-term tax payable	162.0	124.8
Operating lease liabilities (Note 2)	236.8	—
Accrued pension liability and other	99.8	119.9
Total liabilities	2,912.7	2,645.9
Contingencies (see Note 12)		
Stockholders' equity:		
Preferred stock, 10 cents par value, shares authorized: 1.0; zero shares issued or outstanding	—	—
Common stock, 10 cents par value, shares authorized: 120.0; issued 53.4 at October 31, 2020 and 53.2 at October 31, 2019	5.3	5.3
Additional paid-in capital	1,646.8	1,615.0
Accumulated other comprehensive loss	(472.0)	(447.1)

October 31, (In millions)	2020	2019
Retained earnings	3,261.8	3,026.4
Treasury stock at cost: 4.3 shares at October 31, 2020 and 4.1 shares at October 31, 2019	(617.3)	(571.2)
Total Cooper stockholders' equity	3,824.6	3,628.4
Noncontrolling interests	0.2	0.2
Stockholders' equity (Note 8)	3,824.8	3,628.6
Total liabilities and stockholders' equity	$ 6,737.5	$ 6,274.5

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity

(In millions)	Common Shares		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount						
Balance at October 31, 2017	48.8	$ 4.9	3.6	$ 0.3	$1,526.7	$ (375.3)	$2,434.2	$(415.1)	$ 0.1	$ 3,175.8
Net income attributable to Cooper stockholders	—	—	—	—	—	—	139.9	—	—	139.9
Other comprehensive income, net of tax	—	—	—	—	—	(50.6)	—	—	—	(50.6)
Issuance of common stock for stock plans, net	0.4	0.1	—	—	1.7	—	—	—	—	1.8
Dividends on common stock	—	—	—	—	—	—	(2.9)	—	—	(2.9)
Share-based compensation expense	—	—	—	—	43.7	—	—	—	—	43.7
ASU2018-02 adoption	—	—	—	—	—	(4.8)	4.8	—	—	—
Noncontrolling interests	—	—	—	—	—	—	—	—	0.1	0.1
Balance at October 31, 2018	49.2	$ 5.0	3.6	$ 0.3	$1,572.1	$ (430.7)	$2,576.0	$(415.1)	$ 0.2	$ 3,307.8
Net income attributable to Cooper stockholders	—	—	—	—	—	—	466.7	—	—	466.7
Other comprehensive loss, net of tax	—	—	—	—	—	(16.4)	—	—	—	(16.4)
Issuance of common stock for stock plans, net	0.4	—	—	—	7.8	—	—	—	—	7.8
Treasury stock repurchase	(0.5)	(0.1)	0.5	0.1	—	—	—	(156.1)	—	(156.1)
Dividends on common stock	—	—	—	—	—	—	(3.0)	—	—	(3.0)
Share-based compensation expense	—	—	—	—	35.1	—	—	—	—	35.1
ASU2016-16 adoption	—	—	—	—	—	—	(13.3)	—	—	(13.3)
Balance at October 31, 2019	49.1	$ 4.9	4.1	$ 0.4	$1,615.0	$ (447.1)	$3,026.4	$(571.2)	$ 0.2	$ 3,628.6
Net income attributable to Cooper stockholders	—	—	—	—	—	—	238.4	—	—	238.4
Other comprehensive loss, net of tax	—	—	—	—	—	(24.9)	—	—	—	(24.9)
Issuance of common stock for stock plans, net	0.2	—	—	—	(6.8)	—	—	—	—	(6.8)
Issuance of common stock for employee stock purchase plan	—	—	—	—	1.8	—	—	1.7	—	3.5
Treasury stock repurchase	(0.2)	—	0.2	—	—	—	—	(47.8)	—	(47.8)
Dividends on common stock	—	—	—	—	—	—	(3.0)	—	—	(3.0)
Share-based compensation expense	—	—	—	—	36.8	—	—	—	—	36.8
Balance at October 31, 2020	49.1	$ 4.9	4.3	$ 0.4	$1,646.8	$ (472.0)	$3,261.8	$(617.3)	$ 0.2	$ 3,824.8

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows

Years Ended October 31, (In millions)	2020	2019	2018
Cash flows from operating activities:			
Net income	$ 238.4	$ 466.7	$ 139.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	287.1	280.8	275.1
Impairment of intangibles	—	0.4	24.4
Gain on sale of an intangible (Note 3)	—	(19.0)	—
Share-based compensation expense	37.6	35.1	43.2
Inventory step-up release	—	0.1	50.5
Non-cash operating lease expense	32.5	—	—
Impairment and loss on disposal of property, plant and equipment	24.4	7.7	5.1
Deferred income taxes	(0.9)	(15.9)	2.9
Provision for doubtful accounts	(6.2)	(2.6)	8.2
CCA cost amortization	0.5	—	—
Interest income on convertible note	(1.0)	—	—
Change in assets and liabilities:	—		
Accounts receivable	8.5	(55.6)	(59.5)
Inventories	(62.3)	(37.3)	(5.0)
Other assets	(41.1)	39.8	(64.9)
Operating lease right-of-use assets and liabilities, net	(20.0)	—	—
Accounts payable	23.2	3.6	2.9
Accrued liabilities	(9.3)	33.1	81.2
Accrued income taxes	(12.4)	8.7	4.4
Other long-term liabilities	(12.4)	(32.4)	160.5
Net cash provided by operating activities	486.6	713.2	668.9
Cash flows from investing activities:			
Purchases of property, plant and equipment	(310.4)	(292.1)	(193.6)
Acquisitions of businesses and assets, net of cash acquired, and other	(54.1)	(59.2)	(1,323.9)
Net cash used in investing activities	(364.5)	(351.3)	(1,517.5)
Cash flows from financing activities:			
Proceeds from long-term debt	3,205.4	1,136.8	2,748.1
Repayments of long-term debt	(3,235.9)	(1,861.8)	(1,912.1)
Net (repayments of) proceeds from short-term debt	(6.6)	525.3	13.6
Repurchase of common stock	(47.8)	(156.1)	—
Proceeds related to share-based compensation awards	13.5	29.9	22.3
Payments related to share-based compensation awards	(20.3)	(22.1)	(20.5)
Dividends on common stock	(3.0)	(3.0)	(2.9)
Issuance of common stock for employee stock purchase plan	2.7	—	—
Debt acquisition costs	(5.6)	(0.4)	(3.9)
Payment of contingent consideration	—	—	(0.2)
Proceeds from construction allowance	2.1	—	—

Years Ended October 31, (In millions)	2020	2019	2018
Net cash (used in) provided by financing activities	(95.5)	(351.4)	844.4
Effect of exchange rate changes on cash, cash equivalents and restricted cash	0.7	(1.2)	(4.4)
Net increase (decrease) in cash, cash equivalents and restricted cash	27.3	9.3	(8.6)
Cash, cash equivalents and restricted cash at beginning of year	89.5	80.2	88.8
Cash, cash equivalents and restricted cash at end of year	$ 116.8	$ 89.5	$ 80.2
Supplemental disclosures of cash flow information:			
Cash paid for:			
Interest	$ 46.5	$ 75.3	$ 82.1
Income taxes	51.1	39.2	18.8
Reconciliation of cash flow information:			
Cash and cash equivalents	$ 115.9	$ 89.0	$ 77.7
Restricted cash included in other current assets	$ 0.9	$ 0.5	$ 2.5
Total cash, cash equivalents, and restricted cash	$ 116.8	$ 89.5	$ 80.2

The accompanying notes are an integral part of these Consolidated Financial Statements.

Note 1. Accounting Policies

General

The Cooper Companies, Inc. (Cooper, we or the Company) is a global medical device company publicly traded on the NYSE (NYSE:COO). Cooper operates through two business units, CooperVision and CooperSurgical.

- CooperVision primarily develops, manufactures and markets a broad range of soft contact lenses for the worldwide vision correction market.
- CooperSurgical primarily develops, manufactures, markets medical devices and procedures solutions, and provides services to improve health care delivery to women, babies and families.

Estimates

The World Health Organization categorized the Coronavirus disease 2019 (COVID-19) as a pandemic. The COVID-19 pandemic has caused a severe global health crisis, along with economic and societal disruptions and uncertainties, which have negatively impacted business and healthcare activity globally. As a result of healthcare systems responding to the demands of managing the pandemic, governments around the world imposing measures designed to reduce the transmission of the COVID-19 virus, and individuals responding to the concerns of contracting the COVID-19 virus, many optical practitioners & retailers, hospitals, medical offices and fertility clinics closed their facilities, restricted access, or delayed or canceled patient visits, exams and elective medical procedures, and many customers that have reopened are experiencing reduced patient visits. This has had, and we believe will continue to have, an adverse effect on our sales, operating results and cash flows.

The preparation of Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of net sales and expenses during the reporting period. Actual results could differ from those estimates particularly as it relates to estimates reliant on forecasts and other assumptions reasonably available to the Company and the uncertain future impacts of the COVID-19 pandemic and related economic disruptions. The extent to which the COVID-19 pandemic and related economic disruptions impact our business and financial results will depend on future developments including, but not limited to, the continued spread, duration and severity of the COVID-19 pandemic; the occurrence, spread, duration and severity of any subsequent wave or waves of outbreaks; the actions taken by the U.S. and foreign governments to contain the COVID-19 pandemic, address its impact or respond to the reduction in global and local economic activity; the occurrence, duration and severity of a global, regional or national recession, depression or other sustained adverse market event; the impact of the developments described above on our customers and suppliers; and how quickly and to what extent normal economic and operating conditions can resume. The accounting matters assessed included, but were not limited to:

- allowance for doubtful accounts and credit losses
- carrying value of inventory
- the carrying value of goodwill and other long-lived assets.

There was not a material impact to the above estimates in the Company’s Consolidated Financial Statements for fiscal 2020. The Company continually monitors and evaluates the estimates used as additional information becomes available. Adjustments will be made to these provisions periodically to reflect new facts and circumstances that may indicate that historical experience may not be indicative of current and/or future results. The Company’s future assessment of the magnitude and duration of COVID-19, as well as other factors, could result in material changes to the estimates and material impacts to the Company’s Consolidated Financial Statements in future reporting periods.

Significant Accounting Policies

Management's significant accounting policies include estimates and judgments which are an integral part of financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP). We believe that the accounting policies described in this section address the more significant policies utilized by management when preparing our consolidated financial statements in accordance with GAAP. We believe that the accounting policies and estimates employed are appropriate and resulting balances are reasonable; however, actual results could differ from the original estimates, requiring adjustment to these balances in future periods. The accounting policies that reflect our more significant estimates, judgments and assumptions and which we believe are the most important to aid in fully understanding and evaluating our reported financial results are:

- Revenue recognition

  Net Sales

  The Company sells its products principally to a limited number of distributors, group purchasing organizations, eye care or health care professionals including independent practices, corporate retailers, hospitals and clinics or authorized resellers (collectively, its Customers). These Customers subsequently resell the Company's products to eye care or health care providers and patients. In addition to product supply and distribution agreements with Customers, the Company enters into arrangements with health care providers and payors that provide for government-mandated and/or privately negotiated rebates, chargebacks and discounts with respect to the purchase of the Company's products. The Company considers customer purchase orders, which in some cases are governed by master sales agreements, to be contracts with a customer. In situations where sales are to a distributor, the Company has concluded that its contracts are with the distributor. As part of its consideration of the contract, the Company evaluates certain factors including the customer's ability to pay (or credit risk). For each contract, the Company considers the promise to transfer products, each of which is distinct, to be the identified performance obligations.

  Revenues from product sales are recognized when the Customer obtains control of the Company's product, which occurs at a point in time, typically upon shipment or delivery to the Customer. When the Company performs shipping and handling activities after the transfer of control to the Customer (e.g., when control transfers prior to delivery), they are considered as fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized. Taxes collected from Customers relating to product sales and remitted to governmental authorities are excluded from revenues. The Company does not have any revenue recognized on payment expected to be received more than one year after the transfer of control of the products. The Company expenses incremental costs of obtaining a contract as and when incurred if the expected amortization period of the asset that the Company would have recognized is one year or less. See Note 13. Business Segment Information, for disaggregation of revenue.

  Reserves for Variable Consideration

  Revenues from product sales are recorded at the net sales price (transaction price), which includes estimates of variable consideration for which reserves are established and which result from discounts, returns, chargebacks, rebates and other allowances that are offered within contracts between the Company and its Customers, health care providers, payors and other indirect customers relating to the Company's sales of its products. These reserves are based on the amounts earned or to be claimed on the related sales and are classified primarily in current liabilities. Variable consideration is estimated based on the most likely amount or expected value approach, depending on which method the Company expects to better predict the amount of consideration to which it will be entitled. Once the

Company elects one of the methods to estimate variable consideration for a particular type of performance obligation, the Company applies that method consistently.

Where appropriate, these estimates take into consideration a range of possible outcomes which are probability-weighted for relevant factors such as the Company's historical experience, current contractual and statutory requirements, specific known market events and trends, industry data and forecasted customer buying and payment patterns. Overall, these reserves reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of the contract. Actual amounts of consideration ultimately received may differ from the Company's estimates. If actual results in the future vary from the Company's estimates, the Company adjusts these estimates, which would affect net product revenue and earnings in the period such variances become known.

Trade Discounts and Allowances

The Company generally provides Customers with discounts, which include incentive fees that are stated in the Company's contracts and are recorded as a reduction of revenue in the period the related product revenue is recognized. In addition, the Company receives sales order management, data and distribution services from certain Customers. To the extent the services received are distinct from the Company's sale of products to the Customer and have readily determinable fair value, these payments are classified in selling, general and administrative expenses in our Consolidated Statements of Income.

Product Returns

Consistent with industry practice, the Company generally offers Customers a limited right of return for a product that has been purchased from the Company. The Company estimates the amount of its product sales that may be returned by its Customers and records this estimate as a reduction of revenue in the period the related product revenue is recognized. There is inherent judgment in estimating future refunds as they are susceptible to factors outside of our influence. However, we have significant experience in estimating the amount of refunds, based primarily on historical data. Our refund liability for product returns was $10.0 million and $11.6 million at October 31, 2020 and 2019, respectively, which is included in Accrued Liabilities on our Consolidated Balance Sheets and represents the expected value of the aggregate refunds that will be due to our customers.

Rebates and Chargebacks

Rebates are estimated based on contractual terms, historical experience, customer mix, trend analysis and projected market conditions in the various markets served.

Chargebacks for fees and discounts to providers represent the estimated obligations resulting from contractual commitments to sell products to qualified healthcare providers at prices lower than the list wholesale prices charged to the Company's direct customers. For certain office and surgical products in CooperSurgical, customers charge the Company for the difference between what they pay for the product and the ultimate selling price to the qualified healthcare providers. These reserves are established in the same period that the related revenue is recognized, resulting in a reduction of product revenue. Chargeback amounts are generally determined at the time of resale to the qualified healthcare provider by customers. CooperSurgical rebates are predominately related to the Medicaid rebate provision that is estimated based upon contractual terms, historical experience, and trend analysis.

Contract balances

The timing of billing and revenue recognition primarily occurs simultaneously. The Company does not have material contract assets or liabilities.

- Leases - We consider an arrangement a lease if the arrangement transfers the right to control the use of an identified asset in exchange for consideration. We have operating leases, but do not have material financing leases. Lease right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make payments arising from the lease agreement. These assets and liabilities are recognized at the commencement of the lease based upon the present value of the future minimum lease payments over the lease term. The lease term reflects the noncancelable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably certain that it will exercise such option. Changes in the lease term assumption could impact the right-of-use assets and lease liabilities recognized on the balance sheet. As our leases typically do not contain a readily determinable implicit rate, we determine the present value of the lease liability using our incremental borrowing rate at the lease commencement date based on the lease term on a collateralized basis.

- Net realizable value of inventory - In assessing the value of inventories, we make estimates and judgments regarding aging of inventories and other relevant issues potentially affecting the saleable condition of products and estimated prices at which those products will sell. On an ongoing basis, we review the carrying value of our inventory, measuring number of months on hand and other indications of saleability. We reduce the value of inventory if there are indications that the carrying value is greater than net realizable value, resulting in a new, lower-cost basis for that inventory. Subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis. While estimates are involved, historically, obsolescence has not been a significant factor due to long product dating and lengthy product life cycles.

- Valuation of goodwill - We evaluate goodwill for impairment annually during the fiscal third quarter and when an event occurs or circumstances change such that it is reasonably possible that impairment may exist. We account for goodwill and evaluate our goodwill balances and test them for impairment in accordance with related accounting standards. We performed our annual impairment test in our third quarter of fiscal 2020 and 2019, and our analysis indicated that we had no impairment of goodwill in our reporting units.

