
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 30, 2018

THE COOPER COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-8597
(Commission
File Number)

94-2657368
(IRS Employer
Identification No.)

6140 Stoneridge Mall Road, Suite 590, Pleasanton, California 94588
(Address of principal executive offices)

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

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).
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 to Section 13(a) of the Exchange Act.

ITEM 2.02. Results of Operations and Financial Condition.

On August 30, 2018, The Cooper Companies, Inc. issued a press release reporting results for its fiscal third quarter ended July 31, 2018. A copy of this release is attached and incorporated by reference.

Internet addresses in the release are for information purposes only and are not intended to be hyperlinks to other The Cooper Companies, Inc. information.

ITEM 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit **Description**

99.1 Press Release dated August 30, 2018, of The Cooper Companies, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE COOPER COMPANIES, INC.

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

Dated: August 30, 2018

EXHIBIT INDEX

| <u>Exhibit</u> | <u>Description</u> |
|----------------|--------------------|
|----------------|--------------------|

| | |
|------|--|
| 99.1 | Press Release dated August 30, 2018, of The Cooper Companies, Inc. |
|------|--|



PRESS RELEASE

The Cooper Companies Announces Third Quarter 2018 Results

PLEASANTON, Calif., August 30, 2018 — The Cooper Companies, Inc. (NYSE: COO) today announced financial results for the fiscal third quarter ended July 31, 2018.

- Revenue increased 19% year-over-year to \$660.0 million. CooperVision (CVI) revenue up 12% to \$489.1 million, and CooperSurgical (CSI) revenue up 44% to \$170.9 million.
- GAAP diluted earnings per share \$2.03, down 6 cents or 2.9% from last year's third quarter.
- Non-GAAP diluted earnings per share \$3.00, up 36 cents or 14% from last year's third quarter. See "Reconciliation of GAAP Results to Non-GAAP Results" below.

Commenting on the results, Albert White, Cooper's president and chief executive officer said, "I'm very pleased with the progress we made this quarter. We had record revenue at CooperVision and CooperSurgical, and believe we are in a unique position to capitalize on current market dynamics to maintain our revenue momentum through operational investments which will lead to both short and long-term strong performance."

Third Quarter Operating Results

- Revenue \$660.0 million up 19% from last year's third quarter, up 8% pro forma (defined as constant currency, including acquisitions and excluding carrier screening and NIPT in both periods).
- Gross margin 65% compared with 64% in last year's third quarter. On a non-GAAP basis, gross margin was 67% compared with 65% last year. Gross margin was favorably impacted primarily by manufacturing efficiencies, product mix, and the addition of PARAGARD[®] within CooperSurgical, offset in part by currency.

- Operating margin 18% compared with 20% in last year's third quarter. The decrease was a result of company-wide investments in selling, marketing and R&D. On a non-GAAP basis, operating margin was 28% compared with 26%.
- Interest expense increased to \$22.8 million compared with \$8.3 million in last year's third quarter primarily due to higher debt and interest rates.
- Total debt decreased \$189.5 million from April 30, 2018, to \$2,294.2 million primarily due to debt paydown from operational cash flow generation.
- Cash provided by operations \$235.3 million offset by capital expenditures \$52.3 million resulted in free cash flow of \$183.0 million, up 57% year-over-year. Free cash flow was helped by improved working capital management.

Third Quarter CooperVision (CVI) Operating Results

- Revenue \$489.1 million, up 12% from last year's third quarter, up 9% pro forma.
- Revenue by category:

| | (In millions) | % of CVI Revenue | %chg | Pro forma %chg |
|------------------------------|-----------------|------------------|------|-------------------|
| | 3Q18 | 3Q18 | y/y | y/y |
| Toric | \$ 153.6 | 31% | 11% | 9% |
| Multifocal | 52.7 | 11% | 13% | 10% |
| Single-use sphere | 137.6 | 28% | 19% | 17% |
| Non single-use sphere, other | 145.2 | 30% | 7% | 1% |
| Total | <u>\$ 489.1</u> | <u>100%</u> | 12% | 9% |

- Revenue by geography:

| | (In millions) | % of CVI Revenue | %chg | Pro forma %chg |
|--------------|-----------------|------------------|------|-------------------|
| | 3Q18 | 3Q18 | y/y | y/y |
| Americas | \$ 184.4 | 38% | 9% | 8% |
| EMEA | 199.2 | 41% | 11% | 6% |
| Asia Pacific | 105.5 | 21% | 19% | 14% |
| Total | <u>\$ 489.1</u> | <u>100%</u> | 12% | 9% |

- Gross margin 66% compared with 65% in last year's third quarter. Gross margin was favorably impacted primarily by manufacturing efficiencies and product mix, offset in part by currency. On a non-GAAP basis, gross margin was 66% compared with 65% last year.

