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CORPORATE PARTICIPANTS

Albert G. White *CooperCompanies, Inc. - President, CEO & Director*
Brian G. Andrews *CooperCompanies, Inc. - Senior VP, CFO & Treasurer*
Kim Duncan *CooperCompanies, Inc. - VP of IR & Risk Management*

CONFERENCE CALL PARTICIPANTS

Anthony Charles Petrone *Jefferies LLC, Research Division - Healthcare Analyst*
Christopher Cook Cooley *Stephens Inc., Research Division - MD*
Christopher Thomas Pasquale *Guggenheim Securities, LLC, Research Division - Director and Senior Analyst*
Jeffrey D. Johnson *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*
Joanne Karen Wuensch *Citigroup Inc., Research Division - MD*
Jonathan David Block *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*
Lawrence H. Biegelsen *Wells Fargo Securities, LLC, Research Division - Senior Medical Device Equity Research Analyst*
Lawrence Soren Keusch *Raymond James & Associates, Inc., Research Division - MD*
Matthew Ian Mishan *KeyBanc Capital Markets Inc., Research Division - VP and Senior Equity Research Analyst*
Matthew Oliver O'Brien *Piper Sandler & Co., Research Division - MD & Senior Research Analyst*
Robert Justin Marcus *JPMorgan Chase & Co, Research Division - Analyst*
Stephen Barr Willoughby *Cleveland Research Company - Senior Research Analyst*
Steven Michael Lichtman *Oppenheimer & Co. Inc., Research Division - MD and Senior Analyst*

PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the Q4 2020 Cooper Companies Earnings Conference Call. (Operator Instructions) As a reminder, today's conference call is being recorded.

I will now turn the conference over to your host, Ms. Kim Duncan, Vice President, Investor Relations of Risk Management. Ma'am, you may begin.

Kim Duncan ***CooperCompanies, Inc. - VP of IR & Risk Management***

Good afternoon, and welcome to CooperCompanies Fourth Quarter and Full Year 2020 Earnings Conference Call. During today's call, we will discuss the results included in the earnings release and then use the remaining time for Q&A.

Our presenters on today's call are Al White, President and Chief Executive Officer; and Brian Andrews, Chief Financial Officer and Treasurer.

Before we begin, I'd like to remind you that this conference call contains forward-looking statements, including all revenue and earnings per share guidance and other statements regarding anticipated results of operations, market or regulatory conditions and integration of any acquisitions or their failure to achieve anticipated benefits.

Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and are subject to risks and uncertainties. Events that could cause our actual results and future actions of the company to differ materially from those described in forward-looking statements are set forth under the caption Forward-looking Statements in today's earnings release and are described in our SEC filings, including Cooper's Form 10-K and Form 10-Q filings, all of which are available on our website at coopercos.com. Should you have any additional questions following the call, please call our investor line at (925) 460-3663 or e-mail ir@cooperco.com. And now I'll turn the call over to Al for his opening remarks.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Great. Thank you, Kim, and welcome, everyone, to our fiscal fourth quarter conference call. Let me start by providing some key takeaways. First, we continued taking share in the global contact lens market, with CooperVision being flat for calendar Q3 against the market being down 3%. We're having success with our strong daily silicone hydrogel portfolio, with unique products like Biofinity Energys, and with several product launches. Second, CooperSurgical outperformed with fertility, PARAGARD and medical devices all exceeding expectations.

In particular, we're taking share in the fertility market, where we're seeing strong momentum. Third, our myopia management portfolio, comprised of MiSight and Ortho K lenses, performed extremely well including MiSight being up 73%. So, we're taking share, launching products and investing intelligently including helping expand the pediatric optometry marketplace. Our teams are executing at a very high level and we expect that to continue.

Moving to the numbers and reporting all percentages on a constant currency basis, we posted consolidated revenues of $682 million in Q4 with CooperVision revenues of $506 million, down 3%, and CooperSurgical revenues of $175 million, down 4%. Non-GAAP earnings per share were $3.16.

For CooperVision, the Americas were up 3% led by strength in MyDay and Biofinity, and some rebound in channel inventory of roughly $10 million. EMEA was down 6% which included quarter-end purchasing delays from several large accounts as the region returned to more restrictive COVID-related lockdowns in October. Asia Pac was down 8% with COVID-related softness lingering longer into the quarter than we were expecting. To add a little more color on Asia Pac, we're well positioned in that region and taking share, but the market has been sluggish. We are becoming more optimistic though as we saw a pickup in October and November, driven by strong MyDay sales. Overall, for the full quarter, revenues came in roughly where we expected with COVID continuing to present challenges, but we're managing through it and taking share by executing on our product launches and expanding our key account relationships.

Moving to some additional quarterly numbers. Our silicone hydrogel dailies were up 1% in Q4, led by strength in torics and a strong rebound in MyDay sphere sales. We're seeing daily silicones as the clear winner right now as health and wellness trends continue to drive adoption, and this bodes well for us given our strong portfolio.

Additionally, we're now fully unconstrained on MyDay so we're able to aggressively launch the product around the world, especially the toric which is still relatively early in its launch stage. Biofinity and Avaira combined to be flat for the quarter with strength noted in Biofinity toric and Energys. Energys continues to be a strong performer, growing double digits. It was launched a few years ago, probably a little ahead of its time, but its innovative lens design that uses Digital Zone Optics to help alleviate eye fatigue from excessive screen time is certainly catching on now as it's addressing an important need in today's digital world.

Moving to our product launches. We remain incredibly busy with MyDay sphere and toric being launched or re-launched in many markets around the world, Biofinity toric multifocal and clariti's extended daily toric range continuing their successful launches, and the launch of MiSight. One point to highlight is how incredibly active we are in the daily silicone hydrogel space right now, probably busier launching products than anyone, and we expect this to continue throughout 2021. Given there still exists roughly $2.4 billion in traditional daily hydrogel sales worldwide, there's a significant multi-year trade-up opportunity for us, and our industry.