  Goodwill impairment analysis and measurement is a process that requires significant judgment. If our common stock price trades below book value per share, there are changes in market conditions or a future downturn in our business, or a future goodwill impairment test indicates an impairment of our goodwill, we may have to recognize a non-cash impairment of goodwill that could be material and could adversely affect our results of operations in the period recognized and also adversely affect our total assets and stockholders' equity.

  We test goodwill impairment in accordance with ASU 2017-04, *Intangibles - Goodwill and other (Topic 350): Simplifying the Test for Goodwill Impairment*. We perform a qualitative assessment to test each reporting unit's goodwill for impairment. Qualitative factors considered in this assessment include industry and market considerations, overall financial performance and other relevant events and factors affecting each reporting unit. Based on our qualitative assessment, if we determine that the fair value of a reporting unit is more likely than not to be less than its carrying amount, the fair value of a reporting unit will be compared with its carrying amount and an impairment charge will be recognized for the amount that the carrying value exceeds the fair value of the reporting unit. A reporting unit is the level of reporting at which goodwill is tested for impairment.

- Business combinations - We routinely consummate business combinations. Results of operations for acquired companies are included in our consolidated results of operations from the date of acquisition. We recognize separately from goodwill, the identifiable assets acquired, including acquired in-process research and development, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date fair values as defined by accounting standards related to fair value measurements. Key assumptions routinely utilized in allocation of purchase price to intangible assets include projected financial information such as revenue projections for companies acquired. As of the

acquisition date, goodwill is measured as the excess of consideration given, over the net of the acquisition date fair values of the identifiable assets acquired and the liabilities assumed. Direct acquisition costs are expensed as incurred.

- Income taxes - We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized.

  As part of the process of preparing our consolidated financial statements, we must estimate our income tax expense for each of the jurisdictions in which we operate. This process requires significant management judgments and involves estimating our current tax exposures in each jurisdiction including the impact, if any, of additional taxes resulting from tax examinations as well as judging the recoverability of deferred tax assets. To the extent recovery of deferred tax assets is not likely based on our estimation of future taxable income in each jurisdiction, a valuation allowance is established. Tax exposures can involve complex issues and may require an extended period to resolve. Frequent changes in tax laws in each jurisdiction complicate future estimates. To determine the tax rate, we use the full-year income and the related income tax expense in each jurisdiction. We update the estimated effective tax rate for the effect of significant unusual items as they are identified. Changes in the geographic mix or estimated level of annual pre-tax income can affect the overall effective tax rate, and such changes could be material.

  We file income tax returns in all jurisdictions in which we operate. We record a liability for uncertain tax positions taken or expected to be taken in income tax returns that we have determined are not more-likely-than-not realizable. Our financial statements reflect expected future tax consequences of such positions presuming the taxing authorities' full knowledge of the position and all relevant facts. These tax reserves have been established based on management's assessment as to the potential exposure attributable to our uncertain tax positions as well as interest and penalties attributable to these uncertain tax positions. All tax reserves are analyzed quarterly and adjustments are made as events occur that result in changes in judgment.

- Share-Based Compensation - We grant various share-based compensation awards, including stock options, performance unit shares, restricted stock and restricted stock units. Under fair value recognition provisions, share-based compensation expense is measured at the grant date based on the fair value of the award and is recognized as expense over the vesting period. Determining the fair value of share-based awards at the grant date requires judgment, including estimating Cooper's stock price volatility, employee exercise behaviors and related employee forfeiture rates.

  The expected life of the share-based awards is based on the observed and expected time to post-vesting forfeiture and/or exercise. Groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. In determining the expected volatility, management considers implied volatility from publicly-traded options on Cooper's common stock at the date of grant, historical volatility and other factors. The risk-free interest rate is based on the continuous rates provided by the United States Treasury with a term equal to the expected life of the award. The dividend yield is based on the projected annual dividend payment per share, divided by the stock price at the date of grant.

  As share-based compensation expense recognized in our Consolidated Statements of Income is based on awards ultimately expected to vest, the amount of expense has been reduced for estimated

forfeitures. Forfeitures are estimated at the time of grant, based on historical experience, and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

If factors change and we employ different assumptions in the application of the fair value recognition provisions, the compensation expense that we record in future periods may differ significantly from what we have recorded in the current period.

Accounting Pronouncements Recently Adopted

In May 2020, the SEC adopted the final rule under SEC release No. 33-10786, *Amendments to Financial Disclosures about Acquired and Disposed Businesses*, amending Rule 1-02(w)(2) which includes amendments to certain of its rules and forms related to the disclosure of financial information regarding acquired or disposed businesses. Among other changes, the amendments impact SEC rules relating to (1) the definition of "significant" subsidiaries, (2) requirements to provide financial statements for "significant" acquisitions, and (3) revisions to the formulation and usage of pro forma financial information. The final rule is effective on January 1, 2021; however, voluntary early adoption is permitted. The Company early adopted the provisions of the final rule in the third quarter of fiscal 2020. The guidance did not have a material impact on the Company's consolidated financial statements and disclosures.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use (ROU) asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases and ASU 2018-11, Leases Topic 842 Target improvements,* which provides an additional (and optional) transition method whereby the new lease standard is applied at the adoption date and recognized as an adjustment to retained earnings. In March 2019, the FASB issued ASU 2019-01, *Leases (Topic 842) Codification Improvements*, which further clarifies the determination of fair value of the underlying asset by lessors that are not manufacturers or dealers and modifies transition disclosure requirements for changes in accounting principles and other technical updates.

We adopted this standard using the optional transition method and recorded an adjustment to the Consolidated Balance Sheet on November 1, 2019. We have implemented changes to certain business processes, systems and internal controls to support adoption of the new standard and the related disclosure requirements, including the implementation of a third-party leasing software solution. We elected the package of transition expedients, which allows us to keep our existing lease classifications and not reassess whether any existing contracts as of the date of adoption are leases or contain leases and not reassess initial direct costs. In addition, we elected the practical expedients to combine lease and non-lease components for our leases, and for leases with an initial term of 12 months or less to recognize the associated lease payments in the Consolidated Statements of Income and Comprehensive Income on a straight-line basis over the lease term.

As of October 31, 2020, the aggregate balances of lease right-of-use assets and lease liabilities were $260.2 million and $270.1 million, respectively. The standard did not affect our Consolidated Statements of Income and Comprehensive Income. We will continue to disclose comparative reporting periods prior to November 1, 2019 under the previous accounting guidance, ASC 840 *Leases.*

Accounting Pronouncements Issued Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, *"Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*" and subsequent amendments to the initial guidance: ASU 2018-19 *"Codification Improvements to Topic 326, Financial Instruments-Credit Losses*", ASU 2019-04 "*Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and*

Hedging, and Topic 825, Financial Instruments", ASU 2019-05 "*Financial Instruments-Credit Losses*", ASU 2019-11 "*Codification Improvements to Topic 326, Financial Instruments - Credit Losses" (collectively, Topic 326),* ASU 2020-02 *Financial Instruments—Credit Losses (Topic 326) and Leases (Topic 842)* and ASU 2020-03 *Codification Improvements to Financial Instruments.* Topic 326 requires measurement and recognition of expected credit losses for financial assets held. Topic 326 is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2019, which means it will be effective for our fiscal year beginning November 01, 2020. Early adoption is permitted. The Company believes that the most notable impact of this ASU will relate to its processes around the assessment of the adequacy of its allowance for doubtful accounts on trade accounts receivable and the recognition of credit losses. We continue to monitor the economic implications of the COVID-19 pandemic, however based on current market conditions and as credit losses from the Company's trade receivables have not historically been significant, the Company anticipates that the adoption of the ASU will not have a material impact on the consolidated financial statements.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808), Clarifying the Interaction between Topic 808 and Topic 606.* This guidance amended Topic 808 and Topic 606 to clarify that transactions in a collaborative arrangement should be accounted for under Topic 606 when the counterparty is a customer for a distinct good or service (i.e., unit of account). The amendments preclude an entity from presenting consideration from a transaction in a collaborative arrangement as revenue from contracts with customers if the counterparty is not a customer for that transaction. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, which means it will be effective for our fiscal year beginning November 1, 2020. Early adoption is permitted. The adoption of this guidance will not have a material impact on our Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes.* This guidance removes certain exceptions to the general principles in Topic 740 and enhances and simplifies various aspects of the income tax accounting guidance, including requirements such as tax basis step-up in goodwill obtained in a transaction that is not a business combination, ownership changes in investments, and interim-period accounting for enacted changes in tax law. This standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2020. Early adoption is permitted. We are currently evaluating the impact of ASU 2019-12 on our Consolidated Financial Statements, which is effective for the Company in our fiscal year and interim periods beginning on November 1, 2021.

In January 2020, the FASB issued ASU 2020-01 *Investments-Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) - Clarifying the Interactions between Topic 321, Topic 323, and Topic 815.* This guidance addresses accounting for the transition into and out of the equity method and provides clarification of the interaction of rules for equity securities, the equity method of accounting, and forward contracts and purchase options on certain types of securities. This standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2020. Early adoption is permitted. We are currently evaluating the impact of ASU 2020-01 on our Consolidated Financial Statements, which is effective for the Company in our fiscal year and interim periods beginning on November 1, 2021.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* (*Topic 848*): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This guidance provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The guidance generally can be applied from March 12, 2020 through December 31, 2022. We are currently assessing the impacts of the practical expedients provided in ASU 2020-04 and which, if any, we will adopt.

In August 2020, the FASB issued ASU 2020-06, Debt—*Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*. This update amends the guidance on convertible instruments and the derivatives scope exception for contracts in an entity's own equity and improves and amends the related EPS guidance for both Subtopics. This standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2021, which means it will be effective for our fiscal year beginning November 1, 2022. Early adoption is permitted but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. We are currently evaluating the impact of ASU 2020-06 on our Consolidated Financial Statements.

No other recently issued accounting pronouncements had or are expected to have a material impact on our Consolidated Financial Statements.

Consolidation

The financial statements in this report include the accounts of all of Cooper's consolidated entities. All significant intercompany transactions and balances are eliminated on consolidation.

Foreign Currency Translation

Most of our operations outside the United States use their local currency as their functional currency. We translate these assets and liabilities into United States dollars at year-end exchange rates. We translate income and expense accounts at average rates for each month. We record gains and losses from the translation of financial statements in foreign currencies into United States dollars in other comprehensive income. We record gains and losses from changes in exchange rates on transactions denominated in currencies other than each reporting location's functional currency in net income for each period. We recorded in other expense and income a net foreign exchange loss of $1.2 million for fiscal 2020, $2.2 million for fiscal 2019 and $3.4 million for fiscal 2018.

Litigation

We are subject to various legal proceedings, claims, litigation, investigations and contingencies arising out of the ordinary course of business. If we believe the likelihood of an adverse legal outcome is probable and the amount is estimable, we accrue a liability in accordance with accounting guidance for contingencies. We consult with legal counsel on matters related to litigation and seek input both within and outside the Company.

Long-lived Assets

We review long-lived assets held and used, intangible assets with finite useful lives and assets held for sale for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an evaluation of recoverability is required, the estimated undiscounted future cash flows associated with the asset group are compared to the asset group's carrying amount to determine if a write-down is required. If the undiscounted cash flows are less than the carrying amount, an impairment loss is recorded to the extent that the carrying amount exceeds the fair value. If management has committed to a plan to dispose of long-lived assets, the assets to be disposed of are reported at the lower of carrying amount or fair value less estimated costs to sell.

CooperVision provides optometric practices with in-office lenses used in marketing programs to facilitate efficient and convenient fitting of contact lenses by practitioners. Such lens fitting sets generally consist of a physical binder or rack to store contact lenses and an array of lenses. We record the costs associated with the original fitting set to other long-term assets on our Consolidated Balance Sheet. We amortize such costs over their estimated useful lives to selling, general and administrative expense on our Consolidated Statements of Income. We also expense the cost for lenses provided to practitioners as replenishment for fitting sets in the period shipped to selling, general and administrative expense on our Consolidated Statements of Income.

Cash and Cash Equivalents

The Company considers all short-term, highly liquid investments purchased with maturities of three months or less to be cash equivalents. These investments are carried at cost, which approximates fair value.

Inventories

October 31, (In millions)	2020	2019
Raw materials	$ 151.0	$ 131.4
Work-in-process	12.4	13.3
Finished goods	407.0	362.2
	$ 570.4	$ 506.9

Inventories are stated at the lower of cost or net realizable value. Cost is computed using standard cost that approximates actual cost, on a first-in, first-out basis.

Property, Plant and Equipment

October 31, (In millions)	2020	2019
Land and improvements	$ 19.9	$ 19.9
Buildings and improvements	356.1	330.9
Machinery and equipment	1,764.9	1,582.3
Construction in progress	333.9	260.8
Property, plant and equipment, at cost	$ 2,474.8	$ 2,193.9
Less: Accumulated depreciation	1,192.9	1,061.8
	$ 1,281.9	$ 1,132.1

Property, plant and equipment are stated at cost. We compute depreciation using the straight-line method in amounts sufficient to write off depreciable assets over their estimated useful lives. We amortize leasehold improvements over their estimated useful lives or the period of the related lease, whichever is shorter. We depreciate buildings over 30 to 40 years and machinery and equipment over 3 to 15 years.

We expense costs for maintenance and repairs and capitalize major replacements, renewals and betterments. We eliminate the cost and accumulated depreciation of depreciable assets retired or otherwise disposed of from the asset and accumulated depreciation accounts and reflect any gains or losses in operations for the period. We had capitalized interest included in construction in progress of $5.3 million and $6.1 million for the years ended October 31, 2020 and 2019, respectively.

Earnings Per Share

We determine basic earnings per share (EPS) by using the weighted average number of shares outstanding. We determine diluted EPS by increasing the weighted average number of shares outstanding in the denominator by the number of outstanding dilutive equity awards using the treasury stock method.

Treasury Stock

We record treasury stock purchases under the cost method whereby the entire cost of the acquired stock is recorded as treasury stock. At October 31, 2020 and 2019, the number of shares in treasury was approximately 4.3 million and 4.1 million, respectively. The Company purchased 161 thousand shares during the year ended

October 31, 2020 and 537 thousand shares during the year ended October 31, 2019. See Note 8. Stockholders' Equity for additional information on the share repurchase program.

Note 2. Leases

The Company primarily has operating leases for office, manufacturing and warehouse space, vehicles, and office equipment. The Company's leases expire on various dates between 2020 and 2045, some of which could include options to extend the lease.

Lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As these leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the lease's commencement date in determining the present value of lease payments. The Company considers information including, but not limited to, the lease term, its credit rating and interest rates of similar debt instruments with comparable credit ratings and security interests. The lease right-of-use assets are increased by any lease prepayments made and reduced by any lease incentives such as tenant improvement allowances. Options to extend the lease term are included in the lease term when it is reasonably certain that the Company will exercise the extension option.

The Company’s operating leases typically include non-lease components such as common-area maintenance costs. The Company has elected to include non-lease components with lease payments for the purpose of calculating lease right-of-use assets and liabilities, to the extent that they are fixed. Non-lease components that are not fixed are expensed as incurred as variable lease payments.

Leases with a term of one year or less are not recognized on the Consolidated Balance Sheet, while the associated lease payments are recorded in the Consolidated Statements of Income and Comprehensive Income on a straight-line basis over the lease term.

Commitments under finance lease arrangements of $2.4 million as of October 31, 2020 are not significant and are not included in the disclosure tables below.

The following table presents information about leases on the Consolidated Balance Sheet:

(In millions)	October 31, 2020
Operating Leases	
Operating lease right-of-use assets	$ 260.2
Operating lease liabilities, current	33.3
Operating lease liabilities, non-current	236.8
Total operating lease liabilities	$ 270.1
Weighted average remaining lease term (in years)	11.3
Weighted average discount rate	3%

The following table presents information about lease expense, which is included in selling, general and administrative expenses in the Consolidated Statement of Income and Comprehensive Income:

(In millions)	2020
Operating lease expense	$ 41.2
Short-term lease expense	4.4
Variable lease expense	$ 1.8

ASC 840 Comparative Disclosures

Prior to fiscal 2020, we accounted for our leases in accordance with ASC 840, *Leases*. Under ASC 840, rental expense for operating leases was $45.3 million and $38.8 million for fiscal 2019 and 2018, respectively.

