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

FORM 10-Q

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

For the quarterly period ended July 31, 2020

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

For the transition period from to

Commission File Number 1-8597

The Cooper Companies, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**94-2657368**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

6101 Bollinger Canyon Road, Suite 500,

San Ramon, California 94583

(Address of principal executive offices) (Zip Code)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

On August 28, 2020, 53,340,401 shares of Common Stock, $.10 par value, were outstanding.

INDEX

PART I. FINANCIAL INFORMATION
Item 1. Unaudited Financial Statements
THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Statements of Income and Comprehensive Income
Periods Ended July 31,
(In millions, except for earnings per share)
(Unaudited)

	Three Months		Nine Months	
	2020	2019	2020	2019
Net sales	$ 578.2	$ 679.4	$ 1,749.3	$ 1,961.8
Cost of sales	217.4	228.7	638.5	660.0
Gross profit	360.8	450.7	1,110.8	1,301.8
Selling, general and administrative expense	232.8	249.8	728.3	746.6
Research and development expense	21.8	21.5	67.8	63.4
Amortization of intangibles	34.2	37.2	103.0	110.7
Gain on sale of an intangible	—	—	—	(19.0)
Operating income	72.0	142.2	211.7	400.1
Interest expense	5.7	16.7	30.1	53.3
Other (income) expense, net	(0.1)	(1.5)	8.8	(2.1)
Income before income taxes	66.4	127.0	172.8	348.9
Provision for income taxes (Note 7)	11.2	6.9	15.6	3.2
Net income	$ 55.2	$ 120.1	$ 157.2	$ 345.7
Earnings per share (Note 8):				
Basic	$ 1.13	$ 2.43	$ 3.20	$ 7.00
Diluted	$ 1.12	$ 2.40	$ 3.17	$ 6.91
Number of shares used to compute earnings per share:				
Basic	49.1	49.5	49.1	49.4
Diluted	49.5	50.1	49.6	50.0
Other comprehensive income, net of tax:				
Cash flow hedges	$ (4.6)	—	$ (18.1)	—
Foreign currency translation adjustment	72.7	(65.2)	20.5	(51.1)
Comprehensive income	$ 123.3	$ 54.9	$ 159.6	$ 294.6

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

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Condensed Balance Sheets
(In millions, unaudited)

	July 31, 2020	October 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 127.4	$ 89.0
Trade accounts receivable, net of allowance for doubtful accounts of $11.9 at July 31, 2020 and $16.4 at October 31, 2019	450.5	435.3
Inventories (Note 4)	594.9	506.9
Prepaid expense and other current assets	148.5	132.2
Total current assets	1,321.3	1,163.4
Property, plant and equipment, at cost	2,401.8	2,193.9
Less: accumulated depreciation and amortization	1,164.1	1,061.8
	1,237.7	1,132.1
Operating lease right-of-use assets (Note 2)	258.9	—
Goodwill (Note 5)	2,445.0	2,428.9
Other intangibles, net (Note 5)	1,311.4	1,405.3
Deferred tax assets	80.1	78.0
Other assets	94.0	66.8
Total assets	$ 6,748.4	$ 6,274.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt (Note 6)	$ 552.6	$ 563.7
Accounts payable	180.2	150.1
Employee compensation and benefits	108.4	104.7
Operating lease liabilities	32.3	—
Other current liabilities	255.2	292.1
Total current liabilities	1,128.7	1,110.6
Long-term debt (Note 6)	1,327.8	1,262.6
Deferred tax liabilities	28.5	28.0
Long-term tax payable	162.1	124.8
Operating lease liabilities	236.6	—
Accrued pension liability and other	104.3	119.9
Total liabilities	$ 2,988.0	$ 2,645.9
Contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, 10 cents par value, shares authorized: 1.0; zero shares issued or outstanding	—	—
Common stock, 10 cents par value, shares authorized: 120.0; issued 53.4 at July 31, 2020 and 53.2 at October 31, 2019	5.3	5.3
Additional paid-in capital	1,637.0	1,615.0
Accumulated other comprehensive loss	(444.7)	(447.1)
Retained earnings	3,180.6	3,026.4
Treasury stock at cost: 4.3 shares at July 31, 2020 and 4.1 shares at October 31, 2019	(618.0)	(571.2)
Total Cooper stockholders' equity	3,760.2	3,628.4
Noncontrolling interests	0.2	0.2
Stockholders' equity (Note 10)	3,760.4	3,628.6
Total liabilities and stockholders' equity	$ 6,748.4	$ 6,274.5

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

Consolidated Condensed Statements of Stockholders' Equity (In millions, unaudited)

	Common Shares		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Noncontrolling Interests	Total Stockholders' Equity
(In millions)	Shares	Amount	Shares	Amount						
Balance at November 1, 2018	49.2	$ 5.0	3.6	$ 0.3	$ 1,572.1	$ (430.7)	$ 2,576.0	$ (415.1)	$ 0.2	$ 3,307.8
Net income	—	—	—	—	—	—	103.2	—	—	103.2
Other comprehensive income, net of tax	—	—	—	—	—	32.7	—	—	—	32.7
Issuance of common stock for stock plans, net	0.1	—	—	—	(9.0)	—	—	—	—	(9.0)
Treasury stock repurchase	—	—	—	—	—	—	—	(6.1)	—	(6.1)
Dividends on common stock ($0.03 per share)	—	—	—	—	—	—	(1.5)	—	—	(1.5)
Share-based compensation expense	—	—	—	—	11.7	—	—	—	—	11.7
ASU 2016-16 adoption	—	—	—	—	—	—	(13.3)	—	—	(13.3)
Balance at January 31, 2019	49.3	$ 5.0	3.6	$ 0.3	$ 1,574.8	$ (398.0)	$ 2,664.4	$ (421.2)	$ 0.2	$ 3,425.5
Net income	—	—	—	—	—	—	122.4	—	—	122.4
Other comprehensive loss, net of tax	—	—	—	—	—	(18.6)	—	—	—	(18.6)
Issuance of common stock for stock plans, net	0.2	—	—	—	4.5	—	—	—	—	4.5
Share-based compensation expense	—	—	—	—	8.4	—	—	—	—	8.4
Balance at April 30, 2019	49.5	$ 5.0	3.6	$ 0.3	$ 1,587.7	$ (416.6)	$ 2,786.8	$ (421.2)	$ 0.2	$ 3,542.2
Net income	—	—	—	—	—	—	120.1	—	—	120.1
Other comprehensive loss, net of tax	—	—	—	—	—	(65.2)	—	—	—	(65.2)
Issuance of common stock for stock plans, net	0.1	—	—	—	12.2	—	—	—	—	12.2
Dividends on common stock ($0.03 per share)	—	—	—	—	—	—	(1.5)	—	—	(1.5)
Share-based compensation expense	—	—	—	—	7.7	—	—	—	—	7.7
Balance at July 31, 2019	49.6	$ 5.0	3.6	$ 0.3	$ 1,607.6	$ (481.8)	$ 2,905.4	$ (421.2)	$ 0.2	$ 3,615.5

Consolidated Condensed Statements of Stockholders' Equity (In millions, unaudited)

	Common Shares		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Noncontrolling Interests	Total Stockholders' Equity
(In millions)	Shares	Amount	Shares	Amount						
Balance at November 1, 2019	49.1	$ 4.9	4.1	$ 0.4	$ 1,615.0	$ (447.1)	$ 3,026.4	$ (571.2)	$ 0.2	$ 3,628.6
Net income	—	—	—	—	—	—	90.5	—	—	90.5
Other comprehensive income, net of tax	—	—	—	—	—	16.7	—	—	—	16.7
Issuance of common stock for stock plans, net	0.1	—	—	—	(13.2)	—	—	—	—	(13.1)
Dividends on common stock ($0.03 per share)	—	—	—	—	—	—	(1.5)	—	—	(1.5)
Share-based compensation expense	—	—	—	—	9.7	—	—	—	—	9.7
Balance at January 31, 2020	49.2	$ 4.9	4.1	$ 0.4	$ 1,611.6	$ (430.4)	$ 3,115.4	$ (571.2)	$ 0.2	$ 3,730.9
Net income	—	—	—	—	—	—	11.5	—	—	11.5
Other comprehensive income, net of tax	—	—	—	—	—	(82.4)	—	—	—	(82.4)
Issuance of common stock for stock plans, net	0.1	—	—	—	5.0	—	—	—	—	5.0
Treasury stock repurchase	(0.2)	—	0.2	—	—	—	—	(47.8)	—	(47.8)
Issuance of common stock for employee stock purchase plan	—	—	—	—	0.6	—	—	0.4	—	1.0
Share-based compensation expense	—	—	—	—	9.3	—	—	—	—	9.3
Balance at April 30, 2020	49.1	$ 4.9	4.3	$ 0.4	$ 1,626.5	$ (512.8)	$ 3,126.9	$ (618.6)	$ 0.2	$ 3,627.5
Net income	—	—	—	—	—	—	55.2	—	—	55.2
Other comprehensive loss, net of tax	—	—	—	—	—	68.1	—	—	—	68.1
Issuance of common stock for stock plans, net	—	—	—	—	0.4	—	—	—	—	0.4
Issuance of common stock for employee stock purchase plan	—	—	—	—	0.4	—	—	0.6	—	1.0
Dividends on common stock ($0.03 per share)	—	—	—	—	—	—	(1.5)	—	—	(1.5)
Share-based compensation expense	—	—	—	—	9.7	—	—	—	—	9.7
Balance at July 31, 2020	49.1	$ 4.9	4.3	$ 0.4	$ 1,637.0	$ (444.7)	$ 3,180.6	$ (618.0)	$ 0.2	$ 3,760.4

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

Consolidated Condensed Statements of Cash Flows
Nine Months Ended July 31,
(In millions, unaudited)

	2020	2019
Cash flows from operating activities:		
Net income	$ 157.2	$ 345.7
Depreciation and amortization	210.0	210.2
Gain on sale of an intangible	—	(19.0)
Increase in operating capital	(155.9)	(22.1)
Other non-cash items	57.0	(1.5)
Net cash provided by operating activities	268.3	513.3
Cash flows from investing activities:		
Purchases of property, plant and equipment	(203.4)	(207.3)
Acquisitions of businesses and assets, net of cash acquired, and other	(17.9)	(59.1)
Net cash used in investing activities	(221.3)	(266.4)
Cash flows from financing activities:		
Proceeds from long-term debt	2,086.4	576.8
Repayments of long-term debt	(2,022.8)	(1,140.8)
Net (repayments) proceeds from short-term debt	(13.0)	351.8
Net (payments) proceeds related to share-based compensation awards	(7.8)	7.7
Dividends on common stock	(1.5)	(1.5)
Repurchase of common stock	(47.8)	(6.1)
Issuance of common stock for employee stock purchase plan	1.8	—
Debt issuance costs	(5.5)	(0.2)
Net cash used in financing activities	(10.2)	(212.3)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2.0	(1.6)
Net increase in cash, cash equivalents and restricted cash	38.8	33.0
Cash, cash equivalents and restricted cash at beginning of period	89.5	80.2
Cash, cash equivalents and restricted cash at end of period	$ 128.3	$ 113.2
Reconciliation of cash flow information:		
Cash and cash equivalents	$ 127.4	$ 112.7
Restricted cash included in other current assets	0.9	0.5
Total cash, cash equivalents and restricted cash	$ 128.3	$ 113.2

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

Note 1. General

The accompanying Consolidated Condensed Financial Statements of the Cooper Companies, Inc. and its subsidiaries (the Company) have been prepared in accordance with U.S. GAAP for interim financial information and with the requirements of Regulation S-X, Rule 10-01 for financial statements required to be filed as a part of this Quarterly Report on Form 10-Q. Unless the context requires otherwise, terms "the Company", "we", "us", and "our" are used to refer collectively to the Cooper Companies, Inc. and its subsidiaries.

The accompanying Consolidated Condensed Financial Statements and related notes should be read in conjunction with the audited Consolidated Financial Statements of the Cooper Companies, Inc. and its subsidiaries (the Company) and related notes as contained in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2019. The Consolidated Condensed Financial Statements include all adjustments (consisting only of normal recurring adjustments) and accruals necessary in the judgment of management for a fair statement of the results for the periods presented. Readers should not assume that the results reported here either indicate or guarantee future performance.

Accounting Policies

There have been no material changes to our significant accounting policies described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2019, except as it relates to the adoption of Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which is described below.

Leases

We consider an arrangement a lease if the arrangement transfers the right to control the use of an identified asset in exchange for consideration. We have operating leases, but do not have material financing leases. Lease right-of-use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make payments arising from the lease agreement. These assets and liabilities are recognized at the commencement of the lease based upon the present value of the future minimum lease payments over the lease term.

The lease term reflects the noncancelable period of the lease together with periods covered by an option to extend or terminate the lease when management is reasonably certain that it will exercise such option. Changes in the lease term assumption could impact the right-of-use assets and lease liabilities recognized on the balance sheet. As our leases typically do not contain a readily determinable implicit rate, we determine the present value of the lease liability using our incremental borrowing rate at the lease commencement date based on the lease term on a collateralized basis.

Estimates

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

The preparation of Consolidated Condensed Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of net sales and expenses during the reporting period. Actual results could differ from those estimates particularly as it relates to estimates reliant on forecasts and other assumptions reasonably available to the Company and the uncertain future impacts of the COVID-19 pandemic and related economic disruptions. The extent to which the COVID-19 pandemic and related economic disruptions impact our business and financial results will depend on future developments including, but not limited to, the continued spread, duration and severity of the COVID-19 pandemic; the occurrence, spread, duration and severity of any subsequent wave or waves of outbreaks; the actions taken by the U.S. and foreign governments to contain the COVID-19 pandemic, address its impact or respond to the reduction in global and local economic activity;

the occurrence, duration and severity of a global, regional or national recession, depression or other sustained adverse market event; the impact of the developments described above on our customers and suppliers; and how quickly and to what extent normal economic and operating conditions can resume. The accounting matters assessed included, but were not limited to:

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

There was not a material impact to the above estimates in the Company's Consolidated Condensed Financial Statements for the three and nine months ended July 31, 2020. The Company continually monitors and evaluates the estimates used as additional information becomes available. Adjustments will be made to these provisions periodically to reflect new facts and circumstances that may indicate that historical experience may not be indicative of current and/or future results. The Company's future assessment of the magnitude and duration of COVID-19, as well as other factors, could result in material changes to the estimates and material impacts to the Company's Consolidated Condensed Financial Statements in future reporting periods.