Moving to MiSight. The only FDA-approved myopia management contact lens clinically proven to slow the progression of myopia in children, things are going incredibly well. We now have roughly 25,000 kids around the world wearing MiSight including over 1,000 in the U.S., and the momentum when new fits is strong. We're still early in our U.S. launch but we already have 2,100 optometrists certified to fit the lens and 1,400 more in the process of being certified. We've also recently launched in Taiwan and Russia, and the early feedback is very positive. Additionally, we're accumulating some really interesting data from our U.S. launch including the average age for a new MiSight wearer is 11 years old. Getting fits in this age range is fantastic as the average age for fitting a new wearer in regular contact lenses is 17, which means we're getting an extra 6 years' worth of revenue. Furthermore, 70% of kids being fit in MiSight are 12 and under so we're changing the overall perception of what age kids can be fit in contact lenses.

Regarding sales, even with continuing COVID challenges, our myopia management portfolio including MiSight and Ortho K lenses, grew 39% to $13 million. Within these results, MiSight grew 73% to $2.5 million and Ortho K grew 33% which included $1.3 million of revenue from last quarter's acquisition of GP Specialists. For this coming year, even with COVID impacting the market, we're continuing to target $25 million in global MiSight sales, which is growth of roughly 250%. We're also targeting strong growth in our Ortho K franchise driven by positive developments such as the recent receipt of European CE mark approval for our Paragon lenses.

When looking at the global myopia management market, we're at the forefront of an extremely exciting pediatric optometry category.

Myopia management is in its infancy, but as we discussed last quarter, there's a clear path to a market that we expect will ultimately be well over $5 billion annually for manufacturers. We still have a lot of work to do, and we're investing in sales and marketing programs, new launches, regulatory approvals, and R&D activities to really help drive the market forward. This approach is clearly working, and it's great to keep hearing optometrists talk about MiSight as standard of care for their pediatric patients. As trained professionals, optometrists know that reducing the progression of myopia brings many benefits including reducing the risk of serious eye disease later in life such as retinal detachment, cataracts and glaucoma.

To conclude on Vision, let me touch on the global contact lens market. We're seeing optometry offices mostly open around the world and we're frequently hearing they're fully booked with appointments running through January. Having said that, patient throughput remains below pre-COVID levels as offices work to get more efficient with COVID safety protocols and managing staffing challenges. From a consumption perspective, wearers are returning to their normal wearing and ordering habits, but new fits are running roughly 90% of pre-COVID levels on a global basis and that's the challenge. New fits are certainly better in the U.S. and in markets like China, and it's improving everywhere, but eye care professionals are still struggling to meet demand. We're not seeing any signs that demand is disappearing though, so we believe it's only a matter of time before new fit activity returns to pre-COVID levels and the pent-up demand is addressed.

On a longer-term basis, the underlying growth drivers for our industry remains strong and may actually be improving with the macro trend of people spending more time on electronic devices. With roughly 1/3 of the world myopic, and this is expected to increase to 50% by 2050, combined with a continuing shift to daily silicone hydrogel lenses, geographic expansion and strong growth in torics and multifocals, our industry has a very bright future. For CooperVision, our strong product portfolio, momentum within the myopia management space, and strong new fit data, puts us in a great position for long-term sustainable growth.

Moving to CooperSurgical, revenues rebounded faster than expected to $175 million for the quarter. Although down 4%, we exceeded expectations in a challenging market environment, and expect solid performance moving forward.

Starting with our fertility business, revenues rebounded nicely and were only down 2% year-over-year. We're taking market share, and we're well positioned for future gains with a strong product portfolio and improved traction with key accounts. Within products, our consumable portfolio grew this quarter, led by our RI Witness system. This is an RFID lab-based management system that helps fertility clinics automate their processes by identifying, tracking and recording patient samples throughout the IVF process. Labs are starting to use it as a cornerstone solution to improve safety, reduce errors, improve workflow management and enhanced compliance of standard operating procedures. The product almost doubled in revenue to $2.5 million and with a growing focus on safety and compliance within fertility clinics, we expect this product to continue growing nicely. Our genomics business also returned to growth this quarter as testing volume picked up, and our media products also grew. The only softness we saw was in capital equipment which declined against a very tough comp from last year. From a fertility market perspective, we're still seeing COVID negatively impact patient flow and some important countries like India still have clinics shut down or are operating with minimal patient volume. But the good news is we're seeing patient flow improving, and we believe we'll see IVF cycles return to normal soon. With this happening, we'll continue expanding our business through in-person and virtual sales and marketing activity, adding sales personnel and expanding our product offerings. The fertility market has extremely positive long-term macro growth trends and as the global leader in the space, we're intent on helping the industry return to its strong historical growth rates.

Within our Office and Surgical unit, we were down 5%, slightly better than forecasted. PARAGARD continued to rebound down 6% to $50 million against a tough comp from last year due to buy-in activity before a price increase. PARAGARD is another product that is benefiting from the positive wellness trends we're seeing in the U.S. As the only 100% hormone-free IUD on the U.S. market it offers a fantastic, long-lasting birth control option that addresses the needs and interests of women looking for a healthy alternative.

Sales of the product continued trending in the right direction through November so we're optimistic we'll see PARAGARD grow year-over-year in Q1. Elsewhere, like many medical device companies, we've seen deferred elective procedures steadily rescheduled and our medical device sales have improved. We're entering this year in a really nice position with some of our focus products such as INSORB, our patented surgical skin closure device, and EndoSee Advance, our direct visualization system for evaluation of the endometrium, positioned to grow nicely as markets rebound.

In conclusion, let me say I'm optimistic about the future. Our businesses are performing well, and we're taking share. We're very active with new product launches, and we have fantastic dedicated people driving our businesses forward. And with that, I'll turn the call over to Brian.

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Thank you, Al, and good afternoon, everyone. Most of my commentary will be on a non-GAAP basis so please refer to our earnings release for a reconciliation of GAAP to non-GAAP results.

Our fourth quarter consolidated revenues decreased 1% as reported, or 3% in constant currency, to $682 million. Consolidated gross margin increased 70 basis points year-over-year to 67.7%. This was driven primarily by currency at CooperVision and efficiency improvements at CooperSurgical, from our successful global manufacturing integration and consolidation efforts. This quarter was an extremely busy one for our manufacturing teams as we work diligently to finish most of our manufacturing restructuring activity. This now allows us to minimize costs while optimizing production to more efficiently manage inventory levels and improve margins and cash flow. We're in a significantly better position with our manufacturing operations right sized for the current environment while also being well positioned to ramp up quickly. We still have some absorption related inefficiencies, but we expect these to go away quickly as growth returns.