Supplemental Cash Flow Information

The following table presents supplemental cash flow information about the Company's leases:

(In millions)	2020
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 40.6
Operating lease right-of-use assets obtained in exchange for lease obligations	17.7

Maturity of Lease Liabilities

The minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of October 31, 2020 are:

(In millions)	
2021	$ 40.7
2022	36.3
2023	32.6
2024	29.3
2025	28.0
Thereafter	158.4
Total lease payments	325.3
Less: interest	55.2
Present value of lease liabilities	$ 270.1

Note 3. Acquisitions

The following is a summary of the allocation of the total purchase consideration for business and asset acquisitions that the Company completed during fiscal 2020, 2019, and 2018:

(In millions)	2020	2019	2018
Customer relationships	$ 11.4	$ 7.5	$ 23.5
Trademarks	5.1	10.2	100.0
Technology	—	12.3	—
Composite intangible asset	—	—	1,061.9
Other	3.9	0.1	4.2
Total identifiable intangible assets	$ 20.4	$ 30.1	$ 1,189.6
Goodwill	15.3	29.8	70.6
Net tangible (liabilities) assets	(0.3)	7.3	59.6
Total purchase price	$ 35.4	$ 67.2	$ 1,319.8

All acquisitions were funded by cash generated from operations or facility borrowings.

For business acquisitions, the Company recorded tangible and intangible assets acquired and liabilities assumed at their fair values as of the applicable date of acquisition. For asset acquisitions, the Company recorded tangible and intangible assets acquired and liabilities assumed at their estimated and relative fair values as of the applicable date of acquisition.

The Company believes these acquisitions strengthen CooperSurgical's and CooperVision's businesses through the addition of new distributors or complementary products and services.

Fiscal Year 2020

On August 7, 2020, CooperVision completed the acquisition of a privately-held U.S contact lens manufacturer focusing on ortho-k lenses. This acquisition expands CooperVision’s specialty eye care portfolio and its leadership in addressing the increasing severity and prevalence of myopia. The purchase price allocation is preliminary and the Company is in the process of finalizing information and the corresponding impact on goodwill.

On December 13, 2019, CooperSurgical completed the acquisition of a privately-held distributor of in vitro fertilization (IVF) medical devices and systems.

The pro forma results of operations have not been presented because the effect of the business combinations described above were not material to our consolidated results of operations.

Fiscal Year 2019

Purchase price allocation for the acquisitions in fiscal year 2019 are completed.

On December 31, 2018, CooperSurgical completed the acquisition of a privately-held U.S. medical device company that develops mechanical surgical solutions for skin closure.

On December 28, 2018, CooperVision completed the acquisition of a privately-held scleral lens company, which expands CooperVision's specialty and scleral lens portfolio.

The pro forma results of operations of these acquisitions have not been presented because the effects of the business combinations described above, individually and in the aggregate, were not material to the reported consolidated financial results.

Fiscal Year 2018

PARAGARD

On November 1, 2017, CooperSurgical acquired the assets of the PARAGARD Intrauterine Device (IUD) business (PARAGARD) from Teva Pharmaceuticals Industries Limited for $1.1 billion.

This asset acquisition broadened and strengthened CooperSurgical's product portfolio. PARAGARD® is the only hormone-free, long lasting, reversible contraceptive approved by the United States Food and Drug Administration (FDA) available in the United States.

The Company has accounted for the acquisition of PARAGARD as a purchase of assets in accordance with ASC Topic 805, *Business Combinations,* and ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, whereby the Company recognized assets acquired based on their estimated relative fair values on the acquisition date. Due to the required screening test, the acquisition does not meet the definition of a business as substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset. The Company retained independent appraisers to advise management in the determination of the relative fair value of the various assets acquired and liabilities assumed. The values assigned in these financial statements represent management's best estimate of relative fair values as of the acquisition date.

The following table summarizes the relative fair values of net assets acquired and liabilities assumed using the cost accumulation and allocation model:

(In millions)	Relative Fair Value
Composite intangible asset [1]	$ 1,061.9
Assembled workforce intangible asset [2]	1.2
Property, plant and equipment	2.0
Inventory [3]	47.3
Other assets	9.4
Total assets acquired	$ 1,121.8
Less: liabilities assumed	16.4
Total Purchase Price	**$ 1,105.4**

The Company proportionally allocated the acquisition costs to the net assets acquired. The acquisition-related costs included advisory, legal, valuation and other professional fees.

[1] Composite Intangible asset consists of technology, trade name, New Drug Application (NDA) approval and physician relationships, which have been valued as a single composite intangible asset as they are inextricably linked. The composite asset was identified as the primary asset acquired, was valued using the Multi-Period Excess Earnings Method and will be amortized over 15 years.
[2] An assembled workforce was recognized as a separate acquired intangible asset, given the purchase of assets and will be amortized over 5 years.
[3] Inventory relative fair value includes step up of $45.4 million.

As PARAGARD was considered an asset purchase as opposed to a business acquisition in accordance with the guidance under ASC 805, *Business Combinations,* and ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, the Company has not included proforma financial information which is applicable for a business acquisition.

Other Acquisitions

On April 3, 2018, CooperSurgical completed the acquisition of a privately held company that specializes primarily in in-vitro fertilization (IVF) media. This acquisition product categories include media products as well as IVF laboratory air filtration products and dishware.

On January 4, 2018, CooperVision acquired a long-standing distribution partner, with a leading position in the distribution of contact lenses to the Optical and Pharmacy sector in Israel.

On December 1, 2017, CooperVision acquired a leading provider of orthokeratology (ortho-k) specialty contact lenses and oxygen permeable rigid contact lens materials. ortho-k contact lenses are overnight lenses which enable corneal topography correction for myopia (nearsightedness) patients.

Note 4. Intangible Assets

Goodwill

(In millions)	CooperVision	CooperSurgical	Total
Balance at October 31, 2018	$ 1,742.9	$ 649.2	$ 2,392.1
Net additions	14.1	22.0	36.1
Foreign currency translation adjustment	8.4	(7.7)	0.7
Balance at October 31, 2019	$ 1,765.4	$ 663.5	$ 2,428.9
Net additions	13.5	1.8	15.3
Foreign currency translation adjustment	0.4	2.7	3.1
Balance at October 31, 2020	$ 1,779.3	$ 668.0	$ 2,447.3

Of the October 31, 2020 goodwill balance, $134.2 million for CooperSurgical and $26.9 million for CooperVision is expected to be deductible for tax purposes. Of the October 31, 2019 goodwill balance, $146.8 million for CooperSurgical and $29.2 million for CooperVision was expected to be deductible for tax purposes.

The Company evaluates goodwill annually during the fiscal third quarter and whenever an event occurs or circumstances change such that it is reasonably possible that impairment may exist. The Company accounts for goodwill, evaluates and tests goodwill balances for impairment in accordance with related accounting standards.

The Company performed its annual impairment assessment in the third quarter of each of fiscal 2020 and 2019, which indicated that there was no impairment of goodwill in reporting units at either time. Qualitative factors considered in the assessment include industry and market considerations, overall financial performance and other relevant events and factors affecting each reporting unit. Based on our qualitative assessment, if we determine that the fair value of a reporting unit is more likely than not to be less than its carrying amount, the fair value of a reporting unit will be compared with its carrying amount and an impairment charge will be recognized for the amount that the carrying value exceeds the fair value of the reporting unit. A reporting unit is the level of reporting at which goodwill is tested for impairment. Our reporting units are CooperVision, Office/Surgical and Fertility, which reflects the current way we manage our business.

Goodwill impairment analysis and measurement is a process that requires significant judgment. If our common stock price trades below book value per share, there are changes in market conditions or a future downturn in our business, or a future goodwill impairment test indicates an impairment of our goodwill, we may have to recognize a non-cash impairment of goodwill that could be material and could adversely affect our results of operations in the period recognized and also adversely affect our total assets and stockholders' equity.

Other Intangible Assets

(In millions)	October 31, 2020 Gross Carrying Amount	October 31, 2020 Accumulated Amortization	October 31, 2019 Gross Carrying Amount	October 31, 2019 Accumulated Amortization	Weighted Average Amortization Period (in years)
Intangible assets with definite lives:					
Trademarks	$ 153.4	$ 37.7	$ 148.5	$ 27.3	14
Composite intangible asset	1,061.9	212.4	1,061.9	141.6	15
Technology	401.2	251.9	399.9	221.2	11
Customer relationships	367.0	216.2	357.6	194.0	13
License and distribution rights and other	31.8	18.2	27.9	15.3	10
	2,015.3	$ 736.4	1,995.8	$ 599.4	14
Less: accumulated amortization and translation	736.4		599.4		
Intangible assets with definite lives, net	$ 1,278.9		$ 1,396.4		
Intangible assets with indefinite lives, net [1]	10.1		8.9		
Total other intangible assets, net	$ 1,289.0		$ 1,405.3		

[1] *Intangible assets with indefinite lives include technology and trademarks.*

Balances include foreign currency translation adjustments.

In the second quarter of fiscal 2019, CooperSurgical sold an exclusive distribution right to distribute Filshie Clip System in the U.S. for $21.0 million and recognized a gain of $19.0 million.

As of October 31, 2020, the estimation of amortization expenses for intangible assets with definite lives is as follows:

Fiscal years:	(In millions)
2021	$ 136.4
2022	134.5
2023	132.3
2024	128.1
Thereafter	747.6
Total remaining amortization for intangible assets with definite lives	$ 1,278.9

The Company assesses definite-lived intangible assets whenever events or changes in circumstances indicate that the carrying amount of a definite-lived intangible asset (asset group) may not be recoverable. When events or changes in circumstances indicate that the carrying amount of a definite-lived intangible asset may not be recoverable, the Company evaluates whether the definite-lived intangible asset is impaired by comparing its carrying value to its undiscounted future cash flows. The Company assesses indefinite-lived intangible assets annually in the third quarter of the fiscal year, or whenever events or circumstances indicate that the carrying amount of an indefinite-lived intangible asset (asset group) may not be recoverable. The Company evaluates whether the indefinite-lived intangible asset is impaired by comparing its carrying value to its fair value.

If the carrying value of a definite-lived or indefinite-lived intangible asset is not recoverable, an impairment loss is recognized based on the amount by which the carrying value exceeds the fair value. The inputs used in the fair value analysis fall within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs to determine fair value. The Company performs impairment tests using an

income approach, more specifically a relief from royalty method. In the development of the forecasted cash flows, the Company applies significant management judgment to determine key assumptions, including revenue growth and operating margin growth, royalty rates and discount rates assumptions. Revenue and operating margin growth assumptions are based on historical trends and management's expectations for future growth. Royalty rates used are consistent with those assumed for the original purchase accounting valuation. The discount rates were based on a weighted-average cost of capital utilizing industry market data of similar companies, in addition to estimated returns on the assets utilized in the operations of the applicable reporting unit, including net working capital, fixed assets and intangible assets. Other assumptions are consistent with those applied to goodwill impairment testing.

Given the general deterioration in economic and market conditions surrounding the COVID-19 pandemic, the Company considered the impact that the COVID-19 pandemic may have on its near and long-term forecasts and determined that it was not more likely than not that the fair value of reporting units or relevant asset groups was below carrying amounts, and therefore the Company determined that there was no impairment to either its goodwill, definite-lived or indefinite-lived intangible assets during fiscal 2020.

Note 5. Debt

October 31, (In millions)	2020	2019
Overdraft and other credit facilities	$ 59.4	$ 63.7
Term loans	350.0	500.0
Less: unamortized debt issuance cost	(0.1)	—
Short-term debt	$ 409.3	$ 563.7
Revolving credit	$ 534.0	$ 264.0
Term loans	850.0	1,000.0
Other	0.2	0.2
Less: unamortized debt issuance cost	(0.3)	(1.6)
Long-term debt	$ 1,383.9	$ 1,262.6
Total debt	$ 1,793.2	$ 1,826.3

Fiscal year maturities of long-term debt as of October 31, 2020, are as follows:

Year (In millions)	
2021	$ —
2022	$ —
2023	$ —
2024	$ —
2025	$ 1,384.2
Thereafter	$ —

Term Loan Agreement on October 16, 2020

On October 16, 2020, the Company entered into a 364-day, $350.0 million, term loan agreement by and among the Company, the lenders party thereto and The Bank of Nova Scotia, as administrative agent which matures on October 15, 2021. The funds were used to partially repay outstanding borrowings under the 2020 Revolving Credit Facility (as defined below). At October 31, 2020, the Company had $350.0 million outstanding under this agreement.

Amounts outstanding under this agreement will bear interest, at the Company's option, at either the base rate, or the adjusted LIBO rate, plus, in each case, an applicable rate of 0.00% in respect of base rate loans and 0.80% in respect of adjusted LIBO rate loans. The interest rate was 0.93% at October 31, 2020.

This agreement contains customary restrictive covenants, as well as financial covenants that require the Company to maintain a certain Total Leverage Ratio and Interest Coverage Ratio consistent with the 2020 Credit Agreement discussed below.

Revolving Credit and Term Loan Agreement on April 1, 2020

On April 1, 2020, the Company entered into a Revolving Credit and Term Loan Agreement (the 2020 Credit Agreement), among the Company, CooperVision International Holding Company, LP, CooperSurgical Netherlands B.V., CooperVision Holding Kft. the lenders from time to time party thereto, and KeyBank National Association, as administrative agent. The 2020 Credit Agreement provides for (a) a multicurrency revolving credit facility (the 2020 Revolving Credit Facility) in an aggregate principal amount of $1.29 billion and (b) a term loan facility (the 2020 Term Loan Facility) in an aggregate principal amount of $850.0 million, each of which, unless terminated earlier, mature on April 1, 2025. In addition, the Company has the ability from time to time to request an increase to the size of the revolving credit facility or establish one or more new term loans under the term loan facility in an aggregate amount up to $1.605 billion, subject to the discretionary participation of the lenders.

Amounts outstanding under the 2020 Credit Agreement will bear interest, at the Company’s option, at either the base rate, or the adjusted LIBO rate or adjusted foreign currency rate, plus, in each case, an applicable rate of between 0.00% and 0.50% in respect of base rate loans, and between 0.75% and 1.50% in respect of adjusted LIBO rate or adjusted foreign currency rate loans, in each case in accordance with a pricing grid tied to the Total Leverage Ratio, as defined in the 2020 Credit Agreement. During the term of the 2020 Revolving Credit Facility, the Borrowers may borrow, repay and re-borrow amounts available under the Revolving Credit Facility, subject to voluntary reduction of the revolving commitment.

The Company pays an annual commitment fee that ranges from 0.10% to 0.20% of the unused portion of the 2020 Revolving Credit Facility based upon the Company’s Total Leverage Ratio, as defined in the 2020 Credit Agreement. In addition to the annual commitment fee, the Company is also required to pay certain letter of credit and related fronting fees and other administrative fees pursuant to the terms of the 2020 Credit Agreement.

On April 1, 2020, the Company borrowed $850.0 million under the 2020 Term Loan Facility and $445.0 million under the 2020 Revolving Credit Facility and used the proceeds to fully repay all borrowings outstanding under a previously existing term loan agreement and transfer all letters of credit and borrowings outstanding under a previously existing credit agreement to the 2020 Credit Agreement, as further described below.

On October 30, 2020, the Company entered into Amendment No. 1 to the 2020 Credit Agreement (the First Amendment to the 2020 Credit Agreement). The First Amendment to the 2020 Credit Agreement modifies the 2020 Credit Agreement by, among other things, adding CooperVision International Limited as a revolving borrower and releasing certain borrowers in the 2020 Credit Agreement.

At October 31, 2020, the Company had $850.0 million outstanding under the 2020 Term Loan Facility and $534.0 million outstanding under the 2020 Revolving Credit Facility. The interest rate on the 2020 Term Loan Facility was 1.15% at October 31, 2020. The interest rate on the 2020 Revolving Credit Facility was 1.15% at October 31, 2020. In fiscal 2020, the Company expensed $1.8 million, related to the debt issuance costs of the 2020 Term Loan Facility.

The 2020 Credit Agreement contains customary restrictive covenants, as well as financial covenants that require the Company to maintain a certain Total Leverage Ratio and Interest Coverage Ratio, each as defined in the 2020 Credit Agreement:

- Interest Coverage Ratio, as defined, to be at least 3.00 to 1.00 at all times.

- Total Leverage Ratio, as defined, to be no higher than 3.75 to 1.00.

At October 31, 2020, the Company was in compliance with the Interest Coverage Ratio at 21.19 to 1.00 and the Total Leverage Ratio at 2.15 to 1.00 for 2020 Credit Agreement. The Company, after considering the potential impacts of the COVID-19 pandemic, expects to remain in compliance with its financial maintenance covenant and meet its debt service obligations for at least the twelve months following the date of issuance of these financial statements.