Accounting Pronouncements Recently Adopted

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

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

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

As of July 31, 2020, the aggregate balances of lease right-of-use assets and lease liabilities were $258.9 million and $271.0 million, respectively. The standard did not affect our Consolidated Statements of Income and Comprehensive

Income or Consolidated Condensed Statements of Cash Flows. We will continue to disclose comparative reporting periods prior to November 1, 2019 under the previous accounting guidance, ASC 840 *Leases*.

Accounting Pronouncements Issued Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, *"Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*" and subsequent amendments to the initial guidance: ASU 2018-19 *"Codification Improvements to Topic 326, Financial Instruments-Credit Losses*", ASU 2019-04 "*Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments"*, ASU 2019-05 "*Financial Instruments-Credit Losses*", ASU 2019-11 "*Codification Improvements to Topic 326, Financial Instruments - Credit Losses" (collectively, "Topic 326"),* ASU 2020-02 *Financial Instruments—Credit Losses (Topic 326) and Leases (Topic 842)* and ASU 2020-03 *Codification Improvements to Financial Instruments.* Topic 326 requires measurement and recognition of expected credit losses for financial assets held. Topic 326 is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2019, which means it will be effective for our fiscal year beginning November 01, 2020. Early adoption is permitted. We are currently evaluating the impact of Topic 326 on our Consolidated Condensed Financial Statements.

The Company's exposure to credit losses may increase if our customers are adversely affected by changes in healthcare laws, coverage or governmental and insurance reimbursement, economic pressures or uncertainty associated with local or global economic recessions, disruption associated with the current COVID-19 pandemic, or other customer-specific factors. Although the Company has historically not experienced significant credit losses, it is possible that there could be an adverse impact as cash flows are impacted by responses of customers to the COVID-19 pandemic.

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

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

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

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* (*Topic 848*): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This guidance provides optional expedients and exceptions for applying generally accepted accounting principles (GAAP) to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This guidance is effective for all entities as of March 12, 2020 through December 31, 2022. We are currently evaluating the impact of ASU 2020-04 on our Consolidated Condensed Financial Statements.

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

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

Note 2. Leases

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

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

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

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

Commitments under finance lease arrangements of $2.1 million as of July 31, 2020 are not significant and are not included in the disclosure tables below.

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

(In millions)		July 31, 2020
Operating Leases		
Operating lease right-of-use assets	$	258.9
Operating lease liabilities, current		32.3
Operating lease liabilities, non-current		236.6
Total operating lease liabilities	$	268.9
Weighted average remaining lease term (in years)		11.3
Weighted average discount rate		3%

The following table presents information about lease expense in our Consolidated Statements of Income and Comprehensive Income:

Periods Ended July 31,		Three Months		Nine Months
(In millions)		2020		2020
Operating lease expense	$	10.6	$	30.2
Short-term lease expense		1.1		3.3
Variable lease expense	$	0.5	$	1.3

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

Periods Ended July 31,	Three Months	Nine Months
(In millions)	2020	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 10.5	$ 30.1

Maturity of Lease Liabilities

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

(In millions)	
Remainder of 2020	$ 10.1
2021	38.8
2022	35.0
2023	31.1
2024	28.8
2025 and thereafter	179.5
Total lease payments	323.3
Less: interest	54.4
Present value of lease liabilities	$ 268.9

As previously disclosed in the Company’s Annual Report on Form 10-K for the fiscal year ended October 31, 2019, and under previous lease accounting standard ASC 840, Leases, the aggregate future noncancelable minimum rental payments on its operating leases, as of October 31, 2019, were as follows:

(In millions)	
2020	$ 38.5
2021	34.9
2022	31.2
2023	28.0
2024	26.5
2025 and thereafter	173.6
Total future minimum lease payments	$ 332.7

Note 3. Acquisitions

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

(In millions)	July 31, 2020	October 31, 2019
Customer relationships	$ 6.5	$ 7.5
Technology	—	12.3
Trademarks	—	10.2
Other	—	0.1
Total identifiable intangible assets	$ 6.5	$ 30.1
Goodwill	1.8	29.8
Net tangible assets	0.8	7.3
Total purchase price	$ 9.1	$ 67.2

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

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

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

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

Fiscal Year 2020

On December 13, 2019, CooperSurgical completed the acquisition of a privately-held distributor of in vitro fertilization (IVF) medical devices and systems. The purchase price allocation is preliminary and we are in the process of finalizing information and the corresponding impact on goodwill.

Fiscal Year 2019

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

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

Note 4. Inventories

(In millions)	July 31, 2020	October 31, 2019
Raw materials	$ 156.1	$ 131.4
Work-in-process	13.4	13.3
Finished goods	425.4	362.2
Total inventories	$ 594.9	$ 506.9

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

Note 5. Intangible Assets

Goodwill

(In millions)	CooperVision	CooperSurgical	Total
Balance at October 31, 2019	$ 1,765.4	$ 663.5	$ 2,428.9
Current period additions	—	1.8	1.8
Foreign currency translation adjustment	10.0	4.3	14.3
Balance at July 31, 2020	$ 1,775.4	$ 669.6	$ 2,445.0

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

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

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

Given the general deterioration in economic and market conditions surrounding the COVID-19 pandemic, the Company considered the impact that the COVID-19 pandemic may have on its near and long-term forecasts and determined that it was not more likely than not that the fair value of reporting units or relevant asset groups was below carrying amounts, and therefore the Company determined that there was no impairment to either its goodwill, definite-lived or indefinite-lived intangible assets at July 31, 2020.

Other Intangible Assets

	July 31, 2020		October 31, 2019		
(In millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Weighted Average Amortization Period (in years)
Intangible assets with definite lives:					
Trademarks	$ 148.4	$ 35.1	$ 148.5	$ 27.3	14
Composite intangible asset	1,061.9	194.7	1,061.9	141.6	15
Technology	401.3	244.4	399.9	221.2	11
Customer relationships	365.1	211.6	357.6	194.0	13
License and distribution rights and other	27.9	17.4	27.9	15.3	11
	2,004.6	$ 703.3	1,995.8	$ 599.4	14
Less: accumulated amortization and translation	703.3		599.4		
Intangible assets with definite lives, net	1,301.3		1,396.4		
Intangible assets with indefinite lives, net (1)	10.1		8.9		
Total other intangibles, net	$ 1,311.4		$ 1,405.3		

(1) *Intangible assets with indefinite lives include technology and trademarks.*

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

Balances include foreign currency translation adjustments.

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

Fiscal years:	(In millions)
Remainder of 2020	$ 33.9
2021	135.4
2022	133.5
2023	131.3
2024	127.0
Thereafter	740.2
Total remaining amortization for intangible assets with definite lives	$ 1,301.3

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

If the carrying value of a definite-lived or indefinite-lived intangible asset is not recoverable, an impairment loss is recognized based on the amount by which the carrying value exceeds the fair value. The Company performed an annual impairment assessment in third quarter of fiscal 2020 and 2019 and did not recognize any intangible asset impairment charges.

Note 6. Debt

(In millions)	July 31, 2020	October 31, 2019
Overdraft and other credit facilities	$ 52.7	$ 63.7
Term loan	500.0	500.0
Less: unamortized debt issuance cost	(0.1)	—
Short-term debt	$ 552.6	$ 563.7
Revolving credit	478.0	264.0
Term loans	850.0	1,000.0
Other	0.1	0.2
Less: unamortized debt issuance cost	(0.3)	(1.6)
Long-term debt	1,327.8	1,262.6
Total debt	$ 1,880.4	$ 1,826.3

Revolving Credit and Term Loan Agreement on April 1, 2020

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

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

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

On April 1, 2020, the Company borrowed $850.0 million under the 2020 Term Loan Facility and $445.0 million under the 2020 Revolving Credit Facility and used the proceeds to fully repay all borrowings outstanding under the 2017 Term Loan Agreement (as defined below) and transfer all letters of credit and borrowings outstanding under the 2016 Credit Agreement (as defined below) to the 2020 Credit Agreement, as further described below.

At July 31, 2020, the Company had $850.0 million outstanding under the 2020 Term Loan Facility and $478.0 million outstanding under the 2020 Revolving Credit Facility. The interest rate on the 2020 Term Loan Facility was 1.17% at July 31, 2020. During the three and nine months ended July 31, 2020, the Company expensed $0.1 million and $1.8 million, respectively, related to the debt issuance costs of the 2020 Term Loan Facility.

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

- Interest Coverage Ratio, as defined, to be at least 3.00 to 1.00 at all times.
- Total Leverage Ratio, as defined, to be no higher than 3.75 to 1.00.

At July 31, 2020, the Company was in compliance with the Interest Coverage Ratio at 17.60 to 1.00 and the Total Leverage Ratio at 2.23 to 1.00 for 2020 Credit Agreement and 2019 Term Loan Agreement discussed below. The Company, after considering the potential impacts of the COVID-19 pandemic, expects to remain in compliance with its financial maintenance covenant and meet its debt service obligations for at least the twelve months following the date of issuance of these financial statements.

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

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

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

At July 31, 2020, the Company had $500.0 million outstanding under the 2019 Term Loan Agreement (including the Second Amendment to the 2018 Term Loan Agreement).

Amounts outstanding under the 2019 Term Loan Agreement will bear interest, at the Company's option, at either the base rate, or the adjusted LIBOR (each as defined in the Second Amendment to the 2018 Term Loan Agreement), plus, in each case, an applicable rate of 0.00% in respect of base rate loans and 0.60% in respect of adjusted LIBOR loans. The weighted average interest rates for the three months and nine months ended July 31, 2020 were 0.84% and 1.73%, respectively.

The 2019 Term Loan Agreement contains customary restrictive covenants, as well as financial covenants that require the Company to maintain a certain Total Leverage Ratio and Interest Coverage Ratio (each as defined in the Second Amendment to the 2018 Term Loan Agreement) consistent with the 2020 Credit Agreement discussed above.

Refer to our Annual Report on Form 10-K for the fiscal year ended October 31, 2019 for more details.

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

(In millions)	Facility Limit	Outstanding Borrowings	Outstanding Letters of Credit	Total Amount Available	Maturity Date
2020 Revolving Credit Facility	$ 1,290.0	$ 478.0	$ 1.4	$ 810.6	April 1, 2025
2020 Term Loan Facility	850.0	850.0	n/a	—	April 1, 2025
2019 Term Loan	500.0	500.0	n/a	—	September 25, 2020
Total	$ 2,640	$ 1,828	$ 1.4	$ 810.6	

Note 7. Income Taxes

Recent Tax Legislation

Coronavirus Aid, Relief and Economic Security Act

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

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

Effective Tax Rate

The Company's income tax provision for the three and nine months ended July 31, 2020 and 2019, were as follows:

Periods Ended July 31,	Three Months		Nine Months	
(In millions)	2020	2019	2020	2019
Income tax (benefit) provision	$ 11.2	$ 6.9	$ 15.6	$ 3.2

The Company's effective tax rates were 16.9% and 5.4% for the third quarter of fiscal 2020 and 2019, respectively, and 9.0% and 0.9% for the nine months ended July 31, 2020 and 2019, respectively. The increase in the effective tax rate for the third quarter of fiscal 2020 compared to fiscal 2019 was primarily due to the significant drop of profit before tax due to market volatility as a result of COVID-19 pandemic, tax expense from prior period tax return filings and a decrease of excess tax benefits from share-based compensation. The Company's effective tax rate for the nine months ended July 31, 2020 was higher compared to the prior year period, primarily due to settlement of tax audits in fiscal 2019, revisions to the provisional tax charges relating to the 2017 Act in fiscal 2019, a decrease of excess tax benefits from share-based compensation, the significant drop of profit before tax due to market volatility as a result of COVID-19 pandemic and tax expense from prior period tax return filings. The Company's effective tax rate for the third quarter of fiscal 2020 was lower than the U.S. statutory tax rate primarily due to excess tax benefits from share-based compensation and a favorable mix of income from foreign jurisdictions with preferential tax rates.

We recognize the benefit from a tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position. As of July 31, 2020, and October 31, 2019, Cooper had unrecognized tax benefits of $56.8 million and $49.7 million, respectively. The increase is primarily related to additions to current and prior period tax positions, partially offset by lapses of statute of limitations. It is our policy to recognize interest and penalties directly related to income taxes as additional income tax expense. It is reasonably possible that $19.5 million of unrecognized tax benefits could be settled during the next twelve months.

The Company is subject to U.S. Federal income tax examinations for fiscal 2015 through 2019 and the Internal Revenue Service is currently auditing our U.S. Consolidated Corporation Income Tax Returns for fiscal 2015 and 2016. The Company remains subject to income tax examinations in other significant tax jurisdictions including United Kingdom, Japan, France and Australia for the tax years 2014 through 2019. The Company is currently under audit in the United Kingdom for 2015 through 2018.