OpEx was up 4.3% year-over-year largely due to planned MiSight investment activity including sales and marketing, regulatory and R&D costs. This resulted in consolidated operating margins of 26.8%, down from 28.5% last year. This performance slightly exceeded expectations as we continued effectively managing expenses, balancing costs against investment opportunities.

Interest expense for the quarter was $6.7 million, driven by lower interest rates and lower average debt and the effective tax rate was 11.1%. Non-GAAP EPS was $3.16 with roughly 49.6 million average shares outstanding. The year-over-year FX impact for the quarter to revenue and EPS was a positive $10.6 million and a positive $0.15.

Free cash flow was strong at $111 million comprised of $218 million of operating cash flow offset by $107 million of CapEx. Net debt decreased by $76 million to $1.68 billion, and our adjusted leverage ratio decreased to 2.15x.

Before moving to guidance, I want to mention an item you'll see disclosed in the tax footnote in our upcoming 10-K. In November, as part of an internal restructuring to simplify our supply chain, CooperVision's intellectual property and related assets were transferred from Barbados to the U.K. Although this will impact our GAAP financials, including a significant onetime P&L benefit in Q1 along with offsetting adjustments over the next 10-plus years, we will exclude these entries from our non-GAAP results to ensure transparency. We do not expect this having a material impact on our non-GAAP tax rate over this period.

Moving to guidance. We were hoping to give full year guidance but the surging COVID cases in Europe and in the U.S. make that extremely difficult, so we're providing only Q1 guidance at this time. This includes consolidated revenues of $642 million to $670 million, down 1% to up 4%, or down 3% to up 2% in constant currency. CooperVision revenue of $482 million to $502 million, down 1% to up 4%, or down 3% to up 1% in constant currency. And CooperSurgical revenue of $160 million to $168 million, down 1% to up 4%, both as reported and in constant currency. Non-GAAP EPS is expected to be in the range of $2.66 to $2.86. As compared to last year, we expect the midpoint of our non-GAAP EPS guidance to be up $0.07 due to a positive $0.21 currency impact, offset by MiSight investment activity and slightly lower gross margins tied to unfavorable manufacturing absorption. Below the line, we expect lower interest expense to be roughly offset by a higher effective tax rate. Lastly, on cash flow, we made significant progress completing our multiyear capacity expansion program and expect solid improvement in free cash flow moving forward as operating cash flow improves and CapEx reduces.

In conclusion, even with COVID, we expect to start the year off well. We have strong product lines, solid manufacturing and distribution capabilities, growing key account relationships, plenty of MyDay capacity and a dynamic myopia management business. We plan to continue taking market share and we look forward to COVID vaccines and better treatments returning markets to normal.

And with that, I'll hand it back to the operator for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Lawrence Keusch of Raymond James.

Lawrence Soren Keusch ***Raymond James & Associates, Inc., Research Division - MD***

A couple of questions here. I guess the first one, Al, if you could come back to MiSight, obviously, it sounds like things are going extremely well there. And certainly, you way overperformed the number of optometrists that you anticipated that you would train for the year. I think you were targeting closer to 1,000. And obviously, you did significantly better than that. But the guidance at $25 million remains the same. So what do you think it takes to get more confident in moving that guidance up?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. Good question, Larry. You're spot on, we are doing quite a bit better than we anticipated. The number of certified docs here in the U.S. is up. You're seeing similar activity outside of the U.S. and sales are picking up, commensurate with all those certifications. The thing that holds us back really ends up being COVID, and that's really it. I think if we move along like we are now in the marketplace or see anything better, I think we have a chance to beat that number.

Maybe the other reason you could argue it's a little bit on the conservative side is because it's back-end loaded. You're looking at continuing increases every quarter, but you're going to see a big Q4 of next year. So that's the question mark. I do think we have the potential to beat that number, though.

Lawrence Soren Keusch ***Raymond James & Associates, Inc., Research Division - MD***

Okay. Perfect. And then 2 other ones, and I'll jump off. Just relative to single-use spheres, I think the revenues for the quarter came in a bit below what the Street was anticipating.

You obviously called in some channel inventory that I think was lower than you had anticipated. And also there were some issues in sort of orders being delayed in Europe due to COVID. But could you parse out perhaps on just on the single-use sphere side, what some of those dynamics might have been? Because it does feel like those revenues were probably held back.

And then just quickly for Brian. The COVID adjustment to COGS was, I think, if I got this right, $37.2 million. That was larger than the $22 million in roughly the 3Q and 2Q. So could you walk us through why that increased so much sequentially and how we should be looking at that adjustment for the 1Q outlook?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. So let me touch on single-use sphere. Where we saw strength there was on silicone hydrogels and where there was weakness was your traditional dailies. So no surprise there. We're taking share. We're growing on the silicone side of things, the traditional side is softer. If you look at the impact, yes, the channel inventory came back here in the U.S., though not quite as much as we were thinking. I think you'll see some of that trend back here as we move through this year, but a little bit less than we were thinking there. Same in Europe. There were some orders that we were expecting at the very end of October that I think we'll end up seeing come back as we move through fiscal '21. A number of those orders, whether in the U.S. or whether in Europe would have been, frankly, daily silicone. It would have improved that number. I'll turn it over to Brian.

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Sure, Larry. On the question on adjustments. Yes, there's nothing I would highlight that was materially different from what we talked about last quarter. In fact, we talked on our last earnings call about how this activity would push into Q4. There were a significant number of things that we needed to do to right size our inventory levels and our future production levels. Frankly, the work that was done by the manufacturing teams was no small task. Especially to get the vast majority of it completed by fiscal year-end. At the end of the day, the steps we've taken to address the COVID-related challenges are putting us in a great position as we enter 2021 and the adjustments are going to be dramatically reduced, starting in Q1.

Operator

Our next question comes from Larry Biegelsen of Wells Fargo.