$500 million Term Loan on September 27, 2019, amended on April 1, 2020

On November 1, 2018, the Company entered into a 364-day senior unsecured term loan agreement (the 2018 Term Loan Agreement) by and among the Company, the lenders party thereto and PNC Bank, National Association, as administrative agent which was scheduled to mature on October 31, 2019. On September 27, 2019, the Company amended the 2018 Term Loan Agreement to establish a new 364-day senior unsecured term loan (the 2019 Term Loan Agreement) with the same parties as the 2018 Term Loan Agreement. The 2019 Term Loan Agreement modifies certain provisions of the 2018 Term Loan Agreement which, among other things, extended the maturity date to September 25, 2020 and increased the aggregate principal amount of the term loan facility from an original amount of $400 million to $500 million. The Company used the additional funds to partially repay outstanding borrowings.

On April 1, 2020, the Company entered into Amendment No. 2 to the 2018 Term Loan Agreement (the Second Amendment to the 2018 Term Loan Agreement). The Second Amendment to the 2018 Term Loan Agreement further modifies the 2018 Term Loan Agreement by, among other things, conforming certain provisions therein to those contained in the 2020 Credit Agreement discussed above.

At maturity, on September 25, 2020, outstanding amounts under the 2019 Term Loan Agreement (including the Second Amendment to the 2018 Term Loan Agreement) were fully repaid using borrowings under the 2020 Revolving Credit Facility.

The following is a summary of the maximum commitments and the net amounts available to the Company under the credit facilities discussed above as of October 31, 2020:

(In millions)	Facility Limit	Outstanding Borrowings	Outstanding Letters of Credit	Total Amount Available	Maturity Date
2020 Revolving Credit Facility	$ 1,290.0	$ 534.0	$ 1.4	$ 754.6	April 1, 2025
2020 Term Loan Facility	850.0	850.0	n/a	—	April 1, 2025
2020 Term Loan	350.0	350.0	n/a	—	October 15, 2021
Total	$ 2,490.0	$ 1,734.0	$ 1.4	$ 754.6	

European Credit Facilities

The Company maintains European credit facilities in the form of continuing and unconditional guarantees. The aggregate facility limit was $25.8 million and $34.6 million at October 31, 2020 and 2019, respectively. The Company will pay all forms of indebtedness in the currency in which it is denominated for those certain subsidiaries. Interest expense is calculated on all outstanding balances based on an applicable base rate for each country plus a fixed spread common across most subsidiaries covered under the guaranty. At October 31, 2020, $0.7 million of the facilities were utilized. The weighted average interest rate on the outstanding balances was 1.59%.

Asian Pacific Credit Facilities

The Company maintains Yen-denominated credit facilities in Japan supported by continuing and unconditional guarantees. The aggregate facility limit was $76.6 million and $69.3 million at October 31, 2020 and 2019, respectively. The Company will pay all forms of indebtedness in Yen upon demand. Interest expense is calculated on the outstanding balance based on the base rate or TIBOR plus a fixed spread. At October 31, 2020, $57.7 million of the combined facilities were utilized. The weighted average interest rate on the outstanding balances was 0.43%.

The Company maintains credit facilities for certain of our Asia Pacific subsidiaries. Each facility is supported by a continuing and unconditional guaranty. The aggregate facility limit was $11.2 million and $10.8 million at October 31, 2020 and 2019, respectively. The Company will pay all forms of indebtedness, for each facility, in the currency in which it is denominated for those certain subsidiaries. Interest expense is calculated on all outstanding balances based on an applicable base rate for each country plus a fixed spread across all subsidiaries covered under each guaranty. At October 31, 2020, $0.4 million of the facilities were utilized. The weighted average interest rate on the outstanding balances was 2.41%.

Letters of Credit

The Company maintain letters of credit throughout the world with various financial institutions that primarily serve as guarantee notes on certain debt obligations. The aggregate outstanding amount of letters of credit at October 31, 2020 and October 31, 2019 was $4.5 million and $4.8 million, respectively.

Note 6. Income Taxes

Recent Tax Legislation

Coronavirus Aid, Relief and Economic Security Act

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was enacted and signed into law in response to the market volatility and instability resulting from the COVID-19 pandemic. It includes a significant number of tax provisions and lifts certain deduction limitations originally imposed by the Tax Cuts and Jobs Act of 2017 (the 2017 Act). The changes are mainly related to: (1) the business interest expense disallowance rules for 2019 and 2020; (2) net operating loss rules; (3) charitable contribution limitations; (4) employee retention credit; and (5) the realization of corporate alternative minimum tax credits.

The Company continues to assess the impact and future implications of these provisions; however, it does not anticipate any amounts that could give rise to a material impact to the overall Consolidated Financial Statements.

Effective Tax Rate

The Company’s effective tax rate (ETR) was 10.6% and 2.3% for fiscal 2020 and fiscal 2019, respectively. The ETR in fiscal 2020 increased in comparison to fiscal 2019 primarily due to foreign earnings subject to US tax, partially offset by a shift in the geographic mix of income.

The ETR for both fiscal 2020 and fiscal 2019 was less than the US federal statutory tax rate primarily due to foreign earnings in jurisdictions with lower tax rates, a step-up of the US tax-deductible basis of intellectual property rights from intra-entity sales and excess tax benefits from share-based compensation. This was partially offset by foreign earnings subject to US tax. The jurisdictions with lower tax rates with the most significant tax impact include Barbados, Puerto Rico and the United Kingdom.

The ETR for fiscal 2018 was greater than the US federal statutory tax rate primarily due to enactment of the 2017 Tax Act. This was partially offset by foreign earnings in jurisdictions with lower tax rates and

excess tax benefits from share-based compensation. The jurisdictions with lower tax rates with the most significant tax impact include Barbados, Puerto Rico and the United Kingdom.

The components of income before income taxes and the income tax provision related to income from all operations in our Consolidated Statements of Income consist of:

Years Ended October 31, (In millions)	2020	2019	2018
Income before income taxes:			
United States	$ (88.0)	$ (32.8)	$ (122.8)
Foreign	354.5	510.2	454.7
	$ 266.5	$ 477.4	$ 331.9
Income tax provision	$ 28.1	$ 10.7	$ 192.0

The income tax provision (benefit) related to income in our Consolidated Statements of Income consists of:

Years Ended October 31, (In millions)	2020	2019	2018
Current:			
Federal	$ 1.4	$ 9.2	$ 165.6
State	1.1	1.6	0.5
Foreign	26.5	15.8	23.0
	29.0	26.6	189.1
Deferred:			
Federal	3.2	(8.1)	16.1
State	0.8	(0.9)	1.0
Foreign	(4.9)	(6.9)	(14.2)
	(0.9)	(15.9)	2.9
Income tax provision	$ 28.1	$ 10.7	$ 192.0

We reconcile the provision for income taxes attributable to income from operations and the amount computed by applying the statutory federal income tax rate of 21% for fiscal 2020 and 2019, and 23% for fiscal 2018, to income before income taxes as follows:

Years Ended October 31, (In millions)	2020	2019	2018
Computed expected provision for taxes	$ 56.0	$ 100.3	$ 77.5
(Decrease) increase in taxes resulting from:			
Income earned outside the United States subject to different tax rates	(54.7)	(85.6)	(97.5)
State taxes, net of federal income tax benefit	1.9	0.4	(4.9)
Foreign source income subject to United States tax	32.0	16.1	—
U.S. tax reform	—	(5.8)	214.6
Incentive stock option compensation and non-deductible employee compensation	(4.4)	(7.8)	(11.1)
Deferred tax asset step-up	(9.0)	(6.7)	(1.9)
US provision-to-return	7.0	4.4	(0.7)
Tax accrual adjustment	(0.1)	(1.5)	13.9
Other, net	(0.6)	(3.1)	2.1
Actual provision for income taxes	$ 28.1	$ 10.7	$ 192.0

The tax effects of temporary differences that give rise to the deferred tax assets and liabilities are:

Years Ended October 31, (In millions)	2020	2019
Deferred tax assets:		
Accounts receivable, principally due to allowances for doubtful accounts	$ 2.6	$ 3.6
Inventories	5.8	3.5
Litigation settlements	0.2	0.1
Accrued liabilities, reserves and compensation accruals	76.9	55.1
Foreign deferred tax assets	90.9	52.5
Restricted stock and stock option expenses	21.4	26.1
Net operating loss carryforwards	9.6	8.3
Intangible assets	19.6	11.1
Research and experimental expenses - Section 59(e)	9.2	2.5
Tax credit carryforwards	1.5	1.3
Total gross deferred tax assets	237.7	164.1
Less: valuation allowance	(45.3)	(41.5)
Deferred tax assets	192.4	122.6
Deferred tax liabilities:		
Tax deductible goodwill	(29.7)	(25.0)
Plant and equipment	(39.2)	(14.3)
Deferred tax on foreign earnings	(7.5)	(5.9)
Transaction costs	(0.7)	(0.7)
Foreign deferred tax liabilities	(61.0)	(27.6)
Total gross deferred tax liabilities	(138.1)	(73.5)
Net deferred tax assets	$ 54.3	$ 49.1

In assessing the realizability of deferred tax assets, the Company analyzes whether some or all deferred tax assets will not be realized. This analysis considers historical taxable income, the projected reversal of deferred tax liabilities, projected taxable income and tax planning strategies. Based upon this analysis, it is more likely than not the deferred tax assets, net of valuation allowance, will be realized. The valuation allowance is $45.3 million and $41.5 million for fiscal 2020 and fiscal 2019, respectively. The increase is primarily due to state net operating loss carryforwards and foreign tax credits.

At October 31, 2020, we had federal net operating loss carryforwards of $20.3 million, state net operating loss carryforwards of $16.3 million, and $1.9 million of California research credit carryforwards. Federal net operating loss carryforwards of $15.8 million expire on various dates between 2024 and 2037 and $4.5 million does not expire. The state net operating loss carryforwards expire on various dates between 2021 through 2040, and the California research credit carryforwards do not expire.

The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized from such positions are estimated based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The changes in the balance of unrecognized tax benefits (UTB) were as follows:

(In millions)		
Balance at October 31, 2018	$	68.9
Decrease from prior year's UTB's		(11.8)
Increase from current year's UTB's		8.3
UTB (decrease) from tax authorities' settlements		(14.1)
UTB (decrease) from expiration of statute of limitations		(1.6)
Balance at October 31, 2019	$	49.7
Increase from prior year's UTB's		3.4
Increase from current year's UTB's		7.6
UTB (decrease) from expiration of statute of limitations		(2.2)
Balance at October 31, 2020	$	58.5

As of October 31, 2020, 2019 and 2018 there were unrecognized tax benefits of $58.5 million, $49.7 million and $68.9 million, respectively. If recognized, these tax benefits would affect our effective tax rates for 2020, 2019 and 2018, by $46.0 million, $41.7 million and $46.6 million, respectively. It is the Company's policy to recognize interest and penalties related to income tax as income tax expense. As of October 31, 2020, 2019 and 2018, we had accrued gross interest and penalties related to unrecognized tax benefits of $7.3 million, $3.9 million and $4.4 million, respectively.

Included in the balance of unrecognized tax benefits at October 31, 2020, is $7.2 million related to tax positions for which it is reasonably possible that the total amounts could significantly change during the next twelve months.

Filed tax returns are subject to examination by tax authorities in major tax jurisdictions after fiscal 2014.

Intellectual property rights

In November 2020, the Company completed an intra-group transfer of certain intellectual property and related operating assets and liabilities to its UK subsidiary as part of a group restructuring to establish headquarters operation in the UK. Under US GAAP, any profit resulting from this transfer will be eliminated upon consolidation. However, the transfer resulted in a step-up of the UK tax-deductible basis

in the transferred assets, including goodwill, and created a temporary difference between the book basis and the tax basis of these assets. As a result, the Company expects to recognize a deferred tax asset of up to $2.4 billion, with a corresponding income tax benefit. The valuation of the transferred assets, and the calculation of the amount of the deferred tax asset, will be finalized during the first quarter of fiscal 2021.

Note 7. Earnings Per Share

Years Ended October 31, (In millions, except for earnings per share)	2020	2019	2018
Net income attributable to Cooper stockholders	$ 238.4	$ 466.7	$ 139.9
Basic:			
Weighted average common shares	49.1	49.4	49.1
Basic earnings per share attributable to Cooper stockholders	$ 4.85	$ 9.44	$ 2.85
Diluted:			
Weighted average common shares	49.1	49.4	49.1
Effect of dilutive stock options	0.5	0.6	0.6
Diluted weighted average common shares	49.6	50.0	49.7
Diluted earnings per share attributable to Cooper stockholders	$ 4.81	$ 9.33	$ 2.81

The following table sets forth stock options to purchase our common stock and restricted stock units that were not included in the diluted earnings per share calculation because their effect would have been antidilutive for the periods presented:

Years Ended October 31, (In thousands, except exercise prices)	2020	2019	2018
Stock option shares excluded	207	198	257
Range of exercise prices	$ 304.54	$ 254.77	$226.30 - $230.09
Restricted stock units excluded	1	8	21

Note 8. Stockholders' Equity

Analysis of Changes in Accumulated Other Comprehensive Income (Loss):

(In millions)	Foreign Currency Translation Adjustment	Derivatives	Minimum Pension Liability	Total
Balance at October 31, 2017	$ (353.7)	$ —	$ (21.6)	$ (375.3)
Gross change in value	(58.5)	—	11.0	(47.5)
Tax effect	—	—	(3.1)	(3.1)
ASU 2018-02 adoption [1]	—	—	(4.8)	(4.8)
Balance at October 31, 2018	$ (412.2)	$ —	$ (18.5)	$ (430.7)
Gross change in value	$ 9.0	$ —	$ (33.4)	$ (24.4)
Tax effect	—	—	8.0	8.0
Balance at October 31, 2019	$ (403.2)	$ —	$ (43.9)	$ (447.1)
Gross change in value	$ 0.9	$ (17.1)	$ (16.8)	$ (33.0)
Tax effect	—	4.1	4.0	8.1
Balance at October 31, 2020	$ (402.3)	$ (13.0)	$ (56.7)	$ (472.0)

(1) *Represents reclassification to retained earnings from adoption of ASU 2018-02.*

Share Repurchases

In December 2011, the Company's Board of Directors authorized the 2012 Share Repurchase Program and through subsequent amendments, the most recent in March 2017, the total repurchase authorization was increased from $500.0 million to $1.0 billion of the Company's common stock. The program has no expiration date and may be discontinued at any time. Purchases under the 2012 Share Repurchase Program are subject to a review of the circumstances in place at the time and may be made from time to time as permitted by securities laws and other legal requirements.

For the years ended October 31, 2020 and 2019, the Company share repurchases were as follow:

Periods Ended October 31,	2020	2019
Number of shares	160,850	536,972
Average repurchase price per share	$ 296.9	$ 290.7
Total costs of shares repurchased (in millions)	$ 47.8	$ 156.1

At October 31, 2020, $359.7 million remained authorized for repurchase under the program.

Dividends

In fiscal 2020 and 2019, the Company paid a semiannual dividend of 3 cents per share: $1.5 million or 3 cents per share on February 10, 2020 to stockholders of record on January 23, 2020; $1.5 million or 3 cents on August 7, 2020 to stockholders of record on July 23, 2020; $1.5 million or 3 cents per share on February 8, 2019 to stockholders of record on January 22, 2019; $1.5 million or 3 cents per share on August 7, 2019 to stockholders of record on July 23, 2019.

Note 9. Stock Plans

2020 Long-Term Incentive Plan for Non-Employee Directors (2020 Directors Plan)

In March 2020, we received stockholder approval of the 2020 Directors Plan. The 2020 Directors Plan authorizes either the Company's Board of Directors or a designated committee thereof composed of two or more Non-Employee Directors to grant to Non-Employee Directors equity awards for up to 50,000 shares of common stock, subject to adjustment for future stock splits, stock dividends, expirations, forfeitures and similar events.

The 2020 Directors Plan provides for annual equity award grants to Non-Employee Directors on April 1st of each fiscal year which subsequently vest on the first anniversary of the date of grant. Grants can be awarded in the form of stock options, restricted stock, restricted stock units (RSUs), or a combination of award types. Awards are made with a total target grant date value of $270,000, or $283,500 in the case of the Lead Director and $297,000 in the case of the Chairman of the Board.