Third Quarter CooperSurgical (CSI) Operating Results

- Revenue \$170.9 million, up 44% from last year's third quarter, up 6% pro forma.
- Revenue by category:

| | (In millions) | % of CSI Revenue | %chg | Pro forma |
|------------------------------|---------------|------------------|------|-----------|
| | 3Q18 | 3Q18 | y/y | y/y |
| Office and surgical products | \$ 104.4 | 61% | 96% | 8% |
| Fertility | 66.5 | 39% | 2% | 4% |
| Total | \$ 170.9 | 100% | 44% | 6% |

- Gross margin 62% compared with 61% in last year's third quarter. On a non-GAAP basis, gross margin was 72% vs. 62% last year, driven by the addition of PARAGARD.

Fiscal Year 2018 Guidance

The Company updated its fiscal year 2018 guidance. Details are summarized as follows:

- Fiscal fourth quarter 2018 total revenue \$634 - \$649 million (6% to 9% pro forma)
 - CVI revenue \$468 - \$477 million (8% to 10% pro forma)
 - CSI revenue \$166 - \$172 million (3% to 6% pro forma)
- Fiscal fourth quarter 2018 non-GAAP diluted earnings per share \$2.90 - \$3.00
- Fiscal 2018 total revenue \$2,515 - \$2,530 million
 - CVI revenue \$1,869 - \$1,878 million
 - CSI revenue \$646 - \$652 million
- Fiscal 2018 non-GAAP diluted earnings per share of \$11.55 - \$11.65

Non-GAAP diluted earnings per share guidance excludes impact of U.S. tax reform, amortization and impairment of intangible assets and other costs including integration expenses which we may incur as part of our continuing operations.

With respect to the Company's guidance expectations, the Company has not reconciled non-GAAP diluted earnings per share guidance to GAAP diluted earnings per share due to the inherent difficulty in forecasting acquisition-related, integration and restructuring charges and expenses, which are reconciling items between the non-GAAP and GAAP measure. Due to the unknown effect, timing and potential significance of such charges and expenses that impact GAAP diluted earnings per share, the Company is not able to provide such guidance.

Reconciliation of GAAP Results to Non-GAAP Results

To supplement our financial results and guidance presented on a GAAP basis, we use non-GAAP measures that we believe are helpful in understanding our results. The non-GAAP measures exclude costs which we generally would not have otherwise incurred in the periods presented as a part of our continuing operations. Our non-GAAP financial results and guidance are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Management uses supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the factors management uses in planning and forecasting for future periods. We believe it is useful for investors to understand the effects of these items on our consolidated operating results. Our non-GAAP financial measures may include the following adjustments, and as appropriate, the related income tax effects and changes in income attributable to noncontrolling interests:

- We exclude the effect of amortization and impairment of intangible assets from our non-GAAP financial results. Amortization of intangible assets will recur in future periods; however, the amounts are affected by the timing and size of our acquisitions. Impairment of intangible assets is a non-recurring cost.
- We exclude the effect of acquisition and integration expenses and the effect of restructuring expenses from our non-GAAP financial results. Such expenses generally diminish over time with respect to past acquisitions; however, we generally will incur similar expenses in connection with any future acquisitions. We incurred significant expenses in connection with our acquisitions and also incurred certain other operating expenses or income, which we generally would not have otherwise incurred in the periods presented as a part of our continuing operations. Acquisition and integration expenses include items such as personnel costs for transitional employees, other acquired employee related costs and integration related professional services. Restructuring expenses include items such as employee severance, product rationalization, facility and other exit costs.
- We exclude other exceptional or unusual charges or expenses. These can be variable and difficult to predict, such as certain litigation expenses and product transition costs, and are not what we consider as typical of our continuing operations. Investors should consider non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP.
- We report revenue growth using the non-GAAP financial measure of pro forma which includes constant currency revenue and revenue from acquisitions and excludes carrier screening and

NIPT in both periods. Management also presents and refers to constant currency information so that revenue results may be evaluated excluding the effect of foreign currency rate 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. To report pro forma revenue growth, we include revenue for the comparison period when we did not own recently acquired companies.