Lawrence H. Biegelsen ***Wells Fargo Securities, LLC, Research Division - Senior Medical Device Equity Research Analyst***

Two for me, one on Q4 trends in CVI and one, just kind of big picture on fiscal 2021. So Al, could you talk a little bit about the Q4 trends in CVI? August was up, you said on the Q3 call. So it looks like September and October were down a little bit year-over-year. How is November relative to the midpoint of the CVI guidance for Q1, think of about negative 1%? And then I had a follow-up.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. I don't want to get into too much detail on a monthly basis. I know we've been doing that a little bit through COVID but I want to step away from that. You can see a little bit of what happened though, if you look at the calendar number I gave versus the fiscal quarter. So yes, October was down. It was tied largely to what I was talking about with the activity at the very end of October. The only thing I'll really say is, I'm going to give you the same answer I gave historically. November performance is included in our guidance.

Lawrence H. Biegelsen ***Wells Fargo Securities, LLC, Research Division - Senior Medical Device Equity Research Analyst***

Got it. And Al, how do you see fiscal 2021 playing out, just maybe directionally? I know you don't have guidance out there. You did seem comfortable with where consensus was in mid-September before COVID started, spiking dramatically here. Can you still grow sales and EPS in fiscal 2021 over fiscal 2019?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. I won't get into too much detail on that, it's a little tough to compare to '19. The issue ends up being it's just COVID. I don't want to say that it's anything else because it's not. Everything else in our business is going well. As Brian said, we're really well positioned from a manufacturing distribution perspective. Our product launches are going well. We gave guidance, assuming things continue as it is, which is, frankly, is not very good. COVID cases are going up and there are continued struggles in a lot of places. We're assuming that continues and that's baked into our Q1 guidance, anything that comes out better than that with respect to vaccines happening or improvements, I think would provide upside for us. And you can look at our Q1 and hopefully make some assumptions on that as we move forward, tied to whatever your assumptions are with respect to COVID. But I'm personally optimistic with the news that I see out there, that's for sure.

The fact that you have optometry offices open around the world and fits coming back and so forth. And consumers who wear contact lenses are really back to what they were pre-COVID in terms of their wearing habits and their ordering habits. So, a lot of really positive signs there.

Operator

Our next question comes from Matt Mishan of Key.

Matthew Ian Mishan ***KeyBanc Capital Markets Inc., Research Division - VP and Senior Equity Research Analyst***

When you look at the level of inventory in the channel right now, just where is inventory versus patient demand? Is that equalized here to the point where you're not going to see some stocking in one quarter and some destocking in the next quarter? Have we finally reached that point?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes, I think so. And that's one of the reasons I say that we need to get away from months again because we always see this. We live our entire lives within terms of orders coming in and one month being up and one month being down and so forth. But channel inventory has basically equalized. I would probably say, if I had to pinpoint in looking at all the numbers and charts and everything that we have, is it's lower than it was pre-COVID, but your sales are a little bit lower. I think you'll continue to see as we move through '21 here, positive trends there. And if anything, shorter term, maybe you get a little bit of positive that we're not anticipating, that would come from some of the delayed October aspect. But I would certainly hope that I won't be talking about channel inventory moving forward.

Matthew Ian Mishan ***KeyBanc Capital Markets Inc., Research Division - VP and Senior Equity Research Analyst***

Excellent. And then just a longer-term question, it's interesting how Cooper has evolved over the years, where you guys were previously fast followers in SiHy and daily SiHy. But now you're starting category leadership in MiSight and the specialty lenses, what's the advantages of being first in these markets? Is it just more sticky over time? Or it would be harder for people to catch up to you?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Oh, yes. You're absolutely right. I remember when I started here years ago and we used to talk about ourselves as a fast follower and almost take pride in it. That is not the case anymore. We're clearly the most innovative contact lens company in the market. Period. And being a category leader is a big deal. You get in there first. When you look at MyDay toric as an example, it's the best daily toric lens in the marketplace. With a wide parameter range, once you get the fitting set in there, why would somebody replace it? If you bring in a new one with fewer SKUs, why would you replace a high-end fitting set like MyDay with that. So being in there first is massive. When you look at category creation, like with MiSight, right now, the myopia management world that's being created is defining that world as MiSight. It's almost like Coke. You go order a Coke, they hand you have Pepsi. Right now, the myopia management world is being defined as MiSight. That's how powerful that program is right now as a category leader. So yes, I can't say enough good things about what the team has done over the last several years. It's amazing. It's great being the innovator right now versus being the fast follower.

Operator

Our next question comes from Matthew O'Brien of Piper Sandler.

Matthew Oliver O'Brien ***Piper Sandler & Co., Research Division - MD & Senior Research Analyst***

Al or Brian, can we just focus on the daily piece of the business first because it's probably going to get the most attention tomorrow. Again, like Larry mentioned, it was a little bit below what people were modeling. You've got Alcon on the market now. You've got J&J rebating more aggressively. The economy is obviously a little bit of a headwind. People aren't going out as much. So what can you really point to maybe under the hood here that we can't see that's that really gives you confidence in a rebound in that business as we hopefully come out of the pandemic? And are you getting a lot more new patients? Are you getting a lot more clinicians? What is it that you can really point to with all these other moving parts that we really can't see clearly?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. You're looking at the earnings release that we put out there, right? So you're talking about single-use spheres there. If you look at single-use torics, especially torics, which are strong for us, multifocals, you're seeing better performance there. If you narrow into that line item that you're talking about, weakness in single-use spheres is coming from older hydrogel lenses. Within the whole industry, that's still a massive part of this industry. It's $2.4 billion in sales, and it's declining, and it's being replaced by silicones.

That's where we're doing well. When you look at what happened at the end of the quarter in terms of people not ordering, when you see orders get delayed, what we've seen here through this pandemic is the orders that are getting delayed, causing the pull down of channel inventory, is tied a little bit more to daily silicones than it is anything.

So at the end of the day, the weakness is coming from weakness in the industry and the marketplace is seeing traditional dailies move away and daily silicones transition over. When it comes to the sphere, we had a strong sphere quarter with MyDay. I think that one of the things that makes us feel good about that and looking specifically at the daily sphere side of things, is the success we're having with MyDay sphere coming back in the marketplace. We were constrained. I talked about that for a while on past earnings calls. We pulled that product off market in several countries. We didn't launch it as aggressively as we could. We are now unconstrained on that product. You're seeing MyDay out there, unconstrained. We're aggressively rolling it out. I feel really positive about the future of that. I don't want to downplay clariti either, by the way, because clariti is definitely doing well, but MyDay is definitely outperforming.