Under the 2020 Directors Plan, awards are made in the form of RSUs unless otherwise approved by the Board of Directors. RSUs entitle the recipient to receive shares of common stock, without any payment in cash or property. Legal ownership of the shares is not transferred until the unit vests and issued RSUs have no dividend or voting rights prior to vesting. Awards may also be made in the form of stock options or restricted stock. In the event of such awards, grants of stock options will have an exercise price equal to 100% of fair market value on the date of grant and expire no more than 10 years after the grant date. Awards of restricted stock provide the right to receive shares, subject to such purchase price requirements,

restrictions on sale or transfer, or other conditions as approved by the Board of Directors. Restricted shares retain dividend and voting rights.

As of October 31, 2020, 42,929 shares remain available under the 2020 Directors' Plan for future grants.

2007 Long-Term Incentive Plan (2007 Plan)

In March 2007, we received stockholder approval of the 2007 Plan. The 2007 Plan was subsequently amended and restated, and granted stockholder approval in March 2009, March 2011, and March 2016.

The Third Amended and Restated 2007 Plan is designed to increase our stockholder value by attracting, retaining and motivating key employees and consultants who directly influence our profitability. The Third Amended and Restated 2007 Plan authorizes either our Board of Directors, or a designated committee thereof composed of two or more Non-Employee Directors, to grant to eligible individuals during the period ending December 31, 2026, up to 6,930,000 shares in the form of specified equity awards including stock option, restricted stock unit and performance share awards, subject to adjustment for future stock splits, stock dividends, expirations, forfeitures and similar events.

During fiscal 2020, we granted stock options and restricted stock units (RSUs) to employees under the Third Amended and Restated 2007 Plan. Prior to fiscal 2020 we also granted performance share awards to employees. All stock options are granted at 100% of fair market value on the date of grant and expire no more than 10 years after the grant date. RSUs are nontransferable awards entitling the recipient to receive shares of common stock, without any payment in cash or property, in one or more installments at a future date or dates as determined by the Board of Directors or its authorized committee. For RSUs, legal ownership of the shares is not transferred to the employee until the unit vests, which is generally over a specified time period and RSUs have no dividend or voting rights prior to vesting. Performance share awards are nontransferable awards entitling the recipient to receive a variable number of shares of common stock, without any payment in cash or property, in one or more installments at a future date or dates as determined by the Board of Directors or its authorized committee. Legal ownership of the shares is not transferred to the recipient until the award vests, and the number of shares distributed is dependent upon the achievement of certain performance targets over a specified period of time.

As of October 31, 2020, 1,088,901 shares remained available under the Third Amended and Restated 2007 Plan for future grants. The amount of available shares includes shares which may be distributed under performance share awards.

Share-Based Compensation

Compensation expense and the related tax benefit recognized in our consolidated financial statements for share-based awards, including the Employee Stock Purchase Plan, were as follows:

October 31, (In millions)	2020	2019	2018
Selling, general and administrative expense	$ 32.2	$ 28.7	$ 37.6
Cost of sales	4.0	4.7	3.6
Research and development expense	2.4	2.9	2.0
Total compensation expense	$ 38.6	$ 36.3	$ 43.2
Related income tax benefit	$ 4.8	$ 5.1	$ 8.8

Stock Options

The fair value of each stock option award granted is estimated on the date of grant using the Black-Scholes option valuation model and assumptions noted in the following table. The expected life of the awards is based on the observed and expected time to post-vesting forfeiture and/or exercise. Groups of employees that have similar historical exercise behavior are considered separately for valuation purposes. In determining the expected volatility, management considers implied volatility from publicly-traded options on our common stock at the date of grant, historical volatility and other factors. The risk-free interest rate is based on the continuous rates provided by the United States Treasury with a term equal to the expected life of the option. The dividend yield is based on the projected annual dividend payment per share, divided by the stock price at the date of grant.

Years Ended October 31,	2020	2019	2018
Expected life	4.4 years	4.4 years	5.4 years
Expected volatility	24.5%	22.0%	23.0%
Risk-free interest rate	1.6%	2.9%	2%
Dividend yield	0.02%	0.02%	0.03%

The activity and status of our stock option plans are summarized below:

	Number of Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at October 31, 2019	1,024,752	$ 186.24		
Granted	212,046	$ 304.54		
Exercised	(105,045)	$ 128.43		
Forfeited or expired	(28,246)	$ 223.28		
Outstanding at October 31, 2020	1,103,507	$ 213.53	6.44	
Vested and expected to vest at October 31, 2020	1,060,738	$ 211.04	6.36	$ 114,567,509
Vested and exercisable at October 31, 2020	430,926	$ 167.09	5.01	$ 65,485,571

The weighted-average fair value of each option granted during fiscal 2020, estimated as of the grant date using the Black-Scholes option pricing model, for the 2007 Plan was $70.45. No options were granted under the 2020 Directors Plan in fiscal 2020. The total intrinsic value of options exercised during the fiscal year ended October 31, 2020 was $22.6 million.

The weighted-average fair value of each option granted during fiscal 2019, estimated as of the grant date using the Black-Scholes option pricing model, for the 2007 Plan was $60.71.

Stock awards outstanding under our current plans have been granted at prices which are either equal to or above the market value of the common stock on the date of grant. Options granted under the 2007 Plan generally vest over a range of three to five years based on service conditions and expire no later than ten years after the grant date. Options granted under the 2020 Directors Plan generally vested in one year and expire no later than ten years after the grant date. We generally recognize compensation expense ratably over the vesting period. However, Directors' options grants would have been expensed on the date of grant as the 2020 Directors Plan did not contain a substantive future requisite service period. As of October 31, 2020, there was $20.9 million of total unrecognized compensation cost related to nonvested options, which is expected to be recognized over a remaining weighted-average vesting period of 3.4 years.

Restricted Stock Units

RSUs granted under the 2007 Plan generally vest over three to five years. RSUs granted under the 2020 Directors Plan vest in one year. The fair value of RSUs is estimated on the date of grant based on the market price of our common stock. We recognize compensation expense ratably over the vesting period. As of October 31, 2020, there was $61.6 million of total unrecognized compensation cost related to nonvested RSUs, which is expected to be recognized over a remaining weighted-average vesting period of 3.2 years.

The status of our non-vested RSUs is summarized below:

	Number of Shares		Weighted-Average Grant Date Fair Value Per Share
Non-vested RSUs at October 31, 2019	429,571	$	210.72
Granted	130,610	$	301.59
Vested and issued	(151,613)	$	192.10
Forfeited or expired	(39,948)	$	242.12
Non-vested RSUs at October 31, 2020	368,620	$	247.09

Performance Units

Performance units may be granted to selected key employees with vesting contingent upon meeting future reported earnings per share goals over a defined performance cycle, usually three years. Performance units, if earned, may be paid in cash or shares of common stock. The performance shares actually earned will range from zero to 150% of the target number of performance shares for performance periods ending in fiscal 2019 through fiscal 2020. Subject to limited exceptions set forth in the performance share plan, any shares earned will be distributed in the subsequent fiscal year after the performance period. The fair value of performance unit awards is estimated on the date of grant based on the current market price of our common stock and the estimate of probability of award achievement. This estimate is reviewed each fiscal quarter and adjustments are recorded if it is determined that the estimate of probability of award achievement has changed.

We recognize compensation expense ratably over the vesting period. As of October 31, 2020, there was no unrecognized compensation cost related to non-vested performance units.

Employee Stock Purchase Plan

On March 18, 2019, the Company received stockholder approval for the Employee Stock Purchase Plan (ESPP). The first offering period began on November 4, 2019 and offerings are generally made on a quarterly basis. The purpose of the ESPP is to provide eligible employees of the Company with the opportunity to acquire shares of common stock at 85% of the market price on the last business day of each offering period by means of accumulated payroll deductions. Payroll deductions will be limited to maximum of 15% of the employee's eligible compensation, not to exceed $21.3 thousand in any one calendar year. The ESPP initially authorized the issuance of 1,000,000 shares of common stock. These shares will be made available from shares of common stock reacquired by the Company as Treasury Stock. During fiscal year ended October 31, 2020, we issued 11,641 shares to our employees under the ESPP. At October 31, 2020, the number of shares remaining available for future issuance under the ESPP was 988,359 shares. Total ESPP share-based compensation recognized during the fiscal year ended October 31, 2020 was $0.7 million.

Note 10. Employee Benefits

Cooper's Retirement Income Plan

Cooper's Retirement Income Plan (Plan), a defined benefit plan, covers substantially all full-time United States employees. Cooper's contributions are designed to fund normal cost on a current basis and to fund the estimated prior service cost of benefit improvements. The unit credit actuarial cost method is used to determine the annual cost. Cooper pays the entire cost of the Plan and funds such costs as they accrue. Virtually all of the assets of the Plan are comprised of equities and participation in equity and fixed income funds.

The Company uses individual spot rates along the yield curve that correspond with the timing of each benefit payment to determine the service and interest costs of components of its net periodic benefit cost utilizing the correlation of projected cash outflows and corresponding spot rates on the yield curve.

The following table sets forth the Plan's benefit obligations and fair value of the Plan assets at October 31, 2020, 2019 and 2018 and the funded status of the Plan and net periodic pension costs for each of the years in the three-year periods ended October 31, 2020.

Retirement Income Plan

Years Ended October 31, (In millions)	2020	2019	2018
Change in benefit obligation			
Benefit obligation, beginning of year	$ 189.7	$ 147.1	$ 151.7
Service cost	13.9	10.1	10.7
Interest cost	5.2	6.1	5.0
Benefits paid	(10.0)	(10.2)	(3.7)
Actuarial loss (gain)	20.0	36.6	(16.6)
Benefit obligation, end of year	$ 218.8	$ 189.7	$ 147.1
Change in plan assets			
Fair value of plan assets, beginning of year	$ 136.0	$ 121.0	$ 112.8
Actual return on plan assets	10.1	12.1	1.9
Employer contributions	23.4	13.1	10.0
Benefits paid	(10.0)	(10.2)	(3.7)
Fair value of plan assets, end of year	$ 159.5	$ 136.0	$ 121.0
Funded status at end of year	$ (59.3)	$ (53.7)	$ (26.1)

Years Ended October 31, (In millions)	2020	2019	2018
Amounts recognized in the statement of financial position consist of:			
Noncurrent liabilities	(59.3)	(53.7)	(26.1)
Net amount recognized at year end	$ (59.3)	$ (53.7)	$ (26.1)

Years Ended October 31, (In millions)	2020	2019	2018
Amounts recognized in accumulated other comprehensive income consist of:			
Net loss	74.2	57.3	24.0
Accumulated other comprehensive income	$ 74.2	$ 57.3	$ 24.0

Years Ended October 31, (In millions)	2020	2019	2018
Information for pension plans with projected benefit obligation in excess of plan assets:			
Projected benefit obligation	$ 218.8	$ 189.7	$ 147.1
Fair value of plan assets	$ 159.5	$ 136.0	$ 121.0

Years Ended October 31, (In millions)	2020	2019	2018
Information for pension plans with accumulated benefit obligations in excess of plan assets:			
Accumulated benefit obligation	$ 195.8	$ 170.8	$ 130.5
Fair value of plan assets	$ 159.5	$ 136.0	$ 121.0

Years Ended October 31, (In millions)	2020	2019	2018
Reconciliation of prepaid (accrued) pension cost:			
Accrued pension cost at prior fiscal year end	$ (3.7)	$ 2.2	$ 4.0
Net periodic benefit cost	12.3	7.2	8.2
Contributions made during the year	(23.4)	(13.1)	(10.0)
Accrued pension cost at fiscal year end	$ (14.8)	$ (3.7)	$ 2.2

Years Ended October 31, (In millions)	2020	2019	2018
Components of net periodic benefit cost and other amounts recognized in (other comprehensive income) the fiscal year:			
Net periodic benefit cost:			
Service cost	$ 13.9	$ 10.1	$ 10.7
Interest cost	5.2	6.1	5.0
Expected return on plan assets	(10.8)	(9.8)	(9.2)
Recognized actuarial loss	4.0	0.8	1.7
Net periodic pension cost	$ 12.3	$ 7.2	$ 8.2

Years Ended October 31, (In millions)	2020	2019	2018
Other changes in plan assets and benefit obligations recognized in other comprehensive income:			
Net loss (gain)	20.8	34.2	(9.3)
Amortizations of net (gain)	(4.0)	(0.8)	(1.7)
Total recognized in other comprehensive income	$ 16.8	$ 33.4	$ (11.0)
Total recognized in net periodic benefit cost and other comprehensive income	$ 29.0	$ 40.6	$ (2.8)

Years Ended October 31,	2020	2019	2018
Weighted-average assumptions used in computing the net periodic pension cost and projected benefit obligation at year end:			
Discount rate for determining net periodic pension cost:			
Projected Benefit Obligation	3.13%	4.42%	3.75%
Service Cost	3.18%	4.49%	3.85%
Interest Cost	2.78%	4.22%	3.39%
Discount rate for determining benefit obligations at year end	2.78%	3.13%	4.42%
Rate of compensation increase for determining expense	3.60%	4.00%	4.00%
Rate of compensation increase for determining benefit obligations at year end	3.60%	3.60%	4.00%
Expected rate of return on plan assets for determining net periodic pension cost	8.00%	8.00%	8.00%
Expected rate of return on plan assets at year end	8.00%	8.00%	8.00%
Measurement date for determining assets and benefit obligations at year end	10/31/2020	10/31/2019	10/31/2018

The discount rate enables us to state expected future cash flows at a present value on the measurement date. The discount rate used for the Plan is based primarily on the yields of a universe of high quality corporate bonds rated AA or above, with durations corresponding to the expected durations of the benefit obligations. A change in the discount rate will cause the present value of benefit obligations to change in the opposite direction. If a discount rate of 3.13%, which is 1.29% lower than prior fiscal year, had been used, the projected benefit obligation would have been $207.8 million, and the accumulated benefit obligation would have been $186.3 million.

The expected rate of return on plan assets was determined based on a review of historical returns, both for this plan and for medium- to large-sized defined benefit pension funds with similar asset allocations. This review generated separate expected returns for each asset class listed below. These expected future returns were then blended based on this Plan's target asset allocation.

Reasons for Significant Liability Gains and Losses

The projected benefit obligation experienced a net loss of approximately $20.0 million during the year. This loss is primarily due to losses from assumption changes of approximately $18.1 million, and losses of approximately $1.9 million due to demographic experience. The key assumption changes were the decrease in the discount rate (loss of $11.0 million), changes in assumptions for lump sum determination (loss of $8.4 million), and a change to the mortality table (gain of $1.3 million). The primary reasons for demographic losses were salary increases higher than expected, an increase in the number of participants, and the net impact of other demographic changes.

Plan Assets

Weighted-average asset allocations at year end, by asset category are as follows:

Years Ended October 31,	2020	2019	2018
Asset category			
Cash and cash equivalents	11.8%	3.2%	2.1%
Corporate common stock	—%	—%	14.5%
Equity mutual funds	57.7%	63.7%	47.4%
Hedging Strategy Funds	4.3%	4.9%	—%
Real estate funds	—%	—%	2.7%
Bond mutual funds	26.2%	28.2%	33.3%
Total	100.0%	100.0%	100.0%

The Plan invests in a diversified portfolio of assets intended to minimize risk of poor returns while maximizing expected portfolio returns. To achieve the long-term rate of return, plan assets will be invested in a mixture of instruments, including but not limited to, corporate common stock (may include the Company's stock), investment grade bond funds, cash, balanced funds, real estate funds, small or large cap equity funds and international equity funds. The allocation of assets will be determined by the investment manager and will typically include 50% to 70% equities with the remainder invested in fixed income, real estate, alternatives and cash. Presently, this diversified portfolio is expected to return roughly 8% in the long run.

As of the measurement date of October 31, 2020, the fair value measurement of plan assets is as follows:

(In millions)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset category				
Cash and cash equivalents	$ 18.8	$ —	$ 18.8	$ —
Equity mutual funds	91.9	91.9	—	—
Hedging Strategy Funds	6.9	6.9	—	—
Bond mutual funds	41.9	15.4	26.5	—
Total	$ 159.5	$ 114.2	$ 45.3	$ —

The Plan has an established process for determining the fair value of plan assets. Fair value is based upon quoted market prices, as Level 1 inputs, where available. For investments in equity and bond mutual funds, and real estate funds, fair value is based on observable, Level 1 inputs, as price quotes are available and the fair values of these funds were not impacted by liquidity restrictions or the fund status. Level 2 assets are those where price quotes are not readily available and the fair value would be determined based on other observable inputs. Level 3 assets are those where price quotes are not readily available and the fair value would be determined based on unobservable inputs.