Note 8. Earnings Per Share

Periods Ended July 31,	Three Months		Nine Months	
(In millions, except per share amounts)	2020	2019	2020	2019
Net income	$ 55.2	$ 120.1	$ 157.2	$ 345.7
Basic:				
Weighted average common shares	49.1	49.5	49.1	49.4
Basic earnings per share	$ 1.13	$ 2.43	$ 3.20	$ 7.00
Diluted:				
Weighted average common shares	49.1	49.5	49.1	49.4
Effect of dilutive stock options	0.4	0.6	0.5	0.6
Diluted weighted average common shares	49.5	50.1	49.6	50.0
Diluted earnings per share	$ 1.12	$ 2.40	$ 3.17	$ 6.91

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

Periods Ended July 31,	Three Months		Nine Months	
(In thousands, except exercise prices)	2020	2019	2020	2019
Stock option shares excluded	392	—	207	198
Range of exercise prices	$254.77-$304.54	n/a	$ 304.54	$ 254.77
Restricted stock units excluded	1	18	1	19

Note 9. Share-Based Compensation Plans

The Company has several share-based compensation plans that are described in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2019. The compensation expense and related income tax benefit recognized in our Consolidated Statements of Income and Comprehensive Income for share-based awards were as follows:

Periods Ended July 31,	Three Months		Nine Months	
(In millions)	2020	2019	2020	2019
Selling, general and administrative expense	$ 8.1	$ 6.8	$ 25.0	$ 22.1
Cost of sales	0.9	1.0	3.1	3.9
Research and development expense	0.6	0.5	1.8	2.4
Total share-based compensation expense	$ 9.6	$ 8.3	$ 29.9	$ 28.4
Related income tax benefit	$ 1.2	$ 1.1	$ 3.8	$ 4.0

Note 10. Stockholders' Equity

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

(In millions)	Foreign Currency Translation Adjustment	Minimum Pension Liability	Derivative Instruments	Total
Balance at October 31, 2018	$ (412.2)	$ (18.5)	$ —	$ (430.7)
Gross change in value	9.0	(33.4)	—	(24.4)
Tax effect for the period	—	8.0	—	8.0
Balance at October 31, 2019	$ (403.2)	$ (43.9)	$ —	$ (447.1)
Gross change in value	20.5	—	(23.8)	(3.3)
Tax effect for the period	—	—	5.7	5.7
Balance at July 31, 2020	$ (382.7)	$ (43.9)	$ (18.1)	$ (444.7)

Share Repurchases

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

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

There were no share repurchases under the program during the three months ended July 31, 2020 and 2019. For the nine months ended July 31, 2020 and 2019, the Company's share repurchases were as follows:

Periods Ended July 31,	Nine Months	
	2020	2019
Number of shares	160,850	24,500
Average repurchase price per share	$ 296.9	$ 248.7
Total costs of shares repurchased (in millions)	$ 47.8	$ 6.1

Dividends

We paid a semiannual dividend of approximately $1.5 million or 3 cents per share, on February 10, 2020, to stockholders of record on January 23, 2020. We paid another semiannual dividend of approximately $1.5 million or 3 cents per share on August 7, 2020, to stockholders of record on July 23, 2020.

Note 11. Fair Value Measurements

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

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

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

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

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

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

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

The fair value of the interest rate swap contracts is measured on a recurring basis by netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on the expectation of future interest rates (forward curves) derived from observable market interest rate curves. The interest rate swap contracts were categorized as Level 2 in the fair value hierarchy, as the inputs to the derivative pricing model are generally observable and do not contain a high level of subjectivity. Refer to Note 15. Financial Derivatives and Hedging for further information.

The Company did not have any derivative assets or liabilities including interest rate swaps, cross currency swaps or foreign currency forward contracts as of October 31, 2019.

Nonrecurring fair value measurements

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

Note 12. Employee Benefits

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

Our results of operations for the three and nine months ended July 31, 2020 and 2019, reflect the following components of net periodic defined benefit costs:

Periods Ended July 31,	**Three Months**		**Nine Months**	
(In millions)	**2020**	**2019**	**2020**	**2019**
Service cost	$ 5.2	$ 2.2	$ 12.1	$ 7.6
Interest cost	0.9	2.1	3.5	4.6
Expected return on plan assets	(3.6)	(2.8)	(9.0)	(7.4)
Recognized net actuarial gain (loss)	1.8	(0.2)	3.8	0.6
Net periodic defined benefit plan cost	$ 4.3	$ 1.3	$ 10.4	$ 5.4

We did not contribute to the Plan in the first nine months of fiscal 2020 and expect to contribute $23.4 million during the remainder of the year. We contributed $5.0 million to the Plan in the first nine months of fiscal 2019. The expected rate of return on Plan assets for determining net periodic benefit plan cost is 8%.

Note 13. Contingencies

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

Note 14. Business Segment Information

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

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

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

Total identifiable assets are those used in continuing operations except cash and cash equivalents, which we include as corporate assets.

Segment information:

Periods Ended July 31,	**Three Months**		**Nine Months**	
(In millions)	**2020**	**2019**	**2020**	**2019**
CooperVision net sales by category:				
Toric lens	$ 147.6	$ 163.1	$ 436.3	$ 464.4
Multifocal lens	46.9	52.4	143.8	151.1
Single-use sphere lens	126.5	146.3	380.7	413.6
Non single-use sphere, other	128.3	147.3	375.9	434.2
Total CooperVision net sales	$ 449.3	$ 509.1	$ 1,336.7	$ 1,463.3
CooperSurgical net sales by category:				
Office and surgical products	$ 81.7	$ 106.3	$ 249.7	$ 307.7
Fertility	47.2	64.0	162.9	190.8
CooperSurgical net sales	128.9	170.3	412.6	498.5
Total net sales	$ 578.2	$ 679.4	$ 1,749.3	$ 1,961.8
Operating income:				
CooperVision	$ 93.7	$ 134.2	$ 284.4	$ 375.9
CooperSurgical	(9.3)	20.6	(33.3)	59.0
Corporate	(12.4)	(12.6)	(39.4)	(34.8)
Total operating income	72.0	142.2	211.7	400.1
Interest expense	5.7	16.7	30.1	53.3
Other (income) expense, net	(0.1)	(1.5)	8.8	(2.1)
Income before income taxes	$ 66.4	$ 127.0	$ 172.8	$ 348.9

(In millions)	July 31, 2020	October 31, 2019
Total identifiable assets:		
CooperVision	$ 4,240.8	$ 3,911.6
CooperSurgical	2,290.7	2,189.8
Corporate	216.9	173.1
Total	$ 6,748.4	$ 6,274.5

Geographic information:

Periods Ended July 31,	Three Months		Nine Months	
(In millions)	2020	2019	2020	2019
Net sales to unaffiliated customers by country of domicile:				
United States	$ 263.7	$ 306.2	$ 779.6	$ 891.1
Europe	185.2	222.7	577.3	642.0
Rest of world	129.3	150.5	392.4	428.7
Total	$ 578.2	$ 679.4	$ 1,749.3	$ 1,961.8

(In millions)	July 31, 2020	October 31, 2019
Net property, plant and equipment by country of domicile:		
United States	$ 686.2	$ 626.5
Europe	367.6	358.8
Rest of world	183.9	146.8
Total	$ 1,237.7	$ 1,132.1

Note 15. Financial Derivatives and Hedging

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

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

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

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

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

(In millions, except for number of instruments)	Number of Instruments	Notional Value
Interest Rate Swap Contracts	6	$ 1,500

These contracts have maturities of seven years or less.

The pre-tax impact of loss on derivatives designated for hedge accounting recognized in other comprehensive income (loss) was $23.8 million ($18.1 million, net of tax) as of July 31, 2020. The Company did not have any derivatives designated as hedging instruments for the period ended July 31, 2019.

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

	Derivative Liabilities		
(In millions)		July 31, 2020	July 31, 2019
Derivatives designated as cash flow hedges	Balance sheet location		
Interest rate swap contracts	Other current liabilities	$ 0.7	$ —
Interest rate swap contracts	Other non-current liabilities	23.1	—
		$ 23.8	$ —

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

Periods Ended July 31,		**Three Months**		**Nine Months**	
(In millions)		**2020**	**2019**	**2020**	**2019**
Derivatives designated as cash flow hedges	**Location of Loss Recognized on Derivatives**				
Interest rate swap contracts	Interest expense	$ 1.8	$ —	$ 1.6	$ —

The Company expects that $7.0 million recorded as a component of accumulated other comprehensive income (loss) will be realized in the statements of earnings over the next twelve months and the amount will vary depending on prevailing interest rates.

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

(In millions)	**Amount**
Beginning balance gain / (loss) as of October 31, 2019	$ —
Amount recognized in other comprehensive income on interest rate swap contracts, gross	(25.4)
Amount reclassified from other comprehensive income into earnings, gross	1.6
Ending balance gain / (loss) as of July 31, 2020	$ (23.8)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Note numbers refer to “Notes to Consolidated Condensed Financial Statements” in Item 1. Unaudited Financial Statements.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These include statements relating to plans, prospects, goals, strategies, future actions, events or performance and other statements which are other than statements of historical fact, including all statements regarding the expected impact of the ongoing COVID-19 pandemic on our business; and statements regarding acquisitions including the acquired companies' financial position, market position, product development and business strategy, expected cost synergies, expected timing and benefits of the transaction, difficulties in integrating entities or operations, as well as estimates of our and the acquired entities' future expenses, sales and earnings per share are forward-looking. In addition, all statements regarding anticipated growth in our net sales, anticipated effects of any product recalls, anticipated market conditions, planned product launches and expected results of operations and integration of any acquisition are forward-looking. To identify these statements, look for words like “believes,” “outlook,” “probable,” “expects,” “may,” “will,” “should,” “could,” “seeks,” “intends,” “plans,” “estimates” or “anticipates” and similar words or phrases. Forward-looking statements necessarily depend on assumptions, data or methods that may be incorrect or imprecise and are subject to risks and uncertainties. Among the factors that could cause our actual results and future actions to differ materially from those described in forward-looking statements are:

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

Act in the U.S. and the General Data Protection Regulation requirements in Europe, including but not limited to those resulting from data security breaches.

- A major disruption in the operations of our manufacturing, accounting and financial reporting, research and development, distribution facilities or raw material supply chain due to the ongoing COVID-19 pandemic, integration of acquisitions, man-made or natural disasters, cybersecurity incidents or other causes.
- A major disruption in the operations of our manufacturing, accounting and financial reporting, research and development or distribution facilities due to technological problems, including any related to our information systems maintenance, enhancements or new system deployments, integrations or upgrades.
- Market consolidation of large customers globally through mergers or acquisitions resulting in a larger proportion or concentration of our business being derived from fewer customers.
- Disruptions in supplies of raw materials, particularly components used to manufacture our silicone hydrogel lenses.
- New U.S. and foreign government laws and regulations, and changes in existing laws, regulations and enforcement guidance, which affect areas of our operations including, but not limited to, those affecting the health care industry, including the contact lens industry specifically and the medical device or pharmaceutical industries generally, including but not limited to the EU Medical Devices Regulation (MDR), the EU In Vitro Diagnostic Medical Devices Regulation (IVDR), and the medical device excise tax under the U.S. Affordable Care Act.
- Legal costs, insurance expenses, settlement costs and the risk of an adverse decision, prohibitive injunction or settlement related to product liability, patent infringement or other litigation.
- Limitations on sales following product introductions due to poor market acceptance.
- New competitors, product innovations or technologies, including but not limited to, technological advances by competitors, new products and patents attained by competitors, and competitors' expansion through acquisitions.
- Reduced sales, loss of customers and costs and expenses related to product recalls and warning letters.
- Failure to receive, or delays in receiving, regulatory approvals for products.
- Failure of our customers and end users to obtain adequate coverage and reimbursement from third-party payors for our products and services.
- The requirement to provide for a significant liability or to write off, or accelerate depreciation on, a significant asset, including goodwill, other intangible assets and idle manufacturing facilities and equipment.
- The success of our research and development activities and other start-up projects.
- Dilution to earnings per share from acquisitions or issuing stock.
- Impact and costs incurred from changes in accounting standards and policies.
- Environmental risks, including increasing environmental legislation and the broader impacts of climate change.
- Other events described in our Securities and Exchange Commission filings, including the "Business" and "Risk Factors" sections in our Annual Report on Form 10-K for the fiscal year ended October 31, 2019, as such Risk Factors may be updated in quarterly filings including updates made in this filing.

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.

Results of Operations

In this section, we discuss the results of our operations for the third quarter of fiscal 2020 ended July 31, 2020 and the nine months then ended and compare them with the same periods of fiscal 2019. We discuss our cash flows and current financial condition under “Capital Resources and Liquidity.” Within the tables presented, percentages are calculated based on the underlying whole-dollar amounts and, therefore, may not recalculate exactly from the rounded numbers used for disclosure purposes.

Non-GAAP Financial Measures

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

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

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

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

COVID-19 Considerations

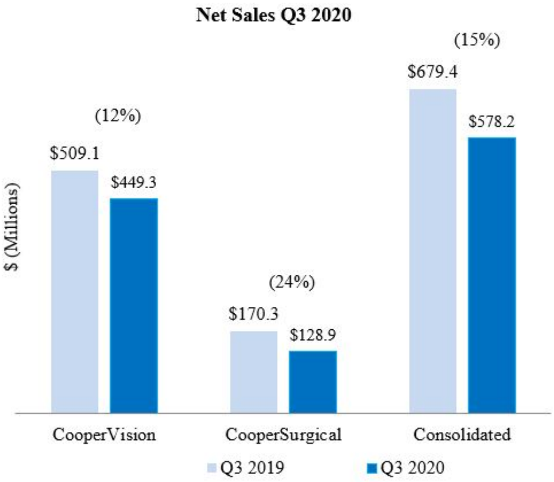
The World Health Organization categorized the Coronavirus disease 2019 (COVID-19) as a pandemic. The COVID-19 pandemic has caused a severe global health crisis, along with economic and societal disruptions and uncertainties, which have negatively impacted business and healthcare activity globally. As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

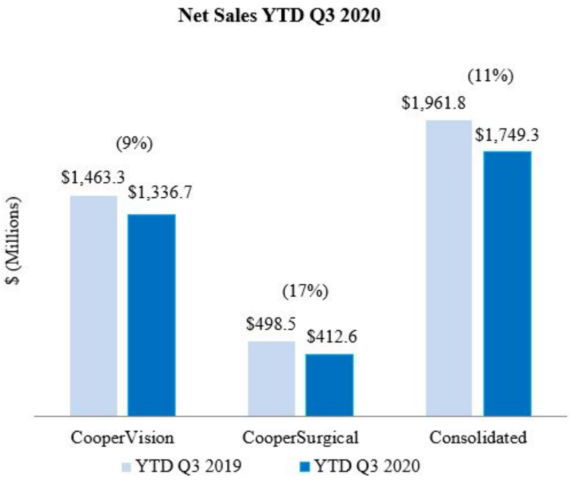
We have taken an active role in addressing the ongoing pandemic’s impact on our employees, suppliers, distribution channels, operations and customers, including taking precautionary measures, such as implementing contingency plans, and making operational adjustments as necessary. We have taken measures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

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

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

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





Third Quarter Highlights

- Gross profit $360.8 million, down 20% from $450.7 million in the prior year period, primarily due to the negative impact of COVID-19 on net sales
- Operating income $72.0 million down 49% from $142.2 million in the prior year period
- Diluted earnings per share $1.12, down 53% from $2.40 per share in the prior year period
- Cash provided by operations $112.8 million, compared to $196.7 million in the prior year period.