Matthew Oliver O'Brien ***Piper Sandler & Co., Research Division - MD & Senior Research Analyst***

Okay. That makes a lot of sense. It's more expensive, and there's a lot more of it that you have to hold, so that makes sense that the inventory levels would come down. Among all the different products you sell. Okay. Makes sense.

So then flipping over to MiSight, again, it's a big step-up from 7 to 25, but the number of docs that you've got certified now, if I just do some quick back of the envelope math, as far as what you did in revenue last year, it seems like, again, I don't have perfect numbers here. But it seems like a lot of your doctors are adding a couple of patients per month for MiSight, on average, is that a number that seems reasonable for this group fairly quickly because it is so new and because you're pretty much the only game in town on the market. Is that a way to kind of put some air bars or triangulate on how to think about this next tranche of docs and how many patients they can add on a monthly basis?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. You want to know what's really been interesting about that is , that's true. We get these docs. They come in, they get certified, they fit a kid or 2. They want to see how it's working out. A lot of times, they'll fit a couple of kids, and then they'll wait a little while, and they'll see how the interaction is with the parents, how successful it is.

Then what we've seen is a significant ramp, if you looked at it as a curve, it's just a very fast ramp. Because once they get comfortable with it and they say, yes, this product works, yes, I can sell it, I can talk to the parents. Clearly, these kids can wear it, which was a hurdle, a concern about whether an 8, 9, 10-year old can wear these lenses, yes, all those things get checked. When they get checked, these docs are flipping over and saying, well, I'm going to talk to every single pediatric patient I have that comes in here about this product. We see these big ramps going. If we continue to see that kind of activity, we should all be very excited. I think if you're holding Cooper stock, you're a happy person if we continue to see ramps that we're seeing there.

Operator

Our next question comes from Jon Block of Stifel.

Jonathan David Block ***Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst***

I guess, first one, I certainly get the hesitancy to provide specific fiscal '21 guidance, but I'm just curious qualitatively, anything to comment on. Maybe could market share gains continue at the same clip versus the past 12 to 24 months to be accelerate based on your comments of the daily portfolio. And then, Brian, sort of a similar question for you. Any high-level comments, if you would, from a margin profile? And then I've just got a quick follow-up.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. On market share gains, it's a little hard to tell. I don't see anything that would indicate we're not going to continue to take share each quarter. In terms of how much share that is, that's a little bit of a question mark, and that will vary quarter-by-quarter. Clearly, a product like MiSight, Ortho K, Biofinity Energys, those are unique products to us that are high-growth products. Those are going to help continue to take market share themselves. I'm hesitant to forecast whether it would accelerate or not. But I do believe we'll continue to take market share as we move through 2021.

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Yes. I guess I'll take the margin question. We're not giving guidance beyond Q1, but I mentioned in my prepared remarks, gross margins being slightly down from volume-related absorption. Then also higher MiSight spend. Beyond that, there's obviously lots of pluses and minuses from COVID, and we're going to be dealing with that. But those are the 2 primary drivers that I would say outside of FX that bridge you to the midpoint of our EPS range.

Jonathan David Block ***Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst***

Okay. Got it. And maybe just the follow-up question is specific to myopia management and MiSight, can you just remind us or detail for us that sort of the MiSight spend targets this year from an advertising or DTC perspective? And if you can remind us what those investments totaled in FY '20? Because I'm guessing, even with the revenue ramp this year in MiSight, depending on what you're doing from a DTC perspective, it could actually be more dilutive before maybe we start going the other way in fiscal '22 and beyond?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. I'll look to Brian to give it. We did about $15 million to $18 million in Q4 spend on MiSight. A pretty significant number. We must have roughly hit what we were going to do for the full year, about $25 million. Pretty good investments going on, Jon. No question about that. I would clearly not take the Q4 spend and just annualize that. We spent a lot. We did a lot of great stuff around the launch. We're looking at it right now to determine how we're doing and the best way to drive that market forward. But it is dilutive for a little while and then it should flip over and become pretty accretive to gross and operating margins. Well, it would be accretive to gross margins now, but accretive to operating margins in a couple of years, but it should be in a pretty good way.

Operator

Our next question comes from Anthony Petrone of Jefferies.

Anthony Charles Petrone ***Jefferies LLC, Research Division - Healthcare Analyst***

Maybe I'll start with a couple on CVI, and then I'll have a question on MiSight as well. So on CVI, maybe just an update on the competitive dynamics as they've trended through this year, just your updated view there. And in particular, Bausch is out there with the new SiHy daily lens as is Alcon with PRECISION1. So any kind of views competitively? And in that regard as well, just have you seen anything new on the rebate front? And then I'll have a follow-up on MiSight.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. Nothing new on the rebate front. I think we're probably at a point here where in the relatively near future, we'll get some updated news from some of our competitors on their rebate activity because they have a tendency to do that as we move into new calendar year. So maybe they will, maybe they won't. I don't know, but there's been nothing new.

On competitive dynamics, at the end of the day, we have great competitors out there. They're always launching products. They have for as long as I've been here and I'm sure they will for as long as I am here. All we can do is continue to do what we can do. We manage our own business. We launch our own products. We drive success from our own products. We have very active launch campaigns going on right now. We have a strong pipeline. We control what we can control. As I mentioned, I think we'll continue to take share doing that.

Anthony Charles Petrone ***Jefferies LLC, Research Division - Healthcare Analyst***

That's helpful. On MiSight, just going back to the $25 million guide. I'm just curious as to what's baked in there from a stocking standpoint amongst trained ODs at this point and geographies that are cleared? And maybe, Al, if you have any updated views as you continue to scrub numbers on the TAM opportunity for MiSight in particular? It seems that the feedback we continue to get is bullish, I'm curious if there's updated views on the TAM.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes, some good stuff there. First of all, no stocking in the $25 million. The assumption there is we just continue to ship product directly to peoples' homes. So, zero stocking. Geographically, we are expanding. We launched in a couple of new markets. We just got approval on another one. We'll launch there. We're making progress, trying to get approvals in some huge markets. China is one of them that has some potential. I think you'll continue to see us talk on these quarters coming up about new markets that we launch into.