While the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Plan Cash Flows

Contributions

The Company contributions to the Plan were $23.4 million for fiscal 2020, $13.1 million for fiscal 2019 and, $10.0 million for fiscal 2018. The Company closely monitors the funded status of the Plan with respect to legislative and accounting rules. The Company expects to make contributions of approximately $10.0 million during fiscal 2021.

Estimated Future Benefit Payments

Years (In millions)		
2021	$	10.0
2022	$	11.0
2023	$	11.9
2024	$	12.9
2025	$	13.7
2026-2030	$	76.3

Plan Soft Freeze

On June 18, 2019 the Board of Directors of the Company approved a soft freeze of the Plan effective August 1, 2019. The Plan was closed to employees hired on or after August 1, 2019, including former participants or employees rehired on or after August 1, 2019 and employees hired in connection with a stock or asset acquisition, merger or other similar transaction on or after August 1, 2019. Existing employees already covered by the Plan, continue to accrue their benefits. There was no material impact on the Company's results of operations, financial position and cash flows for fiscal 2020 or fiscal 2019.

Cooper's 401(k) Savings Plan

Cooper's 401(k) savings plan provides for the deferral of compensation as described in the Internal Revenue Code and is available to substantially all United States employees. Employees who participate in the 401(k) plan may elect to have up to 75% of their pre-tax salary or wages deferred and contributed to the trust established under the Plan. Cooper's contributions on account of participating employees, were $6.8 million, $6.5 million and $5.9 million for the years ended October 31, 2020, 2019 and 2018, respectively.

International Pension Plans

For its employees outside the United States, the Company also participates in country-specific defined contribution plans and government-sponsored retirement plans. The defined contribution plans are administered by third-party trustees and the Company is not directly responsible for providing benefits to participants of government-sponsored plans. The Company’s contributions to such plans are not significant individually or in the aggregate.

Note 11. Fair Value Measurements

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. An asset’s or liability’s level is based on the lowest level of input that is significant to the fair value measurement. Assets and liabilities carried at fair value are valued and disclosed in one of the following three levels of the valuation hierarchy:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs reflecting the reporting entity's own assumptions.

At October 31, 2020 and October 31, 2019, the carrying value of cash and cash equivalents, accounts receivable, prepaid expense and other current assets, lines of credit, accounts payable and other current liabilities approximate fair value due to the short-term nature of such instruments and the ability to obtain financing on similar terms.

The carrying value of the Company's revolving credit facility and term loans approximates fair value based on current market rates (Level 2). On April 6, 2020 the Company entered into six interest rate swap contracts which are used to hedge its exposure to changes in cash flows associated with its variable rate term loans and are designated as derivatives in a cash flow hedge. The payment streams are based on a total notional amount of $1.5 billion at the inception of the contracts. The interest rate swap contracts have maturities of seven years or less. On October 1, 2020, one of the six interest rate swap contracts matured. The outstanding contracts as of October 31, 2020 have a total notional amount of $1.4 billion.

The gain or loss on the derivatives is recorded as a component of accumulated other comprehensive income and subsequently reclassified into interest expense in the same period during which the hedged transaction affects earnings.

The fair value of the interest rate swap contracts is measured on a recurring basis by netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on the expectation of future interest rates (forward curves) derived from observable market interest rate curves. The interest rate swap contracts were categorized as Level 2 in the fair value hierarchy, as the inputs to the derivative pricing model are generally observable and do not contain a high level of subjectivity. Refer to Note 14. Financial Derivatives and Hedging for further information.

The Company did not have any cross-currency swaps or foreign currency forward contracts as of October 31, 2020.

Nonrecurring fair value measurements

The Company uses fair value measures when determining assets and liabilities acquired in an acquisition as described in Note 3. Acquisitions which are considered a Level 3 measurement.

Note 12. Contingencies

Legal Proceedings

The Company is involved in various lawsuits, claims and other legal matters from time to time that arise in the ordinary course of conducting business, including matters involving our products, intellectual property, supplier relationships, distributors, competitor relationships, employees and other matters. The Company does not believe that the ultimate resolution of these proceedings or claims pending against it could have a material adverse effect on its financial condition or results of operations. At each reporting period, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC 450, *Contingencies*. Legal fees are expensed as incurred.

Note 13. Business Segment Information

The Company discloses information about its operating segments, which were established based on the way that management organizes segments within the Company for making operating decisions and assessing financial performance. The Company's two operating segments are described below.

- *CooperVision.* Competes in the worldwide contact lens market by developing, manufacturing and marketing a broad range of products for contact lens wearers, featuring advanced materials and optics. CooperVision designs its products to solve vision challenges such as astigmatism, presbyopia, myopia, ocular dryness and eye fatigues, with a broad collection of spherical, toric and multifocal contact lenses.
- *CooperSurgical.* Competes in the general health care market with a focus on advancing the health of women, babies and families through a diversified portfolio of products and services focusing on women's health and fertility.

Cooper uses operating income, as presented in our financial reports, as the primary measure of segment profitability. We do not allocate costs from corporate functions to segment operating income. Items below operating income are not considered when measuring the profitability of a segment. We use the same accounting policies to generate segment results as we do for our consolidated results.

Total net sales include sales to customers as reported in our Consolidated Statements of Income and sales between geographic areas that are priced at terms that allow for a reasonable profit for the seller. Operating income (loss) is total net sales less cost of sales, selling, general and administrative expenses, research and development expenses, amortization and intangible impairments. Corporate operating loss is principally corporate headquarters expense. Interest expense, and other income and expenses are not allocated to individual segments.

No customers accounted for 10% or more of our consolidated net revenue in the fiscal 2020, 2019 and 2018.

Identifiable assets are those used in continuing operations except cash and cash equivalents, which we include as corporate assets. Long-lived assets are net property, plant and equipment.

The following table presents a summary of our business segment net sales:

(In millions)	2020	2019	2018
CooperVision net sales by category:			
Toric lens	$ 598.2	$ 620.0	$ 591.4
Multifocal lens	197.0	202.9	196.6
Single-use sphere lens	529.0	568.2	520.1
Non single-use sphere, other	518.8	581.8	573.9
Total CooperVision net sales	1,843.0	1,972.9	1,882.0
CooperSurgical net sales by category:			
Office and surgical products	358.8	422.4	400.4
Fertility	229.1	258.1	250.4
Total CooperSurgical net sales	587.9	680.5	650.8
Total net sales	$ 2,430.9	$ 2,653.4	$ 2,532.8

Information by business segment for each of the years in the three-year period ended October 31, 2020, follows:

(In millions)	CooperVision	CooperSurgical	Corporate	Consolidated
2020				
Net sales	$ 1,843.0	$ 587.9	$ —	$ 2,430.9
Operating income (loss)	$ 375.7	$ (14.7)	$ (49.2)	$ 311.8
Interest expense				36.8
Other expense, net				8.5
Income before income taxes				$ 266.5
Identifiable assets	$ 4,236.3	$ 2,293.8	$ 207.4	$ 6,737.5
Depreciation expense	$ 138.2	$ 11.7	$ —	$ 149.9
Amortization expense	$ 32.4	$ 104.8	$ —	$ 137.2
Capital expenditures	$ 260.3	$ 50.1	$ —	$ 310.4
2019				
Net sales	$ 1,972.9	$ 680.5	$ —	$ 2,653.4
Operating income (loss)	$ 506.4	$ 87.9	$ (47.6)	$ 546.7
Interest expense				68.0
Other (income), net				1.3
Income before income taxes				$ 477.4
Identifiable assets	$ 3,911.6	$ 2,189.8	$ 173.1	$ 6,274.5
Depreciation expense	$ 125.8	$ 9.0	$ 0.2	$ 135.0
Amortization expense	$ 40.9	$ 104.9	$ —	$ 145.8
Capital expenditures	$ 259.0	$ 33.1	$ —	$ 292.1
2018				
Net sales	$ 1,882.0	$ 650.8	$ —	$ 2,532.8
Operating income (loss)	$ 479.8	$ (19.9)	$ (56.8)	$ 403.1
Interest expense				82.7
Other expense, net				(11.5)
Income before income taxes				$ 331.9
Identifiable assets	$ 3,746.0	$ 2,201.7	$ 165.1	$ 6,112.8
Depreciation expense	$ 120.1	$ 8.1	$ 0.2	$ 128.4
Amortization expense	$ 43.6	$ 103.1	$ —	$ 146.7
Capital expenditures	$ 178.4	$ 15.1	$ 0.1	$ 193.6

Information by geographical area by country of domicile for each of the years in the three-year period ended October 31, 2020, follows:

(In millions)	United States	Europe	Rest of World, Other Eliminations & Corporate	Consolidated
2020				
Net sales to unaffiliated customers	$ 1,103.6	$ 789.8	$ 537.5	$ 2,430.9
Sales between geographic areas	391.7	327.1	(718.8)	—
Net sales	$ 1,495.3	$ 1,116.9	$ (181.3)	$ 2,430.9
Operating income (loss)	$ (14.5)	$ 21.9	$ 304.4	$ 311.8
Long-lived assets	$ 721.3	$ 363.0	$ 197.6	$ 1,281.9
2019				
Sales to unaffiliated customers	$ 1,211.8	$ 854.8	$ 586.8	$ 2,653.4
Sales between geographic areas	650.7	300.8	(951.5)	—
Net sales	$ 1,862.5	$ 1,155.6	$ (364.7)	$ 2,653.4
Operating income (loss)	$ 83.2	$ 29.3	$ 434.2	$ 546.7
Long-lived assets	$ 626.5	$ 358.8	$ 146.8	$ 1,132.1
2018				
Sales to unaffiliated customers	$ 1,162.2	$ 846.5	$ 524.1	$ 2,532.8
Sales between geographic areas	274.3	407.1	(681.4)	—
Net sales	$ 1,436.5	$ 1,253.6	$ (157.3)	$ 2,532.8
Operating income	$ (39.3)	$ (16.8)	$ 459.2	$ 403.1
Long-lived assets	$ 516.7	$ 340.7	$ 118.6	$ 976.0

Note 14. Financial Derivatives and Hedging

As part of the Company's overall risk management practices the Company enters into financial derivatives, interest rate swaps designated as cash flow hedges, to hedge the floating interest rate on its debt.

The Company records all derivatives on its consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. All of the Company's derivatives have satisfied the criteria necessary to apply hedge accounting.

The gain or loss on derivative instruments designated and qualifying for cash flow hedge accounting is deferred in other comprehensive income. The changes in fair value for all trades that are not designated for hedge accounting are recognized in current period earnings. Deferred gains or losses from designated cash flow hedges are reclassified into earnings in the period that the hedged interest expense affects earnings. The effectiveness of cash flow hedges is assessed at inception and quarterly thereafter. The Company does not offset fair value amounts recognized for derivative instruments in its consolidated balance sheet for presentation purposes.

Credit risk related to derivative transactions reflects the risk that a party to the transaction could fail to meet its obligation under the derivative contracts. Therefore, the Company's exposure to the counterparty's credit risk is generally limited to the amounts, if any, by which the counterparty's obligations to the Company exceed the Company's obligations to the counterparty. The Company's policy is to enter into contracts only with financial institutions which meet certain minimum credit ratings to help mitigate counterparty credit risk.

As of October 31, 2020, the Company had the following outstanding derivatives designated as hedging instruments:

(In millions, except for number of instruments)	Number of Instruments	Notional Value
Interest Rate Swap Contracts	5	$ 1,400

These contracts have maturities of seven years or less.

The pre-tax impact of loss on derivatives designated for hedge accounting recognized in other comprehensive income (loss) was $17.1 million ($13.0 million, net of tax) as of October 31, 2020. The Company did not have any derivatives designated as hedging instruments for the period ended October 31, 2019.

The following table summarizes the fair values of derivative instruments as of the periods indicated and the line items in the accompanying consolidated balance sheets where the instruments are recorded:

	Derivative Liabilities	
(In millions)		October 31, 2020
Derivatives designated as cash flow hedges	Balance sheet location	
Interest rate swap contracts	Other current liabilities	$ 0.6
Interest rate swap contracts	Other non-current liabilities	16.5
		$ 17.1

The following table summarizes the amounts recognized with respect to our derivative instruments within the accompanying consolidated statements of income:

Periods Ended October 31,				
(In millions)		2020	2019	2018
Derivatives designated as cash flow hedges	Location of Loss Recognized on Derivatives			
Interest rate swap contracts	Interest expense	$ 3.7	$ —	$ —

The Company expects that $6.8 million recorded as a component of accumulated other comprehensive income (loss) will be realized in the statements of earnings over the next twelve months and the amount will vary depending on prevailing interest rates.

The following table details the changes in accumulated other comprehensive income:

(In millions)	Amount
Beginning balance gain / (loss) as of October 31, 2019	$ —
Amount recognized in other comprehensive income on interest rate swap contracts (net of tax of $5.0 million)	(20.8)
Amount reclassified from other comprehensive income into earnings, gross (net of tax of $0.9 million)	3.7
Ending balance loss as of October 31, 2020	$ (17.1)

Note 15. Selected Quarterly Financial Data (Unaudited)

(In millions, except for earnings per share)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2020				
Net sales	$ 646.2	$ 524.9	$ 578.2	$ 681.6
Gross profit	$ 426.5	$ 323.5	$ 360.8	$ 424.0
Income before income taxes	$ 97.4	$ 9.0	$ 66.4	$ 93.7
Net income attributable to Cooper stockholders	$ 90.5	$ 11.5	$ 55.2	$ 81.2
Earnings per share attributable to Cooper stockholders - basic	$ 1.84	$ 0.23	$ 1.13	$ 1.65
Earnings per share attributable to Cooper stockholders - diluted	$ 1.82	$ 0.23	$ 1.12	$ 1.64
2019				
Net sales	$ 628.1	$ 654.3	$ 679.4	$ 691.6
Gross profit	$ 418.5	$ 432.6	$ 450.7	$ 455.0
Income before income taxes	$ 93.8	$ 128.1	$ 127.0	$ 128.5
Net income attributable to Cooper stockholders	$ 103.2	$ 122.4	$ 120.1	$ 121.0
Earnings per share attributable to Cooper stockholders - basic	$ 2.09	$ 2.48	$ 2.43	$ 2.44
Earnings per share attributable to Cooper stockholders - diluted	$ 2.07	$ 2.45	$ 2.40	$ 2.42

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

None.

Item 9A. ***Controls and Procedures.***

Evaluation of Disclosure Controls and Procedures

The Company has established and currently maintains disclosure controls and procedures designed to ensure that information required to be disclosed in its reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

In conjunction with the close of each fiscal quarter, the Company conducts a review and evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer (our Principal Executive Officer) and Chief Financial Officer (our Principal Financial Officer), of the effectiveness of the design and operation of the Company's disclosure controls and procedures. The Company's Chief Executive Officer and Chief Financial Officer based upon their evaluation as of October 31, 2020, the end of the fiscal period covered in this report, concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements, errors or fraud.

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2020, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework (2013)*. Based on this assessment, management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, concluded that the Company's internal control over financial reporting was effective as of October 31, 2020.

The Company's independent registered public accounting firm, KPMG LLP, has audited the effectiveness of the Company's internal control over financial reporting as of October 31, 2020, as stated in their report in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the Company's fiscal quarter ended October 31, 2020, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that certain of our

employees are working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 related considerations and any impact on the design and operating effectiveness of our internal control over financial reporting.

Item 9B. ***Other Information.***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance.***

The information required by this item is incorporated by reference to the Company's Proxy Statement for the Annual Meeting of Stockholders scheduled to be held in March 2021 (the 2021 Proxy Statement).

Item 11. ***Executive Compensation.***

The information required by this item is incorporated by reference to the 2021 Proxy Statement.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

See Item 5. Market for Registrant's Common Equity and Related Stockholder Matters - Equity Compensation Plan Information. Additional information required by this item is incorporated by reference to the 2021 Proxy Statement.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item is incorporated by reference to the 2021 Proxy Statement.

Item 14. ***Principal Accounting Fees and Services.***

The information required by this item is incorporated by reference to "Report of the Audit Committee" section of the 2021 Proxy Statement.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules.***

(a) 1. Financial Statements

The following financial statements are filed as a part of this report:

Report of KPMG LLP, Independent Registered Public Accounting Firm
Consolidated Financial Statements:
- Statements of Income for the years ended October 31, 2020, 2019 and 2018
- Statements of Comprehensive Income for the years ended October 31, 2020, 2019 and 2018
- Balance Sheets as of October 31, 2020 and 2019
- Statements of Stockholders' Equity for the years ended October 31, 2020, 2019 and 2018
- Statements of Cash Flows for the years ended October 31, 2020, 2019 and 2018
- Notes to Consolidated Financial Statements

2. Financial Statement Schedules of the Company.

Schedule Number	Description
Schedule II	Valuation and Qualifying Accounts

(b) Exhibits.