Nine Months Highlights

- Gross profit $1,110.8 million, down 15% from $1301.8 million in the prior year period, primarily due to negative impact of COVID-19 on net sales
- Operating income $211.7 million, down 47% from $400.1 million in the prior year period
- Diluted earnings per share $3.17, down 54% from $6.91 per share in the prior year period
- Cash provided by operations $268.3 million, compared to $513.3 million in the prior year period.

Outlook

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

CooperVision - We compete in the worldwide contact lens market with our spherical, toric and multifocal contact lenses offered in a variety of materials including using silicone hydrogel Aquaform® technology and phosphorylcholine (PC) Technology™. We believe that there will be lower contact lens wearer dropout rates as technology improves and enhances the wearing experience through a combination of improved designs and materials and the growth of preferred modalities such as single-use and monthly wearing options. CooperVision also competes in the myopia management and specialty eye care markets with products such as orthokeratology (ortho-k) and scleral lenses. In November 2019, CooperVision received United States Food & Drug Administration (FDA) approval for its MiSight® 1 day lens, which is the first and only FDA-approved product indicated to slow the progression of myopia in children with treatment initiated between the ages of 8-12 and became available in the United States during fiscal 2020. CooperVision is focused on greater worldwide market penetration using recently introduced products, and we continue to expand our presence in existing and emerging markets, including through acquisitions.

CooperVision acquired the following entity during the nine months ended July 31, 2019:

- Blanchard Contact Lenses on December 28, 2018 - a privately-held scleral lens company, which expands CooperVision's specialty and scleral lens portfolio.

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

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

CooperSurgical acquired the following entity during the nine months ended July 31, 2020:

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

CooperSurgical acquired the following entity during the nine months ended July 31, 2019:

- Incisive Surgical Inc. on December 31, 2018 - a privately-held U.S. medical device company that develops mechanical surgical solutions for skin closure.

Capital Resources - At July 31, 2020, we had $127.4 million in unrestricted cash, primarily held outside the United States, and $810.6 million available under our 2020 Credit Agreement. The $850.0 million term loan entered into on April 1, 2020, and the $500.0 million term loan entered into on September 27, 2019 and amended on April 1, 2020, remain outstanding as of July 31, 2020.

See Note 6. Debt of the Consolidated Condensed Financial Statements for additional information.

Transition from LIBOR

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

Selected Statistical Information – Percentage of Net Sales

	Three Months			Nine Months		
	Percentage of Net Sales		2020 vs 2019 % Change in Absolute Values	Percentage of Net Sales		2020 vs 2019 % Change in Absolute Values
Periods Ended July 31,	2020	2019		2020	2019	
Net sales	100%	100%	(15)%	100%	100%	(11)%
Cost of sales	38%	34%	(5)%	37%	34%	(3)%
Gross profit	62%	66%	(20)%	63%	66%	(15)%
Selling, general and administrative expense	40%	37%	(7)%	42%	38%	(2)%
Research and development expense	4%	3%	1 %	4%	3%	7 %
Amortization of intangibles	6%	5%	(8)%	6%	6%	(7)%
Gain on sale of an intangible	—%	—%	— %	—%	1%	— %
Operating income	12%	21%	(49)%	12%	20%	(47)%

Net Sales Growth by Business Unit

Periods Ended July 31,	Three Months				Nine Months			
($ in millions)	2020	2019	Increase / (Decrease)	2020 vs 2019 % Change	2020	2019	Increase / (Decrease)	2020 vs 2019 % Change
CooperVision	$ 449.3	$ 509.1	$ (59.8)	(12)%	$ 1,336.7	$ 1,463.3	$ (126.6)	(9)%
CooperSurgical	128.9	170.3	(41.4)	(24)%	412.6	498.5	(85.9)	(17)%
Net sales	$ 578.2	$ 679.4	$ (101.2)	(15)%	$ 1,749.3	$ 1,961.8	$ (212.5)	(11)%

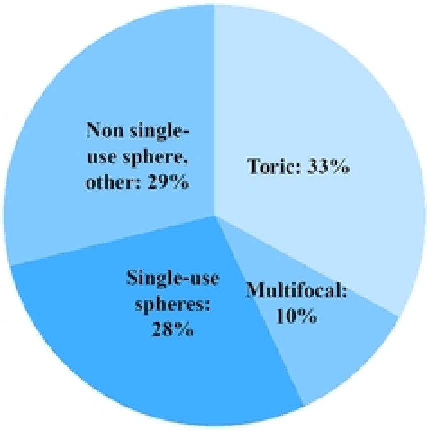
CooperVision Net Sales

The contact lens market has two major product categories:

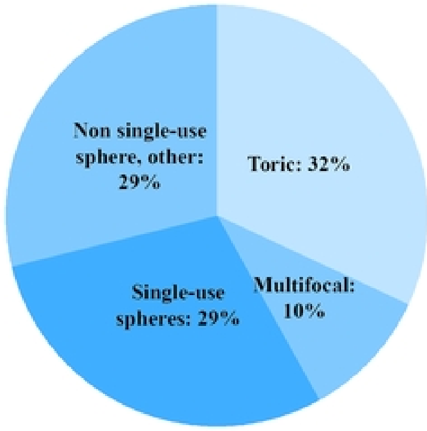
- Spherical lenses including lenses that correct near- and farsightedness uncomplicated by more complex visual defects
- Toric and multifocal lenses including lenses that, in addition to correcting near- and farsightedness, address more complex visual defects such as astigmatism and presbyopia by adding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

CooperVision Net Sales by Category

Q3 2020

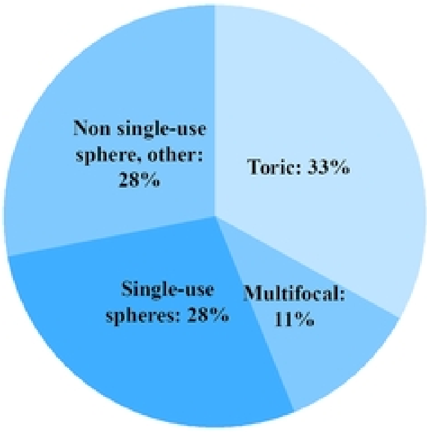


Q3 2019

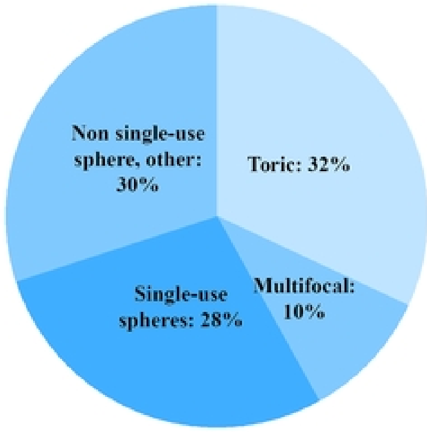


Three Months Ended July 31, **($ in millions)**	**2020**	**2019**	**2020 vs 2019 % Change**
Toric	$ 147.6	$ 163.1	(9)%
Multifocal	46.9	52.4	(10)%
Single-use spheres	126.5	146.3	(14)%
Non single-use sphere, other	128.3	147.3	(13)%
	$ 449.3	$ 509.1	(12)%

YTD Q3 2020



YTD Q3 2019



Nine Months Ended July 31, ($ in millions)	2020	2019	2020 vs 2019 % Change
Toric	$ 436.3	$ 464.4	(6)%
Multifocal	143.8	151.1	(5)%
Single-use spheres	380.7	413.6	(8)%
Non single-use sphere, other	375.9	434.2	(13)%
	$ 1336.7	$ 1463.3	(9)%

In the three and nine months ended July 31, 2020:

- The COVID-19 pandemic has negatively impacted our business. Net sales in the three and nine month periods declined by 12% and 9%, respectively, compared to the corresponding periods in the prior year. Customers have either slowed down purchases or delayed orders due to a desire to reduce inventories, reduced contact lens wear driven by limited social interaction and lack of patient access on account of certain office closures and reduced access as offices reopen. We started experiencing downward pressure on net sales when markets started closing during our second quarter of fiscal 2020 as social restrictions were put in place and the offices of health care providers were closed
- CooperVision's Toric, Multifocal, Single-use sphere and Non-single-use sphere lenses net sales declined in three and nine months ended July 31, 2020, compared to prior year periods, primarily due to reduced economic activity across all our markets due to the COVID-19 pandemic. However, Toric lenses and Single-use sphere lenses net sales decline was partially offset by higher sales of MyDay and MiSight, respectively
- "Other" products primarily include lens care which represented approximately 2% of net sales in the three and nine months ended July 31, 2020, and in prior year comparative periods
- Total silicone hydrogel products decreased by 10% and 6% in three and nine months ended, respectively, representing 73% of net sales in the three and nine months ended July 31, 2020 compared to 72% and 71% in the three and nine months ended July 31, 2019
- Foreign exchange rates negatively impacted sales by approximately $2.8 million and $12.4 million in the three and nine months ended, respectively, compared to $11.0 million and $46.6 million in prior year periods. In the three and nine months ended July 31, 2020, net sales decreased 11% and 8% in constant currency over the prior year periods
- Sales reduction was primarily driven by a decrease in the volume of lenses sold. Average realized prices by product did not materially influence sales
- We expect to continue seeing downward pressure on net sales if the COVID-19 pandemic continues, optical retailers and healthcare centers continue to restrict access, and social distancing measures continue.

CooperVision Net Sales by Geography

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

Periods Ended July 31,	Three Months			Nine Months		
($ in millions)	2020	2019	2020 vs 2019 % Change	2020	2019	2020 vs 2019 % Change
Americas	$ 176.5	$ 195.0	(10)%	$ 515.5	$ 564.4	(9)%
EMEA	165.7	196.0	(15)%	506.8	561.4	(10)%
Asia Pacific	107.1	118.1	(9)%	314.4	337.5	(7)%
	$ 449.3	$ 509.1	(12)%	$ 1,336.7	$ 1,463.3	(9)%

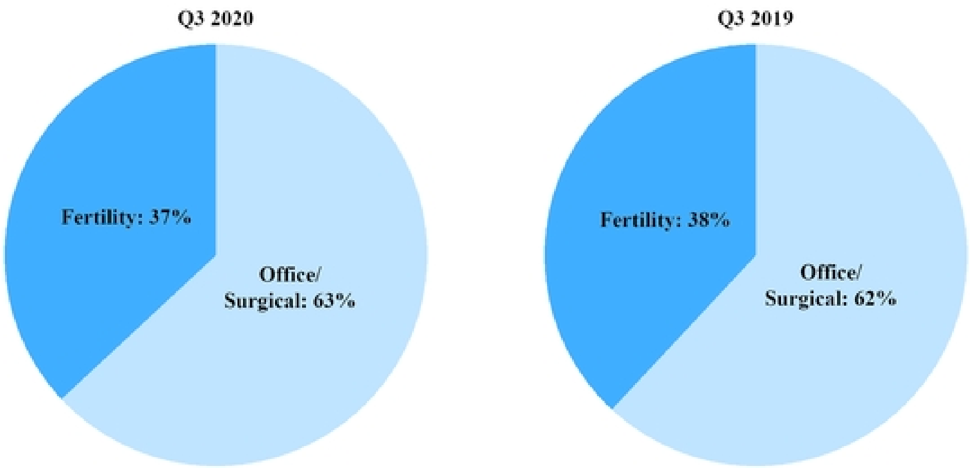
CooperVision's regional reduction in net sales was primarily attributable to disruption from the COVID-19 pandemic. We expect to continue seeing downward pressure on net sales if the COVID-19 pandemic continues, optical retailers and healthcare centers continue to restrict access, and social distancing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

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

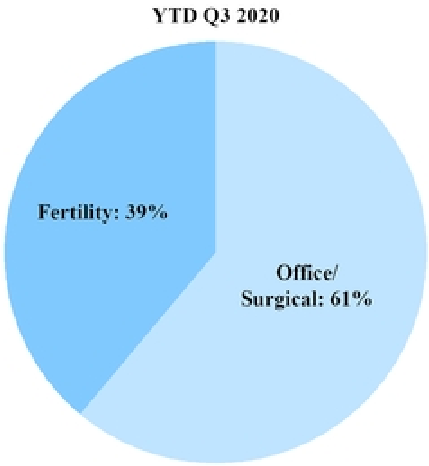
CooperSurgical Net Sales by Category

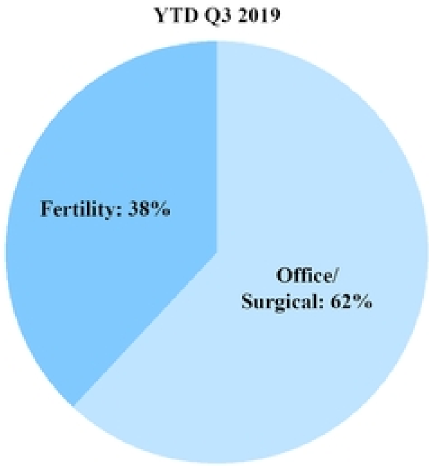
CooperSurgical supplies the women's health care market with a diversified portfolio of products and services. Our office and surgical offerings include products that facilitate surgical and non-surgical procedures that are commonly performed primarily by obstetricians and gynecologists in hospitals,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

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



Three Months Ended July 31, (\$ in millions)	**2020**	**2019**	**2020 vs 2019 % Change**
Office and surgical products	$ 81.7	$ 106.3	(23)%
Fertility	47.2	64.0	(26)%
	$ 128.9	$ 170.3	(24)%





Nine Months Ended July 31, ($ in millions)	2020	2019	2020 vs 2019 % Change
Office and surgical products	$ 249.7	$ 307.7	(19)%
Fertility	162.9	190.8	(15)%
	$ 412.6	$ 498.5	(17)%

In the three and nine months ended July 31, 2020:

- We have experienced COVID-19 pandemic-related economic disruptions and decline in net sales during the three and nine months ended July 31, 2020. We experienced downward pressure on revenue when major markets started closing as social restrictions were put in place and the offices of certain health care providers were closed. In response to the COVID-19 pandemic, as a precautionary measure, certain health care facilities and medical offices were closed or restricted access and surgeries and elective medical procedures and exams have been deferred or canceled. Further, there has been a significant reduction in physician office visits, and healthcare centers have postponed or canceled capital purchases

- Office and surgical products decreased compared to the prior year periods mainly due to reduction in Paragard sales compared to prior year periods. Further, there has been a reduction in revenue from other surgical products such as Uterine Manipulators, Surgical Retractors, Closure products, Point-of-Care products and Filshie Clip system, partially offset by an increase in revenue from acquired products of Incisive Surgical and Endosee products

- Fertility net sales declined compared to the prior year periods mainly due to reduction in revenue from PGT testing, IVF consumables and IVF equipment

- Foreign exchange rates negatively impacted sales by approximately $0.5 million and $2.6 million in the three and nine months ended, respectively, compared to $1.6 million and $7.7 million in the prior year periods. In the three and nine months of 2020, net sales decreased 24% and 17% in constant currency over the prior year periods

- We expect to continue seeing downward pressure on net sales if the COVID-19 pandemic continues, hospitals and healthcare centers continue to restrict access, and social distancing measures continue.