If you look at the TAM, it's really fascinating. We did the numbers last quarter and said a total market over $5 billion annually. We base that on 8 to 12-year olds. I mentioned earlier in my prepared remarks that about 70% of the fits we're seeing in the U.S. are 12 years old and under.

When you start seeing fitting of 13, 14, 15, 16-year olds, which we clearly see outside of the U.S. and here in the U.S., off-label, that expands the size of the market. I'm not sure what the market is when it comes to braces and so forth. But you could make a pretty good argument right now that north of $5 billion is definitely in play. And when you talk about spectacles, I look forward to some products coming and some of the advancements I've seen out there with spectacles, they're still very early. But that will help drive this market forward. I think that ultimately, contact lenses are going to be more efficacious than spectacles are. I think we'll have a great position there with a market-leading contact lens, but I do think you're going to have a very large pediatric optometry market. I really believe that. And it will be north of $5 billion annually for manufacturers.

Operator

(Operator Instructions) Our next question comes from Chris Cooley of Stephens.

Christopher Cook Cooley ***Stephens Inc., Research Division - MD***

Just two for me, maybe Al or Brian, if you could help us with the PARAGARD number, you said you do expect that to grow year-over-year in the coming fiscal year. Just curious if that's growing without having to make a more aggressive DTC push or if that's assuming a continuation of focused marketing? And if so, kind of how do we think about that spend relative to MiSight? And I've just got a quick follow-up on CVI as well.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. PARAGARD, the only comment we gave on growth was expecting Q1 growth. I do think that it will grow here in Q1 year-over-year. The spending on that this year, will end up being pretty similar to what we did this year. The direct-to-consumer spending is trending more towards social media now. We did a lot of television spending and so forth, and a lot of that was expensive. We can pull back on that activity, shift it over to social media-type spending and get a bigger bang for our buck without spending any more money. I think, ultimately, we're going to see more profitability coming from PARAGARD. Because you're going to get some growth on a year-over-year basis, and you're going to hold your spending flat. I think we'll be in a good spot there.

With respect to MiSight, it's a little tough. We're going to spend more on MiSight than we're going to spend on PARAGARD when it comes to all the activity that we put behind MiSight. But I won't get into quantifying what that will be, because it does get dependent on when we get approval in markets around the world.

Christopher Cook Cooley ***Stephens Inc., Research Division - MD***

Understood. I appreciate you clarifying that. And then just lastly for me. I know it's still early days and it's not a typical operating environment by any means. But when you look at your most mature MiSight fitters here in the United States, could you maybe just contrast how that practice looks for you from a sales basis, say, versus the prior year, if we exclude just the MiSight portion, but you think about total Cooper lens utilization there. I'm just kind of curious if you've seen a lift. And if so, in what type products or is it broader based?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes, That's a real interesting one. You would think that the docs who are fitting MiSight were CooperVision docs. But that's not really what we've seen. The people who have gravitated towards MiSight are people who either were doing myopia management beforehand through things like Ortho K or atropine or something else, or people who have bigger pediatric practices. So, we give some preferential treatment to people who are more part of the CooperVision family or who are willing to shift more product over to the CooperVision family, that halo effect concept I talked about, it's still very early, but it's broad. It's not focused on CooperVision docs. It's broader in terms of the optometrists who are looking at it, using our competitive products for other options.

Operator

Our next question comes from Jeff Johnson of Baird.

Jeffrey D. Johnson ***Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst***

So maybe just a couple of cleanup questions here that I've got at the end if possible. Al, you talked about MiSight being big in fiscal Q4 of the coming year here. How back-end loaded are you thinking guidance, number one? And number two, what drives that? Is that just kind of thoughts around vaccine and the cumulative impact of all the doctor training? Just trying to get kind of the pacing of MiSight here, lockdown, maybe if we could.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. Well, some in Q4, as you remember. In the U.S. as an example, we are giving the first 2 fits away for free. As we've done some of that activity and a lot of kids are getting fit, if they get a year of supply, well, they're not going to get their next year supply until Q3, Q4 of next year.

You're going to get kind of a bulbus that just naturally happens as people order their year supply, and they're paying us. Because right now, we gave that to the doc for free. So, the doc received the money. We didn't receive the money. We will in Q4 of next year. And then you just get the natural ramp itself. We're up to 2,100 optometrists. We have a lot of optometrists here in Q4, Q3. Definitely in Q4 it's accelerated. We have a lot in the backlog here in Q1 who are going through it. And, as a lot of those optometrists come on, and they start fitting kids in the lens, they do a few, then do a few more. As I mentioned, it has a tendency to ramp up quickly when they're successful. So just naturally, it's going to move to Q4. That will continue into Q1 of next year, Q2, Q3 because it's a natural ramp. It's not related to COVID. There's nothing specifically related to COVID on that. It's just the cadence of how the revenues will fall.

Jeffrey D. Johnson ***Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst***

All right. That makes sense. And I don't think I heard you answer Jon's question on MiSight spending this year. You kind of said you hit that $25 million target for the year. Obviously, Q4 was a big part of that. But just above or below $25 million, again, as we try to dial in kind of full year OpEx side of the model.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

It will be over $25 million. It's just a matter of what it will be. If we happen to get early approval in China, I could see it being a decent amount higher than that. If we don't, it will be less. Hard to dial that in right now because some of it does depend on COVID. If we get rid of COVID early, and you see new fits, you'll see our spending increase. And then again, the more markets we get into, the more spending you'll see. And by the way, just to be clear on that, that spending is not only DTC-related, it's also related to R&D. We're doing a lot of R&D work for new versions of MiSight and enhanced versions. It's regulatory, because regulatory approval costs are high in a lot of markets around the world. It's myopia management specialists. We're selling through our existing sales forces, and we're not going to add salespeople, but we do have, and are adding more, specific myopia management specialists who docs can call and talk to. It is kind of a broad spending that is attached to it rather than just DTC.