The exhibits listed on the accompanying Exhibit Index are filed as part of this report.

All other schedules which are included in the applicable accounting regulations of the Securities and Exchange Commission are not required here because they are not applicable.

Schedule II

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS
Three Years Ended October 31, 2020

(In millions)	Balance Beginning of Year	Additions Charged to Costs and Expenses	(Deductions) Recoveries/ Other [1]	Balance at End of Year
Allowance for doubtful accounts:				
Year Ended October 31, 2020	$ 16.4	$ 3.6	$ (9.8)	$ 10.2
Year Ended October 31, 2019	$ 19.0	$ 1.6	$ (4.2)	$ 16.4
Year Ended October 31, 2018	$ 10.8	$ 11.5	$ (3.3)	$ 19.0

[1] Consists of additions representing allowances and recoveries, less deductions representing receivables written off as uncollectible.

(In millions)	Balance Beginning of Year	Additions	Reductions/ Charges [2]	Balance at End of Year
Deferred income tax valuation allowance:				
Year Ended October 31, 2020	41.5	5.9	2.1	45.3
Year Ended October 31, 2019	39.1	3.9	(1.5)	41.5
Year Ended October 31, 2018	59.1	2.8	(22.8)	39.1

[2] Fiscal year 2018 reductions includes $16.5 million of valuation allowance from prior years as a result of the sale of investment in research and development credits.

EXHIBIT INDEX

Exhibit Number	Description of Document
3.1	Second Restated Certificate of Incorporation filed with the Delaware Secretary of State, incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K dated January 13, 2006
3.2	Amended and Restated By-Laws, The Cooper Companies, Inc., dated December 12, 2018, incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated December 18, 2018
4.1	Description of Securities of The Cooper Companies, Inc. Registered under Section 12 of the Exchange Act, incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K for the year ended October 31, 2019
10.1#	The Cooper Companies, Inc. Change in Control Severance Plan, dated May 21, 2007, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2007
10.2#	Executive Employment Agreement by and between The Cooper Companies, Inc. and Albert G. White III, effective as of November 1, 2018, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 31, 2019
10.3#	Executive Employment Agreement by and between The Cooper Companies, Inc. and Daniel G. McBride, effective as of November 1, 2018, incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 31, 2019
10.4#	Executive Employment Agreement by and between The Cooper Companies, Inc. and Brian G. Andrews, effective as of November 1, 2018, incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 31, 2019
10.5#	Executive Employment Agreement by and between The Cooper Companies, Inc. and Holly R. Sheffield, effective as of November 1, 2018, incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on May 31, 2019
10.6#	The Third Amended and Restated 2007 Long-Term Incentive Plan of The Cooper Companies, Inc., incorporated by reference to the Company's Proxy Statement filed January 29, 2016
10.7#	Form of Non-Qualified Stock Option Agreement Pursuant to the 2007 Long-Term Incentive Plan of The Cooper Companies, Inc., incorporated by reference to Exhibit 10.32 of the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2007
10.8#	Form of UK Tax Approved Stock Option Agreement Pursuant to the 2007 Long-Term Incentive Plan of The Cooper Companies, Inc., incorporated by reference to Exhibit 10.33 of the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2007
10.9#	Form of Deferred Stock Agreement Pursuant to the 2007 Long-Term Incentive Plan of The Cooper Companies, Inc., incorporated by reference to Exhibit 10.34 of the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2007
10.10#	Form of Long Term Performance Share Award Agreement Pursuant to the 2007 Long-Term Incentive Plan of The Cooper Companies, Inc., incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated February 13, 2009
10.11#	The Cooper Companies, Inc.'s 2019 Employee Stock Purchase Plan incorporated by reference to Company's Proxy Statement filed February 01, 2019
10.12#	The 2020 Long Term Incentive Plan for Non-Employee Directors of The Cooper Companies, Inc., incorporated by reference to the Company's Proxy Statement filed February 4, 2020
10.13#	Form of Restricted Stock Unit Agreement pursuant to the 2020 Long Term Incentive Plan for Non-Employee Directors of The Cooper Companies, Inc.
10.14[(a)]	License Agreement dated as of November 19, 2007, by and among CIBA Vision AG, CIBA Vision Corporate and CooperVision, Inc., incorporated by reference to Exhibit 10.41 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2008

Exhibit Number	Description of Document
10.15[(a)]	Amendment No. 1 to the License Agreement dated as of November 19, 2007, by and among CIBA Vision AG, CIBA Vision Corporate and CooperVision, Inc., incorporated by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K filed on December 21, 2012
10.16	Lease Contract dated as of November 6, 2003, by and between The Puerto Rico Industrial Development Company and Ocular Sciences Puerto Rico, Inc., incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 12, 2005
10.17	First Supplement and Amendment to Lease Contract dated as of December 30, 2003, by and between The Puerto Rico Industrial Development Company and Ocular Sciences Puerto Rico, Inc., incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 12, 2005
10.18	Assignment of Lease Agreement dated as of June 29, 2004, by and among Ocular Sciences Puerto Rico, Inc., Ocular Sciences Cayman Islands Corporation and The Puerto Rico Industrial Development Company, incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated January 12, 2005
10.19	Revolving Credit and Term Loan Agreement, dated as of April 1, 2020, among the Company, CooperVision International Holding Company, LP, CooperSurgical Netherlands B.V., CooperVision Holding Kft., the lenders from time to time party thereto and KeyBank National Association, as administrative agent, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 2, 2020
10.20	Amendment No. 1 and Joinder, dated as of October 30, 2020, to Revolving Credit and Term Loan Agreement, dated as of April 1, 2020, among the Company, CooperVision International Holding Company, LP, CooperSurgical Netherlands B.V., CooperVision Holding Kft., the lenders from time to time party thereto and KeyBank National Association, as administrative agent
10.21#	The Cooper Companies, Inc. 2020 Incentive Payment Plan, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed December 16, 2019
10.22#	Transition and Retirement Agreement entered into by and between The Cooper Companies, Inc. and Randal L. Golden as of February 15, 2020, incorporated by reference to the Company's Quarterly Report on Form 10-Q filed on March 6, 2020
10.23#	Transition and Retirement Agreement, by and between The Cooper Companies, Inc. and Robert D. Auerbach M.D., effective as of July 8, 2020, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q dated September 4, 2020
21	Subsidiaries
23	Consent of Independent Registered Public Accounting Firm
24	Power of Attorney (included on signature page hereto)
31.1	Certification of the Chief Executive Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1*	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350
32.2*	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350
101	The following materials from the Company's Annual Report on Form 10-K for the year ended October 31, 2020, formatted in Inline XBRL (Extensible Business Reporting Language):(i) Consolidated Statements of Income for the years ended October 31, 2020, 2019 and 2018 (ii) Consolidated Statements of Comprehensive Income for the years ended October 31, 2020, 2019 and 2018 (iii) Consolidated Balance Sheets at October 31, 2020 and 2019, (iv) Consolidated Statements of Stockholders' Equity for the years ended October 31, 2020, 2019 and 2018 (v) Consolidated Statements of Cash Flows for the years ended October 31, 2020, 2019 and 2018, (vi) related notes to consolidated financial statements and (vii) Schedule II Valuation and Qualifying Accounts

Exhibit Number	Description of Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

(a) The agreement received confidential treatment from the Securities and Exchange Commission with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Commission.

# Indicates management contract or compensatory plan.

* The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report on Form 10-K are not deemed filed with the SEC and are not to be incorporated by reference into any filing of The Cooper Companies, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-K, irrespective of any general incorporation language contained in such filing.

Item 16. ***Form 10-K Summary*****.**

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on December 11, 2020.

THE COOPER COMPANIES, INC.

By: /s/ Albert G. White, III
Albert G. White, III
President & Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the dates set forth opposite their respective names.

Signature	Capacity	Date
/s/ ALBERT G. WHITE, III **(Albert G. White, III)**	President, Chief Executive Officer and Director (Principal Executive Officer)	December 11, 2020
/s/ A. THOMAS BENDER **(A. Thomas Bender)**	Chairman of the Board	December 11, 2020
/s/ ALLAN E. RUBENSTEIN, M.D. **(Allan E. Rubenstein)**	Vice Chairman of the Board and Lead Director	December 11, 2020
/s/ BRIAN G. ANDREWS **(Brian G. Andrews)**	Executive Vice President, Chief Financial Officer & Treasurer (Principal Financial Officer)	December 11, 2020
/s/ AGOSTINO RICUPATI **(Agostino Ricupati)**	Chief Accounting Officer & Senior Vice President, Finance & Tax (Principal Accounting Officer)	December 11, 2020
/s/ COLLEEN E. JAY **(Colleen E. Jay)**	Director	December 11, 2020
/s/ WILLIAM A. KOZY **(William A. Kozy)**	Director	December 11, 2020
/s/ JODY S. LINDELL **(Jody S. Lindell)**	Director	December 11, 2020
/s/ GARY S. PETERSMEYER **(Gary S. Petersmeyer)**	Director	December 11, 2020
/s/ ROBERT S. WEISS **(Robert S. Weiss)**	Director	December 11, 2020
/s/ TERESA S. MADDEN **(Teresa S. Madden)**	Director	December 11, 2020

CORPORATE INFORMATION

BOARD OF DIRECTORS

A. Thomas Bender
Chairman of the Board

Allan E. Rubenstein, M.D.
Vice Chairman and Lead Director,
Chairman of the Board, CalAsia
Pharmaceuticals, Inc.

Colleen E. Jay
Director

William A. Kozy
Director

Jody S. Lindell
President and Chief Executive Officer,
S.G. Management, Inc.

Gary S. Petersmeyer
Director

Robert S. Weiss
Director

Teresa S. Madden
Director

Albert G. White, III
President & Chief Executive Officer

COMMITTEES OF THE BOARD

Audit Committee
Jody S. Lindell (Chairman)
William A. Kozy
Gary Petersmeyer

Corporate Governance and Nominating Committee
William A. Kozy (Chairman)
Colleen E. Jay
Jody S. Lindell
Allan E. Rubenstein, M.D.

Organization and Compensation Committee
Colleen E. Jay (Chairman)
William A. Kozy
Gary S. Petersmeyer

EXECUTIVE OFFICERS

Albert G. White, III
President and Chief Executive Officer

Mark J. Drury
Vice President, Secretary and
General Counsel

Agostino Ricupati
Senior Vice President Finance and Tax, and Chief Accounting Officer

Brian G. Andrews
Executive Vice President, Chief Financial Officer & Treasurer

Holly Sheffield
President of CooperSurgical, Inc.

Robert D. Auerbach, M.D
Special Advisor to the Chief Executive Officer

Daniel G. McBride, Esq.
Executive Vice President and Chief Operating Officer;
President of CooperVision, Inc.

PRINCIPAL SUBSIDIARIES

CooperVision, Inc.
6101 Bollinger Canyon Road
Suite 500
San Ramon, CA 94583
925-460-3600
www.coopervision.com

CooperSurgical, Inc.
75 Corporate Drive
Trumbull, CT 06611
203-601-5200
www.coopersurgical.com

CORPORATE OFFICES

The Cooper Companies, Inc.
6101 Bollinger Canyon Road
Suite 500
San Ramon, CA 94583
925-460-3600
www.coopercos.com

INVESTOR INFORMATION

Recent news releases, the annual report on Securities and Exchange Commission Form 10-K, information about the Company's corporate governance program, recent investor presentations, replays of quarterly conference calls and historical stock quotes are available on our Web site at www.coopercos.com.

INVESTOR RELATIONS CONTACT

Kim Duncan
Vice President, Investor Relations & Risk Management
6101 Bollinger Canyon Road
Suite 500
San Ramon, CA 94583
Voice: 925-460-3663
E-mail: ir@cooperco.com

ANNUAL MEETING

The Cooper Companies will hold its Annual Stockholders' Meeting in March 2021.

TRANSFER AGENT

American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219
800-937-5449

TRADEMARKS

The Cooper Companies, Inc., its subsidiaries or affiliates own, license or distribute the registered trademarks, common law trademarks and trade names referenced in this report.

INDEPENDENT AUDITORS

KPMG LLP

STOCK EXCHANGE LISTING

The New York Stock Exchange
Ticker Symbol “COO”

Exhibit 10.20

AMENDMENT NO. 1 AND JOINDER TO REVOLVING CREDIT AND TERM LOAN AGREEMENT

This AMENDMENT NO. 1 AND JOINDER TO REVOLVING CREDIT AND TERM LOAN AGREEMENT (this "Amendment") is entered into as of October 30, 2020 among (i) THE COOPER COMPANIES, INC., a Delaware corporation (the "Company"), (ii) COOPERVISION INTERNATIONAL HOLDING COMPANY, LP, a limited partnership registered in England and Wales under No. LP3698 and duly registered under the Companies Act of Barbados ("CooperVision International"), (iii) COOPERSURGICAL NETHERLANDS B.V., a Netherlands private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) ("Cooper Netherlands" and, together with CooperVision International, the "Released Borrowers"), (iv) COOPERVISION HOLDING KFT., a Hungarian limited liability company (*korlátolt felelősségű társaság*) ("Cooper Kft" and, together with the Company and the Released Borrowers, the "Existing Borrowers"), (v) CooperVision International Limited, a private limited company registered in England and Wales with company registration number 12210296 ("Cooper UK"), (vi) the Lenders (defined below) executing signatures page hereto and (vii) KEYBANK NATIONAL ASSOCIATION, as the administrative agent (the "Administrative Agent").

RECITALS:

A. WHEREAS, the Existing Borrowers, the Administrative Agent and the lenders party thereto (each, a "Lender" and collectively, the "Lenders") are parties to the Revolving Credit and Term Loan Agreement, dated as of April 1, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

B. WHEREAS, the Existing Borrowers have requested that the Credit Agreement be modified to release the Released Borrowers from being Revolving Borrowers or Loan Parties for all purposes of the Credit Agreement;

C. WHEREAS, substantially concurrently with the release of the Released Borrowers contemplated hereunder, Cooper UK shall be joined as an Additional Revolving Borrower pursuant to Section 2.21 of the Credit Agreement; and

D. WHEREAS, in connection with the foregoing, the Borrowers, the Administrative Agent and the Lenders party hereto, which constitute the Required Lenders, desire to amend the Credit Agreement to modify certain provisions thereof.

AGREEMENT:

In consideration of the premises and mutual covenants herein and for other valuable consideration, the Borrowers, the Administrative Agent and the Lenders party hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein, each capitalized term used in this Amendment and not defined herein shall be defined in accordance with the Credit Agreement.

Section 2. Amendment to Section 1.01 of the Credit Agreement. Section 1.01 of the Credit Agreement is hereby amended to add the following new definitions thereto in appropriate alphabetical order:

"***Amendment No. 1***" means Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement, dated as of the Amendment No. 1 Effective Date, among the Borrowers, the Administrative Agent and the Lenders party thereto.

"***Amendment No. 1 Effective Date***" means October 30, 2020.

"***Cooper UK***" means CooperVision International Limited, a private limited company registered in England and Wales with company registration number 12210296.

Section 3. Amendment to Section 1.01 of the Credit Agreement. Section 1.01 of the Credit Agreement is hereby amended to amend and restate the definition of "Revolving Borrowers" in its entirety as follows:

"***Revolving Borrowers***" means, collectively, (a) the Company, (b) Cooper UK, (c) Cooper Kft and (d) any other Additional Revolving Borrower, and "***Revolving Borrower***" means each of them individually.

Section 4. Amendment to Section 1.01 of the Credit Agreement. Section 1.01 of the Credit Agreement is hereby amended to delete the following definition in its entirety:

"***Cooper Netherlands***" has the meaning assigned to such term in the preamble.

Section 5. Amendment to Section 10.18 of the Credit Agreement. Section 10.18 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Section 10.18 Several Liability of Certain Borrowers. Notwithstanding anything in this Agreement or any other Loan Document to the contrary, the Obligations of (x) each of Cooper UK and Cooper Kft hereunder and (y) each Additional Revolving Borrower hereunder, in each case, shall be several (and not joint) and each of Cooper UK and Cooper Kft and each Additional Revolving Borrower shall only be liable for any Loans and any other Obligations incurred directly by it and shall not be liable for any of the Obligations of the Company or any other Loan Party hereunder. The foregoing shall not in any way limit the guaranty obligations of the Company pursuant to Article IX hereof or the guaranty obligations of any Subsidiary Guarantor under the Subsidiary Guaranty.