- We define the non-GAAP measure of free cash flow as cash provided by operating activities less capital expenditures. We believe free cash flow is useful for investors as an additional measure of liquidity because it represents cash flows that are available for repayment of debt, repurchases of our common stock or to fund our strategic initiatives. Management uses 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.

| THE COOPER COMPANIES, INC. AND SUBSIDIARIES | | | | | | |
|---|-----------------------------|-------------|----------|----------|-------------|----------|
| Reconciliation of Selected GAAP Results to Non-GAAP Results | | | | | | |
| (In millions, except per share amounts) | | | | | | |
| (Unaudited) | | | | | | |
| | Three Months Ended July 31, | | | | | |
| | 2018 | | 2018 | 2017 | | 2017 |
| | GAAP | Adjustment | Non-GAAP | GAAP | Adjustment | Non-GAAP |
| Cost of sales | \$ 233.2 | \$ (18.2) A | \$ 215.0 | \$ 199.8 | \$ (4.1) A | \$ 195.7 |
| Operating expense excluding amortization | \$ 273.5 | \$ (12.3) B | \$ 261.2 | \$ 226.2 | \$ (10.0) B | \$ 216.2 |
| Amortization of intangibles | \$ 37.7 | \$ (37.7) C | \$ — | \$ 17.2 | \$ (17.2) C | \$ — |
| (Benefit) provision for income taxes | \$ (10.4) | \$ 20.2 D | \$ 9.8 | \$ 4.1 | \$ 4.3 D | \$ 8.4 |
| Diluted earnings per share | \$ 2.03 | \$ 0.97 | \$ 3.00 | \$ 2.09 | \$ 0.55 | \$ 2.64 |
| Weighted average diluted shares used | 49.7 | | 49.7 | 49.6 | | 49.6 |

- A Fiscal 2018 GAAP cost of sales includes \$18.2 million of costs primarily related to the inventory step-up release of PARAGARD and other integration costs, resulting in fiscal 2018 GAAP gross margin of 65% as compared to fiscal 2018 non-GAAP gross margins of 67%. Our fiscal 2017 GAAP cost of sales includes \$1.3 million of integration costs in CooperSurgical and \$2.8 million of product write off costs due to new product transition in CooperVision, resulting in fiscal 2017 GAAP gross margin of 64% as compared to fiscal 2017 non-GAAP gross margin of 65%.
- B Fiscal 2018 GAAP operating expense comprised of \$12.3 million primarily related to integration activities and costs associated with exiting carrier screening and NIPT in CooperSurgical. Our fiscal 2017 GAAP operating expense includes \$4.2 million in charges primarily related to acquisition and integration activities in CooperSurgical and \$5.8 million of legal costs related to Unilateral Pricing Policy.
- C Amortization expense was \$37.7 million and \$17.2 million for the fiscal 2018 and 2017 periods, respectively. Items A, B and C resulted in fiscal 2018 GAAP operating margin of 18% as compared to fiscal 2018 non-GAAP operating margin of 28%, and fiscal 2017 GAAP operating margin of 20% as compared to fiscal 2017 non-GAAP operating margin of 26%.
- D Primarily represents increases in the provision for income taxes that arise from the impact of the above adjustments.

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
Reconciliation of Selected GAAP Results to Non-GAAP Results
(In millions, except per share amounts)
(Unaudited)