Jeffrey D. Johnson ***Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst***

Okay. And I know you don't typically break it out, but in your Americas, the plus 3% growth this quarter. My gut is that South America might have been a little lower and U.S. higher, but your competitors did put up like 10% to 20% U.S. growth. I'm assuming they got a full impact of channel inventory and you guys spread it out over your Q3 and Q4. But if you give us your U.S. number that will help us maybe gauge that a little better, if possible.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. If you look at it from a competitive standpoint, in calendar Q3, apples-to-apples, we were flat, and the market was down 3%. We grew a little bit. The U.S. was stronger. The U.S. was stronger than Latin America was. I don't have those numbers handy. We don't really break those out much, but there's not a big difference between us and the competitors there. If you look at the competitors on a consolidated basis, it's pretty similar, just a little bit of share gain.

Operator

Our next question comes from Steve Willoughby of Cleveland Research.

Stephen Barr Willoughby ***Cleveland Research Company - Senior Research Analyst***

I had a couple for you, if you don't mind. I guess, just the first, you made a comment about new fits running 90% of normal or down 10%. What is the potential impact from that over the next year or so? And then I had two follow-ups for you, Al.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. If you look at it on a global basis, somewhere around 15% of our revenue comes from new fits. I break that up, and I'd say, okay, 85% of the market has gone back to normal. Their wearing habits are normal, their ordering patterns are normal. Now we're still seeing some fluctuations and maybe that's down just a little bit, but a big, big chunk of the market is back to normal.

If I look at the 15% of revenues that we get from new fit, that's what's running at about 90% right now. The question to get back to our more traditional growth rates, obviously, we're going to grow faster here because of the comps. But if you look through that and you say, get back to your 7% growth rate that you guys have. You want to see those new fits come back, because 90% of 15% knocks you down 1 point or 2. That's really where we're seeing that we need to have that come back. It's not a massive number, because it's 90% of 15%, if you will. Does that make sense, Steve?

Stephen Barr Willoughby ***Cleveland Research Company - Senior Research Analyst***

Yes, it does. Yes. So then second, one of the changes because of COVID that's happened to both you guys and the industry has been more direct-to-patient shipping. So I was wondering what impact that has potentially had as it relates to revenue, if you're shipping more direct, which I believe you guys are continuing to still do. The doctors just don't need as much inventory in their offices, the distributors don't need as much inventory in their warehouses. I guess also with that, too, if patients are ordering and you're shipping direct. Has there been any change in the rate of annual supply purchases that could be impacting things as well? And then I have one final MiSight question.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. You are spot on. We're doing more direct-to-patient shipping than we've done. Because of that, you have some less channel inventory. This quarter, I talked about that $10 million in the U.S., and I thought that number was going to be closer to $15 million, maybe $17 million to get us back to where we were. I think what's happening is what you're talking about, the direct-to-patient shipping, the better inventory management through the system prevented that from happening. If we stay as-is with the direct to shipping, then fine. If it goes back to the way it was beforehand, ultimately, we will pull that revenue back in. I believe that direct to shipping is going to remain. I think we've kind of stabilized from an inventory perspective, but to your good point there, it did hit us a little bit.

Stephen Barr Willoughby ***Cleveland Research Company - Senior Research Analyst***

Does that have any impact if the OD doesn't have a lens inventory. Does it potentially impact their decision on what lens they prescribe? If I'm a doctor and I've got lenses sitting on my shelf, I want to get rid of them. Does that make sense?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. We haven't seen that because of the fitting set. They have a tendency to go to whatever fitting set that they like and the lenses that they like. The higher volume products that you're going to use, they're still going to have there. It would be more on the outside of the bell curve, especially with torics.

They'll go with the MyDay toric fitting sets they have. That's how they'll fit somebody, and then we'll ship the product directly to them. You're probably just taking more of the middle of the bell curve being in their office and more the tail of the bell curves being stuff that we're shipping directly to patients.

Stephen Barr Willoughby ***Cleveland Research Company - Senior Research Analyst***

Got you. Okay. And then the MiSight question, following up on Jeff's question in terms of marketing spend. I know there's some variables there. Going back a number of quarters when you started initially talking about the potential multiyear revenue ramp in MiSight, it sounded like the marketing spend could continue to grow quite significantly. If you did $25 million in 2020, is spending $50 million in 2021 out of the equation? And also within that, is that the revenue in 2021 of $25 million, is that dependent upon getting any new approvals in any countries anywhere?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

No. Getting to the $25 million, we don't need approvals in other countries. I think we'll get a few, but we don't need it. On the spending side, it's interesting as I've been educated by some of our highly sophisticated marketing people here between spend media and earned media, we're getting more free media, like Popular Science Magazine just awarded us one of the top new products in the market. The New Yorker just put us in their magazine as a gift-giving idea. We've seen it in whatever People Magazine and all these different things. That's all free marketing. So, we've been pleasantly surprised at how many people are picking up MiSight and talking about it and getting it out in the marketplace that we're not having to pay for. That's one of the things that actually interestingly is helping us save a little bit of money is that you are seeing not only the profession itself gravitate towards talking about myopia management, but people outside of the profession are talking about it a little bit more. That's kind of cool. I don't think that you're going to see a $50 million spend scenario.

Operator

Our next question comes from Joanne Wuensch of Citibank.

Joanne Karen Wuensch ***Citigroup Inc., Research Division - MD***

I appreciate the first quarter guide, particularly when the world feels everything is a little bit upside down. But for the full year, could you just sort of give us an idea of what you're thinking about the tax rate, the impact of foreign exchange and some of the other metrics, which should be outside of the land of COVID-19?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

I'll let Brian answer that one.

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

By that he means, we're not going to be talking about it. I hear you Joanne, at the end of the day, I think we're just going to be guiding to Q1 and we'll leave it at that.

Joanne Karen Wuensch ***Citigroup Inc., Research Division - MD***

Okay. I'm going to try something a different way. Barbados to the U.K., can you just give us a second of what the decision was behind that and what the onetime P&L benefit will be? And I want to make sure I understand whether that goes into non-GAAP numbers or is that going to go only in GAAP numbers?