Section 6. Joinder. Subject to the effectiveness of this Amendment pursuant to Section 8 of this Amendment and the satisfaction of the conditions precedent set forth in Section 9 of this Amendment, Cooper UK hereby acknowledges, agrees and confirms that, by its execution of this Amendment, it shall become an Additional Revolving Borrower under the Credit Agreement in accordance with Section 2.21 of the Credit Agreement and shall be fully bound by, and subject to, all of the covenants, terms, obligations (including, without limitation, all payment obligations) and conditions of the Credit Agreement applicable to a "Revolving Borrower," "Borrower," or a "Loan Party" as though originally party thereto as a "Revolving Borrower," "Borrower" and a "Loan Party", and Cooper UK shall be deemed a "Revolving Borrower," a "Borrower" and a "Loan Party" for all purposes of the Credit Agreement and the other Loan Documents from and after the date hereof. By its signature below, each Lender party hereto and the Administrative

Agent hereby acknowledges and agrees that (a) the Company has requested the designation of Cooper UK as an Additional Revolving Borrower in accordance with Section 2.21(a) of the Credit Agreement and (b) this Amendment constitutes an Additional Revolving Borrower Joinder Agreement in accordance with Section 2.21(c)(B) of the Credit Agreement. Cooper UK acknowledges and confirms that it has received a copy of the Credit Agreement, this Amendment, the other Loan Documents and all exhibits, annexes and schedules thereto and has reviewed and understands all of the terms and provisions thereof.

Section 7. Release. The Lenders party hereto, which constitute the Required Lenders, hereby request and direct the Administrative Agent to release each Released Borrower in full from all of its obligations as a "Revolving Borrower" and a "Loan Party" under the Credit Agreement and each other Loan Document, and the Lenders party hereto and the Administrative Agent hereby agree that such release of the Released Borrowers shall be effective automatically upon the effectiveness of this Amendment pursuant to Section 8 of this Amendment without any further action by any person.

Section 8. Effectiveness of Amendment and Release. Each of the modifications set forth in Sections 2 through 5 of this Amendment and the release in Section 7 of this Amendment shall be effective on the date upon which each of the following conditions precedent has been satisfied (the "Effective Date"):

(a) This Amendment shall have been executed by the Existing Borrowers (including the Released Borrowers), Cooper UK, each Subsidiary Guarantor, the Administrative Agent and the Required Lenders, and counterparts hereof as so executed shall have been delivered to the Administrative Agent.

(b) There shall be no outstanding Revolving Loans made to any of the Released Borrowers and there shall be no outstanding Letters of Credit issued in respect of any Released Borrower as the applicant for such Letter of Credit.

(c) The Administrative Agent shall have received all reasonable out of pocket expenses incurred by the Administrative Agent (including the reasonable fees, charges and disbursements of its outside counsel, to the extent invoiced on or prior to the Effective Date) in connection with the preparation, negotiation and effectiveness of this Amendment and the other documents being executed or delivered in connection herewith.

Section 9. Effectiveness of Joinder. The joinder of Cooper UK as an Additional Revolving Borrower pursuant to Section 6 of this Amendment shall be effective on the date upon which each of the following conditions precedent has been satisfied:

(a) Immediately prior to and immediately after giving effect to the joinder of Cooper UK as an Additional Revolving Borrower, no Default has occurred and is continuing, and the Administrative Agent shall have received a certificate of an authorized officer of the Company certifying as to the satisfaction of such condition.

(b) The Administrative Agent shall have received this Amendment, duly executed by Cooper UK.

(c) The Administrative Agent (or its counsel) shall have received from Cooper UK duly executed Notes in favor of each Lender requesting a Note at least three (3) Business Days prior to the Effective Date.

(d) The Administrative Agent shall have received such proof of corporate or other action, incumbency of officers and other documents, in each case in respect of Cooper UK, as are consistent with those delivered by the Existing Borrowers pursuant to Section 4.01 of the Credit Agreement on the Closing Date, all in form, content and scope substantially consistent with those delivered by the Existing Borrowers on the Closing Date.

(e) The Administrative Agent shall have received a favorable written opinion with respect to Cooper UK (addressed to the Administrative Agent and the Lenders and dated the Effective Date) from Jones Day, as counsel for the Administrative Agent, in form and substance reasonably acceptable to the Administrative Agent.

(f) The Administrative Agent shall have received a properly completed and signed IRS Form W-8 or W-9, as applicable, for Cooper UK.

(g) To the extent requested by the Administrative Agent or any Lender at least three (3) Business Days in advance of the effectiveness of such joinder, the Administrative Agent or such Lender shall have received all documentation and other information with respect to Cooper UK required by regulatory authorities under applicable Sanctions Laws and Regulations or the Beneficial Ownership Regulation.

Section 10. Representations and Warranties. Each Borrower (which shall include Cooper UK) and each Subsidiary Guarantor, by signing below, hereby represents and warrants to the Administrative Agent and the Lenders that:

(a) each Borrower and each Subsidiary Guarantor has the legal power and authority to execute and deliver this Amendment;

(b) the officers executing this Amendment on behalf of each Borrower and each Subsidiary Guarantor have been duly authorized to execute and deliver the same and bind such Borrower or such Subsidiary Guarantor with respect to the provisions hereof;

(c) no Default or Event of Default exists under the Credit Agreement, nor will any occur immediately after the execution and delivery of this Amendment;

(d) this Amendment constitutes the legal, valid and binding agreement and obligation of the Borrowers (other than the Released Borrowers) and each Subsidiary Guarantor, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law);

(e) the information included in each Beneficial Ownership Certification provided by the Borrowers is true and correct in all respects; and

(f) each of the representations and warranties set forth in Article III of the Credit Agreement is true and correct in all material respects as of the date hereof, except to the extent that any thereof expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of the date when made.

Section 11. Credit Agreement Unaffected. Each reference to the Credit Agreement in any Loan Document shall hereafter be construed as a reference to the Credit Agreement as amended, supplemented or otherwise modified hereby. Except as herein otherwise specifically provided, all provisions of the Credit Agreement shall remain in full force and effect and be unaffected hereby. This Amendment shall be a Loan Document.

Section 12. Subsidiary Guarantor Acknowledgment. Each Subsidiary Guarantor, by signing this Amendment:

(a) consents and agrees to and acknowledges the terms of this Amendment;

(b) acknowledges and agrees that all of the Loan Documents to which such Subsidiary Guarantor is a party or is otherwise bound shall continue in full force and effect and that all of such Subsidiary Guarantor's obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment; and

(c) acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Subsidiary Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to which such Subsidiary Guarantor is a party to consent to the amendments to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Subsidiary Guarantor to any future amendments or modifications to the Credit Agreement.

Section 13. Entire Agreement. This Amendment, together with the Credit Agreement and the other Loan Documents, integrates all the terms and conditions mentioned herein or incidental hereto and supersedes all oral representations and negotiations and prior writings with respect to the subject matter hereof.

Section 14. Counterparts. This Amendment may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

Section 15. Governing Law. THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. TO THE FULLEST EXTENT PERMITTED BY LAW, THE BORROWERS (INCLUDING COOPER UK) HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY CLAIM TO ASSERT THAT THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK GOVERNS THIS AMENDMENT OR ANY OF THE OTHER LOAN DOCUMENTS.

Section 16. Jurisdiction. EACH BORROWER (INCLUDING COOPER UK) HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, BOROUGH OF MANHATTAN, AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AMENDMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, THE ISSUING BANK OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AMENDMENT OR ANY OF THE OTHER LOAN DOCUMENTS AGAINST ANY BORROWER (INCLUDING COOPER UK) OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

Section 17. JURY TRIAL WAIVER. EACH OF THE PARTIES TO THIS AMENDMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OF THE OTHER LOAN DOCUMENTS (INCLUDING, WITHOUT LIMITATION, ANY

AMENDMENTS, WAIVERS OR OTHER MODIFICATIONS RELATING TO ANY OF THE FOREGOING), OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

[*Signature pages follow.*]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

THE COOPER COMPANIES, INC., as an Existing Borrower
By: /s/ Brian G. Andrews_____
Name: Brian G. Andrews
Title: Senior Vice President, Chief Financial Officer & Treasurer

COOPERVISION HOLDING KFT., as an Existing Borrower

By: /s/ Agostino Ricupati_____
Name: Agostino Ricupati
Title: Director

COOPERVISION INTERNATIONAL LIMITED, as an Additional Revolving Borrower

By: /s/ Brian G. Andrews_____
Name: Brian G. Andrews
Title: Director

COOPER HOLDING COMPANY LLC, acting in its capacity as General Partner of
COOPERVISION INTERNATIONAL HOLDING COMPANY, LP, as a Released Borrower
By: /s/ Brian G. Andrews_____
Name: Brian G. Andrews
Title: Manager

COOPERSURGICAL NETHERLANDS B.V., as a Released Borrower

By: /s/ Ewout Jacobus Felix Langemeijer_____
Name: Ewout Jacobus Felix Langemeijer
Title: Managing Director A

By: /s/ Brian G. Andrews_____
Name: Brian G. Andrews
Title: Managing Director B

KEYBANK NATIONAL ASSOCIATION,
as the Administrative Agent and a Lender

By: /s/ Marianne T. Meil_____
Name: Marianne T. Meil
Title: Senior Vice President

[Signtaure Page – Amendment No. 1 and Joinder]

NAI-1514384541v4

Each of the undersigned Subsidiary Guarantors acknowledges the terms of and consents to the foregoing:

COOPERVISION, INC.

By: /s/ Brian G. Andrews_____
Name: Brian G. Andrews
Title: Senior Vice President & Treasurer

COOPERSURGICAL, INC.

By: /s/ Brian G. Andrews_____
Name: Brian G. Andrews
Title: Senior Vice President & Treasurer

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: Citizens Bank, N.A._____

By: /s/ Mark Guyeski_____
Name: Mark Guyeski
Title: Vice President

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: MIZUHO BANK, LTD.

By: /s/ Tracy Rahn
Name: Tracy Rahn
Title: Executive Director

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: KBC Bank N.V., New York Branch

By: /s/ Nicholas A. Fiore
Name: Nicholas A. Fiore
Title: Director

By: /s/ Susan M. Silver
Name: Susan M. Silver
Title: Managing Director

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: Citibank, N.A.

By: /s/ Pranjal Gambhir
Name: Pranjal Gambhir
Title: Vice President

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: TD Bank, N.A., as a Lender

By: /s/ Shannon Batchman
Name: Shannon Batchman
Title: Senior Vice President

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: Wells Fargo Bank, National Association

By: /s/ Andrea Chen
Name: Andrea Chen
Title: Managing Director

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: Bank of the West

By: /s/ Amr Guendia
Name: Amr Guendia
Title: Managing Director

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: PNC Bank, National Association

By: /s/ Walter A. Martz II
Name: Walter A. Martz II
Title: Vice President

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: DNB Capital LLC, as a Lender

By: /s/ Mita Zalavadia
Name: Mita Zalavadia
Title: Assistant Vice President

By: /s/ Ahelia Singh
Name: Ahelia Singh
Title: Assistant Vice President

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: The Bank of Nova Scotia

By: /s/ Robb Gass
Name: Robb Gass
Title: Managing Director

Signature Page to
Amendment No. 1 and Joinder to Revolving Credit and Term Loan Agreement,
dated as of the date first above written,
among The Cooper Companies, Inc. and CooperVision Holding Kft.,
as Existing Borrowers,
CooperSurgical Netherlands B.V. and CooperVision International Holding Company, LP,
as the Released Borrowers,
CooperVision International Limited,
as an Additional Revolving Borrower,
KeyBank National Association, as the Administrative Agent,
and the Lenders party thereto

Name of Institution: U.S. BANK NATIONAL ASSOCIATION

By: /s/ Tom Priedeman
Name: Tom Priedeman
Title: Senior Vice President

SUBSIDIARIES OF THE COOPER COMPANIES, INC. A DELAWARE CORPORATION

NAME	JURISDICTION OF INCORPORATION
The Cooper Companies, Inc.	Delaware
CooperVision, Inc.	New York
Paragon Vision Sciences, Inc.	Arizona
Cooper Global Holdings, Inc.	Delaware
The Cooper Companies Global Holdings LP	England-Wales
CooperVision International Holding Company, LP	England-Wales
CooperVision do Brasil Ltda	Brazil
CooperVision Singapore Pte Ltd	Singapore
CooperVision Optical Trade (Shanghai) Ltd	China
CVI Contact Lens Pvt. Ltd.	India
CS Holdings CV	Netherlands
Cooper Surgical Holdings Ltd.	United Kingdom
CooperMedical S.r.l.	Costa Rica
Invitro Genetics Ltd.	United Kingdom
Research Instruments Ltd.	United Kingdom
Origio A/S	Denmark
CooperSurgical Netherlands B.V.	Netherlands
CooperSurgical Canada, Inc.	Ontario
CooperVision Vision Manufacturing Puerto Rico LLC	Puerto Rico
CooperVision Manufacturing Costa Rica SRL	Costa Rica
CooperVision (UK) Holdings Ltd.	United Kingdom
CooperVision Ltd.	United Kingdom
Coopervision Manufacturing Limited	United Kingdom
CooperVision Australia Pty Limited	Australia
CooperVision Distribution SPRL	Belgium
CooperVision Canada Corp.	Canada
CooperVision S.A.S.	France
CooperVision GmbH	Germany
CooperVision Italia srl	Italy
CooperVision Nederland BV	The Netherlands
CooperVision Nederland, Belgian Branch	Belgium
CooperVision Japan, Inc.	Japan
CooperVision Iberia SL	Spain
CooperVision S.A. (Pty) Limited	South Africa
CooperVision Nordic AB	Sweden
CooperVision Sarl	Switzerland
CooperVision RUS LLC	Russia
CooperVision Israel Ltd.	Israel
CooperVision Lens Care Ltd.	United Kingdom
Sauflon CL Ltd.	United Kingdom
CooperVision CL Kft	Hungary
Cooper Medical, Inc.	Delaware
CooperSurgical, Inc.	Delaware
CooperGenomics, Inc.	Delaware
Invitro Genetics LLC	Delaware
Reprogenetics LLC	Delaware
CooperSurgical Distribution B.V.	Netherlands
LifeGlobal Group LLC	Connecticut
Origio, Inc.	Virginia

Each subsidiary is wholly-owned either by The Cooper Companies, Inc. or by the wholly-owned subsidiary under which it is indented in the list above.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors

The Cooper Companies, Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 333-22417, 333-25051, 333-27639, 333-40431, 333-80795, 333-34206, 333-48152, and 333-108066) on Form S-3 and registration statements (Nos. 333-10977, 333-58839, 333-67954, 333-101366, 333-104346, 333-115520, 333-133719, 333-133720, 333-143338, 333-158892, 333-174682, 333-233577, and 333-237505) on Form S-8 of The Cooper Companies, Inc. (the Company) of our report dated December 11, 2020, with respect to the consolidated balance sheets of the Company as of October 31, 2020 and 2019, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows, for each of the years in the three-year period ended October 31, 2020, and the related notes and financial statement Schedule II (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of October 31, 2020, which report appears in the October 31, 2020 Annual Report on Form 10-K of the Company.

Our report refers to a change in the method of accounting for leases as of November 1, 2019 due to the adoption of Financial Accounting Standards Board Accounting Standards Codification Topic 842, *Leases*.

/s/ KPMG LLP

San Francisco, California

December 11, 2020

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Albert G. White III, certify that:

1. I have reviewed this annual report on Form 10-K of The Cooper Companies, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 11, 2020

/s/ Albert G. White III

Albert G. White III
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian G. Andrews, certify that:

1. I have reviewed this annual report on Form 10-K of The Cooper Companies, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 11, 2020

/s/ Brian G. Andrews

Brian G. Andrews

Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Albert G. White III, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Annual Report on Form 10-K of The Cooper Companies, Inc. (the "Company") for the fiscal year ended October 31, 2020, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 11, 2020

/s/ Albert G. White III

Albert G. White III
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian G. Andrews, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Annual Report on Form 10-K of The Cooper Companies, Inc. (the "Company") for the fiscal year ended October 31, 2020, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 11, 2020

/s/ Brian G. Andrews

Brian G. Andrews

Executive Vice President, Chief Financial Officer and Treasurer