Gross Margin

Gross Profit Percentage of Net Sales	Three Months		Nine Months	
Periods Ended July 31,	2020	2019	2020	2019
CooperVision	61%	65%	63%	65%
CooperSurgical	66%	71%	65%	69%
Consolidated	62%	66%	63%	66%

Our consolidated gross margins have declined across our businesses mainly due to higher manufacturing costs including unabsorbed capacity costs as a result of the economic impact of the COVID-19 pandemic.

CooperVision's gross margin decreased in the three and nine months ended July 31, 2020 compared to fiscal 2019 due to:

- $15.6 million and $37.6 million of costs respectively, primarily related to incremental costs associated with the impact of the COVID-19 pandemic including capacity reduction costs and other manufacturing related costs
- integration and manufacturing related costs of $3.6 million and $6.5 million included in three and nine months ended July 31, 2019, respectively.

CooperSurgical's decrease in gross margin in the three and nine months ended July 31, 2020 compared to fiscal 2019 due to:

- $6.8 million and $15.4 million of costs respectively, primarily incremental costs associated with the impact of the COVID-19, integration costs and other manufacturing related costs
- the unfavorable impact to margin from changes in product mix for nine months ended July 31, 2020
- integration and manufacturing related costs of $2.9 million and $11.2 million included in the three and nine months ended July 31, 2019.

Selling, General and Administrative Expense (SGA)

Three Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
CooperVision	$ 160.7	36%	$ 171.9	34%	(7)%
CooperSurgical	59.7	46%	65.3	38%	(9)%
Corporate	12.4	—	12.6	—	(1)%
	$ 232.8	40%	$ 249.8	37%	(7)%

Nine Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
CooperVision	$ 493.8	37%	$ 509.7	35%	(3)%
CooperSurgical	195.1	47%	202.1	41%	(4)%
Corporate	39.4	—	34.8	—	13 %
	$ 728.3	42%	$ 746.6	38%	(2)%

SGA expense decreased in the three and nine months ended July 31, 2020, respectively, mainly due to reductions in advertising & marketing initiatives, lower distribution costs and lower travel expenses as a result of the COVID-19 pandemic. As a percentage of sales, SGA increased in the three and nine months ended July 31, 2020 compared to fiscal 2019, due to our committed advertising & marketing activities and fixed G&A costs.

CooperVision's SGA decreased in the three and nine months ended July 31, 2020 compared to fiscal 2019 due to lower advertising & marketing activities, lower distribution and selling expenses. CooperVision's SGA in the three and nine months ended July 31, 2020 included $1.1 million and $2.6 million costs respectively, primarily related to integration activities. CooperVision's SGA included $1.2 million and $3.8 million of integration and third-party consulting costs, in the three and nine months ended July 31, 2019, respectively.

The decrease in CooperSurgical's SGA in the three and nine months ended July 31, 2020 compared to fiscal 2019 was primarily due to lower selling and distribution expenses and savings from reduced headcount and lower travel expenses, partially offset by an increase in advertising expenses during the three months ended July 31, 2020. CooperSurgical's SGA in the three and nine months ended July 31, 2020, included $3.5 million and $14.0 million costs respectively, primarily related to integration expenses and MDR costs. CooperSurgical's SGA included $3.5 million and $15.9 million of primarily acquisition and integration expenses of acquired companies, as well as third-party consulting costs, in the three and nine months ended July 31, 2019 respectively.

Corporate SGA remained relatively flat in three months and increased in the nine months ended July 31, 2020 compared to fiscal 2019, primarily due to higher share-based compensation expense.

Research and Development Expense (R&D)

Three Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
CooperVision	$ 13.2	3%	$ 13.6	3%	(3)%
CooperSurgical	8.6	7%	7.9	5%	9 %
	$ 21.8	4%	$ 21.5	3%	1 %

Nine Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
CooperVision	$ 39.1	3%	$ 40.1	3%	(2)%
CooperSurgical	28.7	7%	23.3	5%	23 %
	$ 67.8	4%	$ 63.4	3%	7 %

In the three months and nine months ended July 31, 2020:

- CooperVision's R&D decreased in the three and nine months ended July 31, 2020 compared to fiscal 2019, mainly due to timing of clinical studies. As a percentage of sales, R&D expense remained flat. CooperVision's R&D activities are primarily focused on the development of contact lenses, manufacturing technology and process enhancements
- The increase in CooperSurgical's R&D in the three and nine months ended July 31, 2020 compared to fiscal 2019 was primarily due to increased investment activities in developing new products and services and upgrades of existing products. CooperSurgical has not paused research programs during the COVID-19 pandemic and has maintained its spend on innovations and increased its spend on key regulatory investment areas to support our long-term objectives. As a percentage of sales, R&D expense increased. CooperSurgical's R&D activities include diagnostics, IVF product development and the design and upgrade of surgical procedure devices.

Amortization Expense

Three Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
CooperVision	$ 7.8	2%	$ 10.7	2%	(27)%
CooperSurgical	26.4	20%	26.5	16%	— %
	$ 34.2	6%	$ 37.2	5%	(8)%

Nine Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
CooperVision	$ 24.3	2%	$ 31.9	2%	(24)%
CooperSurgical	78.7	19%	78.8	16%	— %
	$ 103.0	6%	$ 110.7	6%	(7)%

CooperVision amortization expense decreased in the three and nine months ended July 31, 2020 compared to fiscal 2019 due to certain intangible assets becoming fully amortized.

CooperSurgical's amortization expense remained relatively flat.

Gain on sale of an Intangible Asset

In the second quarter of fiscal 2019, CooperSurgical sold an exclusive distribution right for $21.0 million and recognized a gain of $19.0 million.

Operating Income

Three Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
CooperVision	$ 93.7	21 %	$ 134.2	26%	(30)%
CooperSurgical	(9.3)	(7)%	20.6	12%	(145)%
Corporate	(12.4)	—	(12.6)	—	(1)%
	$ 72.0	12 %	$ 142.2	21%	(49)%

Nine Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
CooperVision	$ 284.4	21 %	$ 375.9	26%	(24)%
CooperSurgical	(33.3)	(8)%	59.0	12%	(156)%
Corporate	(39.4)	—	(34.8)	—	13 %
	$ 211.7	12 %	$ 400.1	20%	(47)%

The operating income for the three and nine months ended July 31, 2020 was primarily impacted by the COVID-19 pandemic which resulted in a decrease to our net sales and additional expenses due to COVID-19 related costs as discussed above.

CooperVision operating income decreased as a percentage of net sales and in absolute dollars in the three and nine months ended July 31, 2020 compared to fiscal 2019 primarily due to a decrease in net sales partially offset by a decrease in operating expenses and a decrease in amortization expenses.

CooperSurgical operating income decreased as a percentage of net sales and in absolute dollars in the three and nine months ended July 31, 2020 compared to fiscal 2019 primarily due to a decrease in net sales and higher R&D expenses to support growth partially offset by a decrease in SGA. In the second quarter of fiscal 2019, CooperSurgical sold an exclusive distribution right to distribute Filshie Clip System in the U.S. for $21.0 million and recognized a gain of $19.0 million.

Corporate operating loss remained relatively flat in the three months and increased in nine months ended July 31, 2020 compared to fiscal 2019, primarily due to higher stock-based compensation expense.

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

Interest Expense

Three Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
Interest expense	$ 5.7	1%	$ 16.7	2%	(66)%

Nine Months Ended July 31, ($ in millions)	2020	% Net Sales	2019	% Net Sales	2020 vs 2019 % Change
Interest expense	$ 30.1	2%	$ 53.3	3%	(44)%

Interest expense decreased as a percentage of net sales and in absolute dollars during the three months ended July 31, 2020 primarily due to lower interest rates compared to the prior year period

Interest expense decreased as a percentage of net sales and in absolute dollars during the nine months ended July 31, 2020 primarily due to lower interest rates and lower average debt balances compared to the prior year period, partially offset by the write-off of debt issuance costs.

Other (Income) Expense, Net

Periods Ended July 31,	Three Months		Nine Months	
($ in millions)	2020	2019	2020	2019
Foreign exchange loss (gain)	$ (2.5)	$ (1.1)	$ 1.4	$ (1.1)
Other Expense (Income), net	2.4	(0.4)	7.4	(1.0)
	$ (0.1)	$ (1.5)	$ 8.8	$ (2.1)

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

Other expense (income) increased in the three and nine months ended July 31, 2020, primarily due to non-consolidated subsidiary investments losses and advances during the period.

Provision for Income Taxes

The Company's effective tax rates were 16.9% and 5.4% for the third quarter of fiscal 2020 and 2019, respectively, and 9.0% and 0.9% for the nine months ended July 31, 2020 and 2019, respectively. The increase in the effective tax rate for the third quarter of fiscal 2020 compared to fiscal 2019 was primarily due to the significant drop of profit before tax due to market volatility as a result of the COVID-19 pandemic, tax expense from prior period tax return filings and a decrease of excess tax benefits from share-based compensation. The Company’s effective tax rate for the nine months ended July 31, 2020 was higher compared to the prior year period, primarily due to settlement of tax audits in fiscal 2019, revisions to the provisional tax charges relating to the 2017 Act in fiscal 2019, a decrease of excess tax benefits from share-based compensation, the significant drop of profit before tax due to market volatility as a result of the COVID-19 pandemic and tax expense from prior period tax return filings. The Company’s effective tax rate for the third quarter of fiscal 2020 was lower than the U.S statutory tax rate primarily due to excess tax benefits from share-based compensation and a favorable mix of income from foreign jurisdictions with preferential tax rates.

Share-Based Compensation Plans

The Company has several share-based compensation plans that are described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2019. The compensation expense and related income tax benefit recognized in our Consolidated Statements of Income and Comprehensive Income for share-based awards were as follows:

Periods Ended July 31,	Three Months		Nine Months	
($ in millions)	2020	2019	2020	2019
Selling, general and administrative expense	$ 8.1	$ 6.8	$ 25.0	$ 22.1
Cost of sales	0.9	1.0	3.1	3.9
Research and development expense	0.6	0.5	1.8	2.4
Total share-based compensation expense	$ 9.6	$ 8.3	$ 29.9	$ 28.4
Related income tax benefit	$ 1.2	$ 1.1	$ 3.8	$ 4.0

Capital Resources and Liquidity

Third Quarter Highlights

- Operating cash flow was $112.8 million compared to $196.7 million in the prior year period
- Expenditures for purchases of property, plant and equipment were $45.1 million compared to $75.4 million in the prior year period
- Cash provided by operations $112.8 million offset by capital expenditures $45.1 million resulted in positive free cash flow of $67.7 million, down 44% compared to the prior year period

Nine-Month Highlights

- Operating cash flow was $268.3 million compared to $513.3 million in the prior year period
- Expenditures for purchases of property, plant and equipment were $203.4 million compared to $207.3 million in the prior year period
- Cash payments for acquisitions and others, of $17.9 million, compared to $59.1 million in the prior year period
- Cash provided by operations $268.3 million offset by capital expenditures $203.4 million resulted in positive free cash flow of $64.9 million, down 79% compared to the prior year period

Comparative Statistics

($ in millions)	July 31, 2020		October 31, 2019	
Cash and cash equivalents	$	127.4	$	89.0
Total assets	$	6,748.4	$	6,274.5
Working capital	$	192.6	$	52.8
Total debt	$	1,880.4	$	1,826.3
Stockholders' equity	$	3,760.4	$	3,628.6
Ratio of debt to equity		0.50:1		0.50:1
Debt as a percentage of total capitalization		33%		33%

Working Capital

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

- increase in inventories $88.0 million due to lower sales from the COVID-19 impact and higher manufacturing costs
- increase in cash and cash equivalents $38.4 million
- decrease in other current liabilities $36.9 million primarily due to timing of payments and a reduction in fiscal 2020 customer rebate accruals due to the decrease in sales resulting from the COVID-19 pandemic
- increase in prepaid expense and other current assets $16.3 million
- increase in trade accounts receivable $15.2 million
- decrease in short-term debt $11.1 million, partially offset by;
- increase in accounts payable $30.1 million due to timing of payments
- increase in employee compensation and benefits $3.7 million
- recognition of current operating lease liabilities $32.3 million on adoption of ASC 842, Leases

At July 31, 2020, our inventory months on hand was 8.2 compared to 6.4 at October 31, 2019. The $88.0 million increase in inventories was primarily due to lower sales from COVID-19 impact and higher manufacturing costs.

Our days sales outstanding (DSO) increased to 65 days at July 31, 2020, compared to 56 days at October 31, 2019, primarily due to lower sales and timing of collections.