| | Nine Months Ended July 31, | | | | | |
|---|----------------------------|--------------|----------|----------|-------------|----------|
| | 2018 | | 2018 | 2017 | | 2017 |
| | GAAP | Adjustment | Non-GAAP | GAAP | Adjustment | Non-GAAP |
| Cost of sales | \$ 679.1 | \$ (72.6) A | \$ 606.5 | \$ 565.1 | \$ (6.2) A | \$ 558.9 |
| Operating expense excluding amortization and impairment | \$ 786.9 | \$ (38.8) B | \$ 748.1 | \$ 641.2 | \$ (20.4) B | \$ 620.8 |
| Amortization of intangibles | \$ 110.5 | \$ (110.5) C | \$ — | \$ 50.6 | \$ (50.6) C | \$ — |
| Impairment of intangibles | \$ 24.4 | \$ (24.4) D | \$ — | \$ — | \$ — | \$ — |
| Interest Expense | \$ 59.9 | \$ (1.7) E | \$ 58.2 | \$ 23.3 | \$ — | \$ 23.3 |
| Other expense (income), net | \$ 1.3 | \$ — | \$ 1.3 | \$ (0.1) | \$ (0.1) F | \$ (0.2) |
| Provision for income taxes | \$ 180.0 | \$ (141.8) G | \$ 38.2 | \$ 13.1 | \$ 12.1 G | \$ 25.2 |
| Diluted earnings per share | \$ 0.79 | \$ 7.85 | \$ 8.64 | \$ 5.74 | \$ 1.32 | \$ 7.06 |
| Weighted average diluted shares used | 49.6 | | 49.6 | 49.5 | | 49.5 |

- A Fiscal 2018 GAAP cost of sales includes \$11.8 million of costs in CooperVision primarily related to product transition write off costs, incremental costs associated with the impact of Hurricane Maria and other related manufacturing integration costs; \$60.8 million in CooperSurgical, primarily related to PARAGARD inventory step-up release and other integration costs, resulting in fiscal 2018 GAAP gross margin of 64%, as compared to fiscal 2018 non-GAAP gross margin of 68%. Our fiscal 2017 GAAP cost of sales includes \$2.8 million of integration costs in CooperSurgical; \$2.8 million of product write off costs due to new product transition and \$0.6 million of facility start-up costs in CooperVision; resulting in fiscal 2017 GAAP gross margin of 64%, as compared to fiscal 2017 non-GAAP gross margin of 65%.
- B Fiscal 2018 GAAP operating expense comprised of \$32.6 million in charges primarily related to acquisition and integration activities in CooperSurgical and CooperVision and \$6.2 million of compensation costs related to executives retirement. Our fiscal 2017 GAAP operating expense includes \$11.6 million in charges primarily related to acquisition and integration activities in CooperSurgical and \$8.8 million of legal costs related to Unilateral Pricing Policy.
- C Amortization expense was \$110.5 million and \$50.6 million for the fiscal 2018 and 2017 periods, respectively.
- D Relates to an impairment charge of certain acquired intangible assets in CooperSurgical. Items A, B, C and D resulted in fiscal 2018 GAAP operating margin of 15% as compared to fiscal 2018 non-GAAP operating margin of 28%, and fiscal 2017 GAAP operating margin of 20% as compared to fiscal 2017 non-GAAP operating margin of 25%.
- E Fiscal 2018 interest expense includes \$1.7 million of bridge loan termination fees related to CooperSurgical's PARAGARD acquisition.
- F These amounts represent costs related foreign exchange loss on forward contracts related to acquisitions.
- G Includes a \$196.7 million of U.S. tax reform impact in fiscal 2018 and the increases in the provision for income taxes that arise from the impact of the above adjustments.

Conference Call and Webcast

The Company will host a conference call today at 5:00 PM ET to discuss its fiscal third quarter 2018 financial results and current corporate developments. The live dial-in number for the call is 855-643-4430 (U.S.) / 707-294-1332 (International). The participant passcode for the call is "Cooper". A simultaneous webcast of the call will be available through the "Investor Relations" section of The Cooper Companies' website at <http://investor.coopercos.com> and a transcript of the call will be archived on this site for a minimum of 12 months. A recording of the call will be available beginning at 8:00 PM ET on August 30, 2018 through September 7, 2018. To hear this recording, dial 855-859-2056 (U.S.) / 404-537-3406 (International) and enter code 266737.

About The Cooper Companies

The Cooper Companies, Inc. ("Cooper") is a global medical device company publicly traded on the NYSE (NYSE:COO). Cooper is dedicated to being A Quality of Life Company™ with a focus on delivering shareholder value. Cooper operates through two business units, CooperVision and CooperSurgical. CooperVision brings a refreshing perspective on vision care with a commitment to developing a wide range of high-quality products for contact lens wearers and providing focused practitioner support. CooperSurgical is committed to advancing the health of families with its diversified portfolio of products and services focusing on women's health, fertility and diagnostics. Headquartered in Pleasanton, CA, Cooper has more than 12,000 employees with products sold in over 100 countries. For more information, please visit www.coopercos.com.