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Sure. Okay. Well, I'm going to try not to make this a lengthy conversation. We might have to talk after hours, but at the end of the day, there's not a whole lot to add other than what I said in my prepared remarks, the IP and related assets were transferred to the U.K. and stepped up to a new fair market value. It's going to result in a significant deferred tax asset in Q1. So that's going to be shielding us from future taxable income over the next 10-plus years. What you're going to find is, with that significant DTA, our GAAP EPS is going to be significantly high in Q1. Then in all the subsequent years, it's going to be lower than our non-GAAP rate. So the non-GAAP adjustments that we're going to be making will basically neutralize the amortization shield over the next 10 years.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

But to be clear, you won't see that in that non-GAAP.

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

But you won't see that in non-GAAP. That's correct.

Joanne Karen Wuensch ***Citigroup Inc., Research Division - MD***

Okay. So going back to my first question. For tax purposes, we should think about relatively recent historical tax levels in non-GAAP EPS?

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Yes. I'd say that's appropriate.

Operator

Our next question comes from Chris Pasquale of Guggenheim.

Christopher Thomas Pasquale ***Guggenheim Securities, LLC, Research Division - Director and Senior Analyst***

Brian, not to make this too much of a tax conversation here, but my understanding was that the company's historical low tax rate relative to peers was driven in large part by the favorable tax jurisdiction for the IP. So why would changing that domicile not have a negative impact, resulting in a higher tax rate going forward?

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Well, that's a very good question. Ultimately, the step-up in basis that we get from transferring that IP and the related assets into the U.K. provides an amortization shield against future taxable income.

So yes, we are eventually going to be paying taxes, but we'll have a tax shield for the next 10-plus years.

Christopher Thomas Pasquale ***Guggenheim Securities, LLC, Research Division - Director and Senior Analyst***

Okay. But after that 10-year period is over, the tax rate will step up because of the difference in jurisdiction?

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Yes.

Christopher Thomas Pasquale ***Guggenheim Securities, LLC, Research Division - Director and Senior Analyst***

Okay. Interesting. And then, Al, if you could just walk me through some of the thinking around the guidance. If I back out the inventory benefit that CVI got this quarter, you would have been down about 4% to 5% constant currency, the macro picture seems more challenging now than it was through most of 4Q, but 1Q guidance is down 1% at the midpoint. It's implying underlying improvements. So just walk through the thought process there and maybe contrast the two periods?

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. What we're seeing is that optometry offices are open. If you go back over the last 6 or 7 months, you had offices closed and you had reduced foot traffic and that's continued to improve. So, you have optometry offices open everywhere. Even in Europe, they've excluded optometry offices, such that they're an essential business and can remain open. We're in a better position from optometry offices being open than we were, and we're in a better position in terms of the amount of foot traffic that's coming through those open offices. The other thing is we've seen wearers return to their normal wearing habits and purchase patterns. There was a study that was just done. I just read it today, that 76% of people wearing glasses are talking to their optometrists complaining about fogging. That's amazing, 3 out of 4 people who wear glasses are talking to optometrists about fogging of their glasses.

So, you are seeing more activity. I'll tell you, we're going into the winter months. There are things that are making the contact lens market actually a little bit better in our fiscal Q1 than kind of what we were seeing in fiscal Q4. If you compare that on a year-over-year basis, that helps. The numbers we're talking about here for fiscal Q1 down 1% at the midpoint, that's against really a non-COVID quarter last year. Because of the way the fiscal quarters work. So, we're back to almost growing and maybe even growing in fiscal Q1 comparing a COVID impacted quarter to a non-COVID-impacted quarter. So pretty good stuff.

Operator

Our next question comes from Robbie Marcus from JPMorgan.

Robert Justin Marcus ***JPMorgan Chase & Co, Research Division - Analyst***

Great. Brian, you touched on first quarter EPS and some of the inputs to get there. If I take the revenue guidance and basically hold SG&A and R&D flat, similar, maybe a little step down in gross margin. Is that the way to think about how to get there?

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Yes, more or less. Yes.

Robert Justin Marcus ***JPMorgan Chase & Co, Research Division - Analyst***

Got it. And Al, maybe just quickly, you talked about how reorders are the vast majority of the business. What are you seeing in terms of where you are as a percentage of normal? Are you picking up on any trends of people stretching it out? Is it different by geography? Just trying to think about how the reorder business is trending and what that might look like post-COVID.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Yes. It's a tough one to answer because it is different around the world just because you're seeing different amount of COVID cases, different amount of restrictions, different amount of activity. But if I just pull that back up to a high level, I'd go back to some of my comments that you're seeing things for a significant number of contact lens wearers going back to normal, their ordering patterns going back to normal. All that type of stuff going back to pre-COVID levels. There's nothing I'd really highlight as particularly unique out there.

Operator

(Operator Instructions) Our next question comes from Steven Lichtman of Oppenheimer & Company.

Steven Michael Lichtman ***Oppenheimer & Co. Inc., Research Division - MD and Senior Analyst***

Just had a couple of P&L questions. Brian, just on gross margin, you mentioned there's slight headwind in 1Q. Will that unfavorable manufacturing absorption impact that you mentioned, will that continue past the first quarter?

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Well, not with growth. It's really purely tied to volume-related inefficiencies. So, as we grow, then that starts to go away.

Steven Michael Lichtman ***Oppenheimer & Co. Inc., Research Division - MD and Senior Analyst***

Okay. And then secondly, I guess, CapEx for the year was north of $300 million. You mentioned that should come down. Can you give us a sense of what that number could be for fiscal year '21?

Brian G. Andrews ***CooperCompanies, Inc. - Senior VP, CFO & Treasurer***

Well, it's going to come down materially or at least meaningfully. We did $307 million, over $100 million of CapEx in Q4. We'll still have a pretty decent CapEx quarter in Q1, probably followed by a slight step down in Q2 and a more meaningful step down in the second half of the year. I wouldn't be surprised if we're somewhere in the neighborhood of, let's say, $75 million less than where we ended this year.

Operator

I'm showing no further questions at this time. I'm going to turn the call back over to management for any closing remarks.

Albert G. White ***CooperCompanies, Inc. - President, CEO & Director***

Well, it sounds like we're in good shape. Thank you, everyone. Appreciate your time heading into the holidays. Good health to everyone, and best wishes and look forward to speaking to everyone next year when we get to our conference call in March. Thank you.

Operator

Thank you. Ladies and gentlemen, this does conclude today's conference. Thank you for participating. You may all disconnect. Have a great day.