Operating Cash Flow

Cash provided by operating activities decreased by $245.0 million from $513.3 million during the first nine months of fiscal 2019 to $268.3 million in the first nine months of fiscal 2020. This decrease in cash flow provided by operating activities primarily consists of:

- decrease in net income of $188.5 million from a net income of $345.7 million in the first nine months of fiscal 2019 to $157.2 million in the first nine months of fiscal 2020;
- decrease of $133.8 million in net cash outflow from changes in operating capital, from $22.1 million outflow in the first nine months of fiscal 2019 to $155.9 million outflow in the first nine months of fiscal 2020, partially offset by; and
- increase of $58.5 million in non-cash items, from $(1.5) million during the first nine months of fiscal 2019 to $57.0 million during the first nine months of fiscal 2020.

The decrease in net income of $188.5 million was caused primarily by the negative impact of COVID-19 on sales, higher manufacturing costs including unabsorbed capacity costs, partially offset by a decrease in operating expenses.

The $133.8 million decrease in the net cash flow from changes in operating capital compared to the prior year period is primarily due to:

- $54.5 million decrease in the net changes in inventories primarily due to lower sales;
- $44.7 million decrease in the net changes in prepayments and other assets primarily due to the refund of the prepayment made to the U.K. Tax Authorities in the prior year period;
- $37.6 million decrease in the net changes in accrued liabilities and other primarily due to impact from adoption of ASC 842, Leases and a reduction in customer rebate accruals as a result of the decrease in sales;
- $22.7 million decrease in the net changes in income tax payable, partially offset by;
- $16.9 million increase in the net changes in accounts payable primarily due to timing of payments; and
- $5.4 million increase in the net changes in trade and other receivables primarily due to timing of collections.

The $58.5 million increase in non-cash items compared to the prior year period was primarily due to:

- increase of $39.2 million driven by net changes in long term tax liabilities, deferred taxes and defined benefit plan;
- increase of $24.6 million in non-cash lease expense, partially offset by; and
- decrease of $14.3 million driven by net changes in other long-term assets primarily due to capitalized cloud computing costs.

Investing Cash Flow

Cash used in investing activities decreased by $45.1 million to $221.3 million in the first nine months of fiscal 2020 from $266.4 million in the first nine months of fiscal 2019 due to:

- decrease of $41.2 million in payments made for acquisitions in the first nine months of fiscal 2020 compared to the prior year period, largely due to the acquisition of Incisive Surgical Inc. and Blanchard Contact Lenses in the first nine months of fiscal 2019, partially offset by; and

- decrease of $3.9 million in capital expenditures.

Financing Cash Flow

Cash flows from financing activities increased by $202.1 million to $10.2 million cash outflow in the first nine months of fiscal 2020 compared to $212.3 million outflow in the first nine months of fiscal 2019, primarily due to:

- $1,509.6 million increase in proceeds from long-term debt, primarily due to funds received from the Revolving Credit and Term Loan Agreement entered into on April 1, 2020, partially offset by;

- $882.0 million increase in repayments of long-term debt, primarily related to termination of 2017 Term Loan Agreement and the 2016 Credit Agreement; and

- $364.8 million decrease in net proceeds from short-term debt, primarily due to $400 million short term loan taken on November 1, 2018.

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

On April 1, 2020, in connection with the Company's entry into the 2020 Credit Agreement, the Company terminated the 2017 Term Loan Agreement and the 2016 Credit Agreement. In connection with the termination, all borrowings outstanding under the 2017 Term Loan Agreement and the 2016 Credit Agreement were repaid.

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

(In millions)	Facility Limit	Outstanding Borrowings	Outstanding Letters of Credit	Total Amount Available	Maturity Date
2020 Revolving Credit Facility	$ 1,290.0	$ 478.0	$ 1.4	$ 810.6	April 1, 2025
2020 Term Loan Facility	850.0	850.0	n/a	—	April 1, 2025
2019 Term Loan	500.0	500.0	n/a	—	September 25, 2020
Total	$ 2,640	$ 1,828	$ 1.4	$ 810.6	

The 2020 Credit Agreement and the 2019 Term Loan Agreement contain customary restrictive covenants, as well as financial covenants that require the Company to maintain a certain Total Leverage Ratio and Interest Coverage Ratio. As defined, in the 2020 Credit Agreement and the 2019 Term Loan Agreement, we are required to maintain an Interest Coverage Ratio of at least 3.00 to 1.00, and a Total Leverage Ratio of no higher than 3.75 to 1.00. At July 31, 2020, we were in compliance with the Interest Coverage Ratio at 17.60 to 1.00 and the Total Leverage Ratio at 2.23 to 1.00. The Company, after considering the potential impacts of the COVID-19 pandemic, expects to remain in compliance with its financial maintenance covenant and meet its debt service obligations for at least the twelve months following the date of issuance of these financial statements.

See Note 6. Debt of the Consolidated Condensed Financial Statements for additional information.

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

Share Repurchase

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

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

There were no share repurchases under the program during the three months ended July 31, 2020 and 2019. The Company's share repurchases during the nine months ended July 31, 2020 and 2019 as follows:

Periods Ended July 31,	Nine Months	
	2020	2019
Number of shares	160,850	24,500
Average repurchase price per share	$ 296.9	$ 248.7
Total costs of shares repurchased (in millions)	$ 47.8	$ 6.1

Dividends

We paid a semiannual dividend of approximately $1.5 million or 3 cents per share, on February 10, 2020, to stockholders of record on January 23, 2020. We paid another semiannual dividend of approximately $1.5 million or 3 cents per share on August 7, 2020, to stockholders of record on July 23, 2020.

Summary of Non-GAAP Financial Measures

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

Free cash flow is defined as cash provided by operating activities less capital expenditures. Management believes free cash flow is useful for investors as an additional measure of liquidity because it represents cash that is available to grow the business, make strategic acquisitions, repay debt, buyback common stock or fund the dividend. We use free cash flow internally to understand, manage, make operating decisions and evaluate our business. In addition, we use free cash flow to help plan and forecast future periods.

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

Estimates and Critical Accounting Policies

Information regarding estimates and critical accounting policies is included in Management's Discussion and Analysis on Form 10-K for the fiscal year ended October 31, 2019. There have been no material changes in our policies from those previously discussed in our Form 10-K for the fiscal year October 31, 2019.

Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note 1. General of the Consolidated Condensed Financial Statements of this Quarterly Report on Form 10-Q.

Trademarks

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

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Most of our operations outside the United States have their local currency as their functional currency. We are exposed to risks caused by changes in foreign exchange, principally our British pound sterling, euro, Japanese yen and Danish krone denominated debt and receivables denominated in currencies other than the United States dollar, and from operations in other foreign currencies. Although we may enter into foreign exchange agreements with financial institutions to reduce our exposure to fluctuations in foreign currency values relative to our debt or receivables obligations, these hedging transactions do not eliminate that risk entirely. We are also exposed to risks associated with changes in interest rates, as the interest rates on our revolving lines of credit and term loans may vary with the federal funds rate and LIBOR. We may decrease this interest rate risk by hedging a portion of variable rate debt effectively converting it to fixed rate debt for varying periods. On April 6, 2020, we entered into six interest rate swap contracts to hedge variable cash flows associated with LIBOR. The interest rate swap contracts became effective on April 6, 2020 and have maturities of seven years or less with a total notional amount of $1.5 billion. The Company did not have any derivative assets or liabilities that may include interest rate swaps, cross currency swaps or foreign currency forward contracts as of October 31, 2019.

On April 1, 2020, we entered into a Revolving Credit and Term Loan Agreement (the 2020 Credit Agreement), among us, CooperVision International Holding Company, LP, CooperSurgical Netherlands B.V., CooperVision Holding Kft. the lenders from time to time party thereto, and KeyBank National Association, as administrative agent. The 2020 Credit Agreement provides for (a) a multicurrency revolving credit facility (the 2020 Revolving Credit Facility) in an aggregate principal amount of $1.29 billion and (b) a term loan facility (the 2020 Term Loan Facility) in an aggregate principal amount of $850.0 million, each of which, unless terminated earlier, mature on April 1, 2025. The 2020 Credit Agreement replaced our previous credit agreement and funds from the new term loan were used to repay the outstanding amounts under the previous credit agreement, to repay an outstanding term loan, and for general corporate purposes. At July 31, 2020, the Company had $810.6 million available under the 2020 Revolving Credit Facility and $850.0 million outstanding under the 2020 Term Loan Facility.

On September 27, 2019, we extended the maturity of the 2018 Term Loan Agreement to September 25, 2020 and increased the amount to $500.0 million (as so amended, the 2019 Term Loan Agreement). We used the additional funds to partially repay outstanding borrowings under the 2017 Term Loan Agreement. At July 31, 2020, the Company had $500 million outstanding under the 2019 Term Loan Agreement.

If interest rates were to increase or decrease by 1% or 100 basis points, quarterly interest expense would increase or decrease by approximately $1.0 million based on average debt outstanding, after consideration of our interest rate swap contracts, for the third quarter of fiscal 2020.

See Note 6. Debt of the Consolidated Condensed Financial Statements for additional information.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on management's evaluation (with the participation of our Chief Executive Officer (our Principal Executive Officer) and Chief Financial Officer (our Principal Financial Officer)), as of the end of the period covered by this report, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the Exchange Act)) are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during our third quarter of fiscal 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that certain of our employees are working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 related considerations and any impact on the design and operating effectiveness of our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding legal proceedings is included in Note 13. Contingencies of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

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

Risk factors describing the major risks to our business can be found under Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended October 31, 2019. In the first nine months of fiscal 2020, we updated some of our risk factors as described below. There are no other material changes in our risk factors from those previously discussed in our Form 10-K for the fiscal year ended October 31, 2019.

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

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

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

The extent to which the COVID-19 pandemic and related economic disruptions impact our business, results of operations, cash flow and financial condition will depend on future developments, which are highly uncertain, difficult to predict and largely outside of our control, including, but not limited to, the continued spread, duration and severity of the pandemic outbreak; the occurrence, spread, duration and severity of any subsequent wave or waves of outbreaks; the impact on our customers and suppliers; the actions taken by the U.S. and foreign governments to contain the pandemic, address its impact or respond to the reduction in global and local economic activity; the occurrence, duration and severity of a global, regional or national recession, depression or other sustained adverse market event; and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, we may continue to experience materially adverse effects on our results of operations and financial condition. In addition to the other information set forth in this report, you should carefully consider the known risks described in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended October 31, 2019 which may be heightened by the COVID-19 pandemic and related economic disruption and could materially adversely affect our business.

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

A significant portion of our current operations are conducted and located outside the United States, and our growth strategy involves expanding our existing foreign operations and entering into new foreign jurisdictions. We have significant manufacturing and distribution sites in North America, Latin America and Europe. Over half of our net sales for the fiscal years ended October 31, 2019 and 2018, were derived from the sale of products outside the United States. We believe that sales outside the United States will continue to account for a material portion of our total net sales for the foreseeable future. International operations and business expansion plans are subject to numerous additional risks, including:

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

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

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

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

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

The size and complexity of our information systems make such systems potentially vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by our employees or vendors, or from attacks by malicious third parties. Such attacks are of ever-increasing levels of sophistication and are made by groups and individuals with a wide range of motives and expertise. Like many other companies, we experience attempted cybersecurity actions on a frequent basis, and the frequency of such attempts could increase in the future. While we have invested in the protection of data and information technology, there can be no assurance that our efforts will prevent or quickly identify service interruptions or security breaches. Any such interruption or breach of our systems could adversely affect our business operations and/or result in the loss of critical or sensitive confidential information or intellectual property, and could result in financial, legal, business and reputational harm to us. We maintain cyber liability insurance; however, this insurance may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of our systems.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

There was no share repurchase activity during the three-month period ended July 31, 2020.

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

At July 31, 2020, approximately $359.7 million remained authorized under the 2012 Share Repurchase Program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
10.1	Transition and Retirement Agreement, by and between The Cooper Companies, Inc. and Robert D. Auerbach M.D., effective as of July 8, 2020
31.1	Certification of the Chief Executive Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2	Certification of the Chief Financial Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350
32.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350
101.1	The following materials from the Company's Quarterly Report on Form 10-Q for the three and nine months period ended July 31, 2020 formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Income and Comprehensive Income, (ii) Consolidated Condensed Balance Sheets, (iii) Consolidated Condensed Statements of Stockholders' Equity, (iv) Consolidated Condensed Statements of Cash Flows and (v) related Notes to Consolidated Condensed Financial Statements.
104.1	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 thereunto duly authorized.

	The Cooper Companies, Inc.
	(Registrant)
Date: September 4, 2020	/s/ Brian G. Andrews
	Brian G. Andrews Senior Vice President, Chief Financial Officer & Treasurer (Principal Financial Officer)
Date: September 4, 2020	/s/ Agostino Ricupati
	Agostino Ricupati Chief Accounting Officer & Senior Vice President, Finance & Tax (Principal Accounting Officer)

Exhibit 10.1

TRANSITION AND RETIREMENT AGREEMENT

This Transition and Retirement Agreement (the "Agreement") by and between Robert D. Auerbach M.D. ("Executive") and The Cooper Companies, Inc., a Delaware corporation (the "Company"), is made effective as of the eighth (8th) day after the date Executive signs this Agreement (the "Effective Date") with reference to the following facts:

A. Executive acknowledges that his status as President of CooperSurgical, Inc. ("CooperSurgical") shall end on July 13, 2020 with his election to retire from, and relinquish, that title and all duties and responsibilities associated with it. Further, from July 14, 2020 through the Retirement Date (as defined below), Executive will remain an employee of the Company in an advisory and transitionary capacity as set forth herein for services as requested by the Chief Executive Officer.