Forward-Looking Statements

This earnings release contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Statements relating to guidance, plans, prospects, goals, strategies, future actions, events or performance and other statements which are other than statements of historical fact, including our 2018 Guidance and all 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 diluted earnings per share are forward looking. In addition, all statements regarding anticipated growth in our revenue, 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," "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: 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 United Kingdom's election to withdraw from the European Union and escalating global trade barriers including additional tariff costs; 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 revenues and earnings; changes in tax laws or their interpretation and changes in statutory tax rates, including but not limited to, the U.S., the United Kingdom and other countries with proposed changes to tax laws, some of which may affect our taxation of earnings recognized in foreign jurisdictions and/or negatively impact our effective tax rate; our existing indebtedness and associated interest expense, most of which is variable and 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 revenues, 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 third party information, such as HIPAA in the U.S. and the General Data Protection Regulation requirements which took effect in Europe on May 25, 2018, 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 integration of acquisitions, natural disasters 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; 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; 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, U.S. or foreign 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, 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; and other events described in our Securities and Exchange Commission filings, including the "Business" and "Risk Factors" sections in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2017, 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.

Contact:

Kim Duncan
Vice President, Investor Relations and Administration
925-460-3663
ir@cooperco.com

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
(In millions)
(Unaudited)

| | July 31, 2018 | October 31, 2017 |
|---|---------------|------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 155.6 | \$ 88.8 |
| Trade receivables, net | 375.6 | 316.6 |
| Inventories | 479.6 | 454.1 |
| Other current assets | 178.0 | 93.7 |
| Total current assets | 1,188.8 | 953.2 |
| Property, plant and equipment, net | 967.4 | 910.1 |
| Goodwill | 2,421.3 | 2,354.8 |
| Other intangibles, net | 1,558.8 | 504.7 |
| Deferred tax assets | 45.7 | 60.3 |
| Other assets | 74.9 | 75.6 |
| | \$ 6,256.9 | \$ 4,858.7 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Short-term debt | \$ 45.3 | \$ 23.4 |
| Other current liabilities | 416.1 | 372.7 |
| Total current liabilities | 461.4 | 396.1 |
| Long-term debt | 2,248.9 | 1,149.3 |
| Deferred tax liabilities | 37.2 | 38.8 |
| Long-term tax payable | 171.0 | — |
| Accrued pension liability and other | 111.8 | 98.7 |
| Total liabilities | 3,030.3 | 1,682.9 |
| Stockholders' equity | 3,226.6 | 3,175.8 |
| | \$ 6,256.9 | \$ 4,858.7 |

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
 Consolidated Statements of Income
 (In millions, except per share amounts)
 (Unaudited)

| | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|---|--------------------------------|----------|-------------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net sales | \$ 660.0 | \$ 556.0 | \$ 1,881.3 | \$ 1,577.5 |
| Cost of sales | 233.2 | 199.8 | 679.1 | 565.1 |
| Gross profit | 426.8 | 356.2 | 1,202.2 | 1,012.4 |
| Selling, general and administrative expense | 251.0 | 208.7 | 724.7 | 590.6 |
| Research and development expense | 22.5 | 17.5 | 62.2 | 50.6 |
| Amortization of intangibles | 37.7 | 17.2 | 110.5 | 50.6 |
| Impairment of intangibles | — | — | 24.4 | — |
| Operating income | 115.6 | 112.8 | 280.4 | 320.6 |
| Interest expense | 22.8 | 8.3 | 59.9 | 23.3 |
| Other expense (income), net | 2.4 | (3.2) | 1.3 | (0.1) |
| Income before income taxes | 90.4 | 107.7 | 219.2 | 297.4 |
| (Benefit) provision for income taxes | (10.4) | 4.1 | 180.0 | 13.1 |
| Net income | \$ 100.8 | \$ 103.6 | \$ 39.2 | \$ 284.3 |
| | | | | |
| Diluted earnings per share | \$ 2.03 | \$ 2.09 | \$ 0.79 | \$ 5.74 |
| | | | | |
| Number of shares used to compute diluted earnings per share | 49.7 | 49.6 | 49.6 | 49.5 |

###