B. Executive and the Company want to end their relationship amicably and also to establish the obligations of the parties including, without limitation, the transition of Executive's duties and all amounts due and owing to Executive.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Retirement Date. The Company and Executive acknowledge and agree that Executive's status as an employee of the Company shall continue until the earliest of (i) February 1, 2021 (the "Planned Retirement Date"), (ii) the date Executive voluntarily terminates his employment with the Company, (iii) the date Executive takes any action that constitutes Cause (as defined below), or (iv) the date of Executive's death (such earliest date, the "Retirement Date"). For the purposes of this Agreement, "Cause" shall mean (A) Executive's unauthorized use or disclosure of confidential information or trade secrets of the Company or any material breach of the Proprietary Information and Invention Assignment Agreement entered into between Executive and the Company (the "Confidentiality Agreement"); (B) Executive's conviction of, or plea of *nolo contendere* to, a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude; or (C) any act of fraud or embezzlement committed by Executive against the Company.

2. Continued Employment.

(a) *Transition Period*. Executive shall remain employed as the President of CooperSurgical until the earlier of the Retirement Date or July 13, 2020 whereupon Executive's status as President shall end. In the event the Retirement Date does not occur prior thereto, from July 14, 2020 through the Retirement Date (the "Transition Period"), Executive shall remain employed by the Company as Special Adviser to the Chief Executive Officer of the Company reporting to the Chief Executive Officer, assisting with special projects including potential M&A activities and policy development at the direction of the Chief Executive Officer, and Executive shall provide transition services on an as-needed basis in Executive's areas of expertise and work experience and responsibility, solely at the request of the Chief Executive Officer. It is expected that the transition services will take substantially all of Executive's business time prior to and up to the Retirement Date. Executive will make himself available to report to the Company's offices as needed through October 31, 2020 and thereafter may work remotely until the Retirement Date, subject to any travel requirements associated with Executive's services.

(b) *Base Salary and Executive Benefits Continuation*. During the Transition Period, Executive will continue to be paid base salary at the rate in effect on the date of this Agreement and continue to be eligible for the employee benefit plans made available to similarly situated executive employees of the Company on the terms and conditions set forth in such employee benefit plans. In the event that the Transition Period ends prior to the Planned Retirement Date due to Executive's death, the Company shall continue to pay to Executive's estate, and his estate shall be entitled to receive, his base salary payments through the Planned Retirement Date. All payments made to Executive during the Transition Period will be subject to any required withholding taxes and authorized deductions.

(c) *2020 Performance Bonus*. In the event the Transition Period ends on the Planned Retirement Date or ends sooner due to Executive's death, Executive (or his estate, as applicable) shall be paid a performance bonus for fiscal year 2020, with the amount paid based on actual corporate performance achievement and any discretionary amount subject to the discretion, determination and approval of the Organization and Compensation Committee of the Company's Board of Directors; provided, however, that the percentage of Executive's discretionary portion paid to him shall be equal to the highest percentage of the discretionary portion paid to any named executive officer (NEO) of the Company, as identified in the Company's most recent proxy statement. Any amount earned will be paid, less required withholding taxes, at the same time related bonuses are paid to other executives and, in any event, no later than March 15, 2021. Executive shall not be eligible for any performance bonus relating to the Company's fiscal year 2021.

(d) *Equity Awards and Stock Options.* During the Transition Period, each outstanding equity award held by Executive shall remain outstanding and continue to vest in accordance with its terms. Each equity award that is unvested as of the Retirement Date shall thereupon terminate. Each vested stock option held by Executive as of the Retirement Date shall remain exercisable until the earlier of the third anniversary of the Retirement Date or the original expiration date thereof, in each case, in accordance with its terms. In the event that the Transition Period ends prior to the Planned Retirement Date due to Executive's death, for the portions of any stock awards and stock options that would have vested prior to the Planned Retirement Date but instead were terminated and forfeited due to Executive's death ("Forfeited Stock" and "Forfeited Options", respectively) the Company shall pay Executive's estate an amount equal to: (A) the fair market value of Forfeited Stock at the end of the day that such Forfeited Stock would have vested (prior to the Planned Retirement Date), less required withholding taxes; and (B) the fair market value of shares underlying Forfeited Options at the end of the day that such Forfeited Options would have vested (prior to the Planned Retirement Date), less the aggregate exercise price for such shares pursuant to the applicable stock option award agreement and less required withholding taxes. For the purposes hereof, "fair market value" shall equal the closing trading price of the Company's common stock as of the applicable date or, if such date is not a trading day, the immediately preceding trading day. Executive acknowledges that to the extent any stock option constitutes an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), such stock option shall automatically convert to a nonqualified stock option and no longer be eligible for the potentially tax advantages associated with incentive stock options on the three month anniversary of the Retirement Date. Executive shall not be eligible for any new equity awards during the Transition Period.

(e) *Protection of Information*. Executive agrees that, during the Transition Period and thereafter, Executive will not, except for the purposes of performing Executive's duties to the Company, seek to obtain any confidential or proprietary information or materials of the Company. During the Transition Period, Executive reaffirms his commitment to remain in compliance with the Confidentiality Agreement.

3. Final Paycheck; Payment of Accrued Wages and Expenses.

(a) *Final Paycheck*. As soon as administratively practicable on or after the Retirement Date, the Company will pay Executive (or his estate, as applicable) all accrued but unpaid base salary and all accrued and unused vacation earned through the Retirement Date, subject to standard payroll deductions and withholdings. Executive is entitled to these payments regardless of whether Executive executes this Agreement.

(b) *Business Expenses*. The Company shall reimburse Executive (or his estate, as applicable) for all outstanding expenses incurred prior to the Retirement Date which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documenting such expenses. Executive is entitled to these reimbursements regardless of whether Executive executes this Agreement.

4. COBRA. Provided Executive timely elects to continue Executive's group health insurance coverage after the Retirement Date pursuant to the federal COBRA law or applicable state insurance laws such as Cal-COBRA (collectively, "COBRA"), and the terms of the governing health insurance policies, the Company will reimburse the monthly COBRA health insurance premiums (the "COBRA Payments") Executive pays to continue Executive's health insurance coverage (including dependent coverage) for twenty-four (24) months after the Retirement Date (the "COBRA Payment Period"). Executive must submit to the Company appropriate documentation of the foregoing health insurance payments, within sixty (60) days of making such payments, in order to be reimbursed. Notwithstanding the foregoing, if Executive ceases to be eligible for COBRA coverage prior to expiration of the COBRA Payment Period or the Company determines, in its sole discretion, that it cannot pay the COBRA Payments without a substantial risk of violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act) or the terms of the governing health insurance policies, at the end of each then remaining month of the COBRA Payment Period, the Company shall pay Executive directly a taxable monthly amount which, after taxes, equals the COBRA Payment amount the Company would have otherwise paid to Executive (assuming a 35% tax rate). Notwithstanding the foregoing, if Executive breaches his non-compete obligations under Section 12 of this Agreement, or if Executive directly or indirectly challenges the validity or enforceability of Section 12 and such obligations are determined to be invalid or unenforceable for any reason, the Company's obligations under this Section 4 shall cease as of the earlier of the date of breach or the date of Executive's direct or indirect challenge.

5. Severance. Without admission of any liability, fact or claim, the Company hereby agrees, subject to (i) the execution of this Agreement, (ii) other than in the case of Executive's death, the delivery to the Company of a signed copy of the General Release of Claims attached hereto as Exhibit A (the "Release of Claims") that becomes effective and irrevocable during the thirty-day period immediately following the Retirement Date, (iii) Executive's performance of his continuing obligations pursuant to this Agreement and the Confidentiality Agreement and (iv) Executive's employment hereunder being terminated on the Planned Retirement Date or, if earlier, on the date of Executive's death, to pay to Executive as severance on the first payroll date following the date the Release of Claims becomes effective and irrevocable or, if earlier, the date of death, an amount equal to $25,000, less required withholding taxes. Executive agrees that the

payments and benefits provided by this Section 5 are not required under the Company's normal policies and procedures and are provided as a severance solely in connection with this Agreement. Executive acknowledges and agrees that the payment referenced in this Section 5 constitutes adequate and valuable consideration, in and of itself, for the promises contained in the Release of Claims.

6. Full Payment. Executive acknowledges that the payment and arrangements herein shall constitute full and complete satisfaction of any and all amounts properly due and owing to Executive as a result of Executive's employment with the Company and the termination thereof. Executive further acknowledges that, other than the Confidentiality Agreement and agreements evidencing Executive's equity awards, this Agreement shall supersede each agreement entered into between Executive and the Company regarding Executive's employment, including, without limitation, the Executive Employment Agreement entered into by and between the Company and Executive, effective as of November 1, 2018 (the "Employment Agreement"), and each such agreement, including but not limited to the Employment Agreement, shall be deemed terminated and of no further effect as of the Effective Date.

7. Executive's Release of the Company. Executive understands that by agreeing to the release provided by this Section 7, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Agreement.

(a) On behalf of Executive and Executive's heirs, assigns, executors, administrators, trusts, spouse and estate, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company and each of its owners, affiliates, subsidiaries, predecessors, successors, assigns, agents, directors, officers, partners, employees, and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof, including, without limiting the generality of the foregoing, any Claims arising out of, based upon, or relating to Executive's hire, employment or remuneration by the Releasees, or any of them, Executive's retirement from the position of President of CooperSurgical and from the Company, Claims arising under federal, state, or local laws relating to employment, Claims of any kind that may be brought in any court or administrative agency, including any Claims arising under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000, et seq.; Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; Civil Rights Act of 1866, and Civil Rights Act of 1991; 42 U.S.C. § 1981, et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq.; the Connecticut Family and Medical Leave Act, Conn. Gen. Stat. Ann. §§ 31-51kk et. Seq.; Connecticut's whistleblower law, Conn. Gen. Stat. Ann. § 31-51m; Connecticut's free speech law, Conn. Gen. Stat. Ann. § 31-51q; the Connecticut Fair Employment Practices Act, Conn. Gen. Stat. Ann. §§ 46a-58, et. seq.; Connecticut's minimum wage and wage payment laws, Conn. Gen. Stat. Ann. §§ 31-58 to 31-76m; the anti-retaliation provision of Connecticut's workers' compensation statute, Conn. Gen. Stat. Ann. § 31-290a; the California Fair Employment and Housing Act, as amended, Cal. Lab. Code § 12940 et seq.; the California Equal Pay Law, as amended, Cal. Lab. Code §§ 1197.5(a),199.5; the Moore-Brown-Roberti Family Rights Act of 1991, as amended, Cal. Gov't Code §§12945.2, 19702.3; California Labor Code §§ 1101, 1102; the California WARN Act, California Labor Code §§ 1400 et. seq; California Labor Code §§ 1102.5(a),(b); claims for wages under the California Labor Code and any other federal, state or local laws of similar effect; the employment and civil rights laws of California; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

(b) Notwithstanding the generality of the foregoing, Executive does not release the Releasees from obligations arising under this Agreement or any of the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(iv) Claims to any benefit entitlements vested as the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan;

(v) Claims for indemnification under any indemnification agreement, the Company's Bylaws, California Labor Code Section 2802 or any other applicable law; and

(vi) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; *provided*, *however*, that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) *Acknowledgement.* In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following:

(i) Executive should consult with an attorney before signing this Agreement;

(ii) Executive has been given at least twenty-one (21) days to consider this Agreement;

(iii) Executive has seven (7) days after signing this Agreement to revoke it. If Executive wishes to revoke this Agreement, Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. on the 7th day following Executive's execution of this Agreement to Glen Sunnergren, Global VP, Human Resources at email: gsunnergren@coopervision.com. Executive and the Company understand and agree that if Executive revokes this Agreement, it will be null and void in its entirety and of no force or effect.

(d) EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

8. <u>Non-Disparagement, Transition, and Transfer of Company Property</u>. Executive further agrees that:

(a) *Non-Disparagement*. Executive agrees that he shall not disparage, criticize or defame the Company, its affiliates and their respective affiliates, directors, officers, agents, partners, stockholders, employees, products, services, technology or business, either publicly or privately. The Company agrees that it shall not, and it shall instruct its officers and directors to not, disparage, criticize or defame Executive, either publicly or privately. Nothing in this Section 8(a) shall have application to any evidence or testimony required by any court, arbitrator or government agency, or any statement otherwise required by law.

(b) *Transition*. Each of the Company and Executive shall use their respective reasonable efforts to cooperate with each other in good faith to facilitate a smooth transition of Executive's duties, including but not limited to any announcement, internal or external, of Executive's retirement. The Company shall allow Executive to preview and approve the Company's internal announcement and the Company's announcement to market.

(c) *Return of Company Property*. Executive hereby agrees that Executive shall, prior to the Retirement Date, turn over to the Company all files, memoranda, records, and other documents, and any other physical or personal property that are the property of the Company and that Executive has in Executive's possession, custody or control. Notwithstanding anything to the contrary contained in the prior sentence of this paragraph or in Section 8 of the Confidentiality Agreement, Executive may retain his Company provided mobile phone, his mobile number and his laptop computer following the removal or transfer of Company proprietary information housed on each device, subject to Executive satisfying tax withholding requirements in respect of each device.

9. <u>Executive Representations</u>. Executive warrants and represents that (a) Executive has not filed or authorized the filing of any complaints, charges or lawsuits against the Company or any affiliate of the Company with any governmental agency or court, and that if, unbeknownst to Executive, such a complaint, charge or lawsuit has been filed on Executive's behalf, Executive will immediately cause it to be withdrawn and dismissed, (b) Executive has been paid all compensation, wages, bonuses, commissions, and/or benefits to which Executive may be entitled and no other compensation, wages, bonuses, commissions and/or benefits are due to Executive, except as provided in this Agreement, (c) Executive has no known workplace injuries or occupational diseases and has been provided and/or has not been denied any leave requested under the Family and Medical Leave Act or any similar state law, (d) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject, and (e) upon the execution and delivery of this Agreement by the Company and Executive, and provided that Executive does not revoke this Agreement within the 7-day revocation period, this Agreement will be a valid and binding obligation of Executive, enforceable in accordance with its terms.

10. No Assignment by Executive. Executive warrants and represents that no portion of any of the matters released herein, and no portion of any recovery or settlement to which Executive might be entitled, has been assigned or transferred to any other person, firm or corporation not a party to this Agreement, in any manner, including by way of subrogation or operation of law or otherwise. If any claim, action, demand or suit should be made or instituted against the Company or any other Releasee because of any actual assignment, subrogation or transfer by Executive, Executive agrees to indemnify and hold harmless the Company and all other Releasees against such claim, action, suit or demand, including necessary expenses of investigation, attorneys' fees and costs. In the event of Executive's death, this Agreement shall inure to the benefit of Executive and Executive's executors, administrators, heirs, distributees, devisees, and legatees. None of Executive's rights or obligations under this Agreement may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only upon Executive's death by will or operation of law.

11. Non-Solicitation. Without limiting the Confidentiality Agreement, Executive hereby agrees that Executive shall not, at any time within the twenty-four (24) month period immediately following the Retirement Date, directly or indirectly, either for himself or on behalf of any other person, recruit or otherwise solicit or induce any employee or consultant of the Company to terminate its employment or arrangement with the Company, or otherwise change its relationship with the Company. Notwithstanding the foregoing, nothing herein shall prevent Executive from directly or indirectly hiring any individual who submits a resume or otherwise applies for a position in response to a publicly posted job announcement or otherwise applies for employment with any person with whom Executive may be associated absent any violation of Executive's obligations pursuant to the preceding sentence.

12. Non-Compete. For a period of twenty-four (24) months following the Retirement Date, without the prior written consent of the Chief Executive Officer or General Counsel of the Company, Executive shall not, directly or indirectly, own, manage, operate, finance, join, control, participate in the ownership, management, financing, operation, business or control of, consult to, render services for, permit his name to be used or in any other manner, engage in or compete, or otherwise be involved in any way in any business, individual or other enterprise that is in competition, directly or indirectly, with the business of the Company or its subsidiaries or is in competition with the products of the Company or its subsidiaries or any improved version of, replacement for or derivative of such products anywhere in the world (such business and products being hereinafter referred to as the "Restricted Business"); provided, however, that the foregoing shall not be deemed to prohibit Executive's ownership of not more than two percent (2%) of the equity securities of any publicly held company. For avoidance of doubt, nothing contained in this Section 12 shall preclude or shall be deemed to preclude Executive from (a) serving as a member of the Executive Board for the Yale Center for Biomedical Innovation and Technology and/or advising/mentoring new entrepreneurs in emerging technologies with whom Executive is introduced by virtue of such Board membership or (b) consulting to or rendering services for, any entity whose business or products are not engaged in or in competition with the Restricted Business and, which, to the knowledge of Executive, has no intention of becoming engaged in or in competition with the Restricted Business, at the time Executive commences consulting to or rendering services for such entity, even if such entity's business or products thereafter become engaged in or in competition with the Restricted Business by reason of an acquisition or other transaction involving the Company or its subsidiaries, provided that Executive had no knowledge that such entity's business or products would or could reasonably be expected to become engaged in or in competition with the Restricted Business and, provided further, that in no event shall Executive provide consulting or services that assist such entity in preparing to engage in, commencing engagement in or otherwise engaging in or competing with the Restricted Business.

13. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Connecticut or, where applicable, United States federal law, in each case, without regard to any conflicts of laws provisions or those of any state other than Connecticut.

14. Indemnification. In addition to any rights to indemnification to which Executive may be entitled under the Company's Charter and By-Laws, the Company shall indemnify, defend and provide Director and Officer liability insurance coverage to Executive at all times during and after Executive's employment to the maximum extent permitted by applicable state laws and such insurance policies to cover Executive's liability and expenses related to Executive's acts and omissions within the course and scope of employment with the Company, and shall pay Executive's expenses in defending any civil or criminal action, suit, or proceeding in advance of the final disposition of such action, suit, or proceeding, to the maximum extent permitted under such applicable state laws.

15. Miscellaneous. This Agreement, together with the Confidentiality Agreement and the agreements evidencing Executive's equity awards, comprises the entire agreement between the parties with regard to the subject matter hereof and supersedes, in their entirety, any other agreements between Executive and the Company with regard to the subject matter hereof, including but not limited to the Employment Agreement. Executive acknowledges that there are no other agreements, written, oral or implied, and that Executive may not rely on any prior negotiations, discussions, representations or agreements. This Agreement may be modified only in writing, and such writing must be signed by both parties and recited that it is intended to modify this Agreement. If any provision of this Agreement is deemed invalid, all other provisions shall remain in full force and effect. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Delivery of any

signature page via telecopy or other electronic transmission shall be deemed equivalent to physical delivery of the original signature page.

16. Company Assignment and Successors. The Company may assign its rights and obligations under this Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise); provided that any such assignee assumes all of the Company's obligations under this Agreement (by operation of law or otherwise). This Agreement shall be binding upon and inure to the benefit of the Company and its successors, assigns, personnel and legal representatives.

17. Maintaining Confidential Information. Executive reaffirms Executive's obligations under the Confidentiality Agreement. Executive acknowledges and agrees that the benefits provided in Section 3 above shall be subject to Executive's continued compliance with Executive's obligations under the Confidentiality Agreement. For the avoidance of doubt, nothing in the Confidentiality Agreement or this Agreement will be construed to prohibit Executive from filing a charge with, reporting possible violations to, or participating or cooperating with any governmental agency or entity, including but not limited to the EEOC, the Department of Justice, the Securities and Exchange Commission, Congress, or any agency Inspector General, or making other disclosures that are protected under the whistleblower, anti-discrimination, or anti-retaliation provisions of federal, state or local law or regulation. Executive does not need the prior authorization of the Company to make any such reports or disclosures, and Executive is not required to notify the Company that Executive has made such reports or disclosures. Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in the Confidentiality Agreement or this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (x) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (y) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

18. Executive's Cooperation. After the Retirement Date, Executive shall cooperate with the Company and its affiliates, upon the Company's reasonable request, with respect to any internal investigation or administrative, regulatory or judicial proceeding involving matters within the scope of Executive's duties and responsibilities to the Company or its affiliates during Executive's employment with the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company's reasonable request to give testimony without requiring service of a subpoena or other legal process, and turning over to the Company all relevant Company documents which are or may have come into Executive's possession during Executive's employment); *provided*, *however*, that any such request by the Company shall not be unduly burdensome or interfere with Executive's personal schedule or ability to engage in gainful employment and Executive shall be compensated fairly at prevailing market terms for his cooperation.

19. Section 409A of the Code. This Agreement is intended, to the greatest extent permitted under law, to comply with the short-term deferral exemption and the separation pay exemption provided in Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and other interpretative guidance issued thereunder ("Section 409A") such that no benefits or payments under this Agreement are subject to Section 409A. Notwithstanding anything herein to the contrary, the timing of any payments under this Agreement shall be made consistent with such exemption. Executive's right to receive a series of installment payments under this Agreement, if any, shall be treated as a right to receive a series of separate payments. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any such regulations or other guidance that may be issued after the Retirement Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder may be subject to Section 409A, the Company may, to the extent permitted under Section 409A cooperate in good faith to adopt such amendments to this Agreement or adopt other appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A; provided, however, that this paragraph shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A, such reimbursements shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

20. Attorneys' Fees and Costs. In any action or proceeding brought by a party to enforce the provisions of this Agreement, the substantially prevailing party shall be entitled to reasonable attorneys' fees and costs incurred in connection therewith, in addition to any other relief to which such party may be entitled.

IN WITNESS WHEREOF, the undersigned have caused this Transition and Retirement Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below.

Date: July 1, 2020

/s/ Robert D. Auerbach M.D.

Robert D. Auerbach M.D.

Date: July 1, 2020

/s/ Albert G. White III

Albert G. White III

President and Chief Executive Officer

EXHIBIT A

GENERAL RELEASE OF CLAIMS

This General Release of Claims ("Release") is entered into as of July 1, 2020, between Robert D. Auerbach M.D. ("Executive") and The Cooper Companies, Inc., a Delaware corporation (the "Company" and, together with Executive, the "Parties"), effective eight days after Executive's signature hereto, unless Executive revokes Executive's acceptance of this Release as provided in Paragraph 1(c), below.

1. Executive's Release of the Company. Executive understands that by agreeing to this Release, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its directors, officers, employees, investors or other agents for any reason whatsoever based on anything that has occurred in connection with his employment or other relationship with the Company and the conclusion of that employment or other relationship that the Company as of the date Executive signs this Release.

(a) On behalf of Executive and Executive's heirs, assigns, executors, administrators, trusts, spouse and estate, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company and each of its owners, affiliates, subsidiaries, predecessors, successors, assigns, agents, directors, officers, partners, employees, and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof, including, without limiting the generality of the foregoing, any Claims arising out of, based upon, or relating to Executive's hire, employment or remuneration by the Releasees, or any of them, Executive's retirement from the position of President of CooperSurgical and from the Company, Claims arising under federal, state, or local laws relating to employment, Claims of any kind that may be brought in any court or administrative agency, including any Claims arising under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000, et seq.; Americans with Disabilities Act, as amended, 42 U.S.C. § 12101 et seq.; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 et seq.; Civil Rights Act of 1866, and Civil Rights Act of 1991; 42 U.S.C. § 1981, et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); regulations of the Office of Federal Contract Compliance, 41 C.F.R. Section 60, et seq.; the Family and Medical Leave Act, as amended, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. § 201 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq.; the Connecticut Family and Medical Leave Act, Conn. Gen. Stat. Ann. §§ 31-51kk et. Seq.; Connecticut's whistleblower law, Conn. Gen. Stat. Ann. § 31-51m; Connecticut's free speech law, Conn. Gen. Stat. Ann. § 31-51q; the Connecticut Fair Employment Practices Act, Conn. Gen. Stat. Ann. §§ 46a-58, et. seq.; Connecticut's minimum wage and wage payment laws, Conn. Gen. Stat. Ann. §§ 31-58 to 31-76m; the anti-retaliation provision of Connecticut's workers' compensation statute, Conn. Gen. Stat. Ann. § 31-290a; the California Fair Employment and Housing Act, as amended, Cal. Lab. Code § 12940 et seq.; the California Equal Pay Law, as amended, Cal. Lab. Code §§ 1197.5(a),199.5; the Moore-Brown-Roberti Family Rights Act of 1991, as amended, Cal. Gov't Code §§12945.2, 19702.3; California Labor Code §§ 1101, 1102; the California WARN Act, California Labor Code §§ 1400 et. seq; California Labor Code §§ 1102.5(a),(b); claims for wages under the California Labor Code and any other federal, state or local laws of similar effect; the employment and civil rights laws of California; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

(b) Notwithstanding the generality of the foregoing, Executive does not release the Releasees from obligations arising under Sections 2(c), 4 and/or 5 of the Transition and Retirement Agreement by and between Executive and the Company (the "Transition and Retirement Agreement") or any of the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(iv) Claims to any benefit entitlements vested as the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan;

(v) Claims for indemnification under any indemnification agreement, the Company's Bylaws, California Labor Code Section 2802 or any other applicable law; and

(vi) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; *provided*, *however*, that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) *Acknowledgement.* In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following:

(i) Executive should consult with an attorney before signing this Release;

(ii) Executive has been given at least twenty-one (21) days to consider this Release;

(iii) Executive has seven (7) days after signing this Release to revoke it. If Executive wishes to revoke this Release, Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. on the 7th day following Executive's execution of this Release to Glen Sunnergren, Global VP, Human Resources at email: gsunnergren@coopervision.com. Executive and the Company understand and agree that if Executive revokes this Release, it will be null and void in its entirety and of no force or effect, and Executive will not be entitled to the payments set forth in Section 5 of the Transition and Retirement Agreement.

(d) EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

2. Executive Representations. Executive warrants and represents that (a) he has not filed or authorized the filing of any complaints, charges or lawsuits against the Company or any of its affiliates with any governmental agency or court, and that if, unbeknownst to Executive, such a complaint, charge or lawsuit has been filed on his behalf, he will immediately cause it to be withdrawn and dismissed, (b) he has reported all hours worked as of the date of this Release and has been paid all compensation, wages, bonuses, commissions, and/or benefits to which he may be entitled and no other compensation, wages, bonuses, commissions and/or benefits are due to him, except as provided in Sections 2(c), 4 and 5 of the Transition and Retirement Agreement, (c) he has no known workplace injuries or occupational diseases and has been provided and/or has not been denied any leave requested under the Family and Medical Leave Act or any similar state law, (d) the execution, delivery and performance of this Release by Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject, and (e) upon the execution and delivery of this Release by the Company and Executive, this Release will be a valid and binding obligation of Executive, enforceable in accordance with its terms.

3. Maintaining Confidential Information. Executive reaffirms his obligations under the Confidentiality Agreement (within the meaning of the Transition and Retirement Agreement). Executive acknowledges and agrees that the payments and benefits provided in Sections 4 and 5 of the Transition and Retirement Agreement shall be subject to Executive's continued compliance with Executive's obligations under the Confidentiality Agreement.

4. Cooperation With the Company. Executive reaffirms Executive's obligations to cooperate with the Company pursuant to Section 18 of the Transition and Retirement Agreement.

5. Severability. The provisions of this Release are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

6. Choice of Law. This Release shall in all respects be governed and construed in accordance with the laws of the State of Connecticut, including all matters of construction, validity and performance, without regard to conflicts of law principles.

7. Integration Clause. This Release and the Transition and Retirement Agreement contain the Parties' entire agreement with regard to the transition and separation of Executive's employment, and supersede and replace any prior agreements as to those matters, whether oral or written. This Release may not be changed or modified, in whole or in part, except by an instrument in writing signed by Executive and the Chief Executive Officer of the Company.

8. Execution in Counterparts. This Release may be executed in counterparts with the same force and effectiveness as though executed in a single document. Facsimile signatures shall have the same force and effectiveness as original signatures.

9. Intent to be Bound. The Parties have carefully read this Release in its entirety; fully understand and agree to its terms and provisions; and intend and agree that it is final and binding on all Parties.

IN WITNESS WHEREOF, the undersigned have caused this Release to be duly executed and delivered as of the date indicated next to their respective signatures below.

Date: July 1, 2020

/s/ Robert D. Auerbach M.D.

Robert D. Auerbach M.D.

Date: July 1, 2020

/s/ Albert G. White III

Albert G. White III

President and Chief Executive Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Albert G. White III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Cooper Companies, Inc. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 4, 2020

/s/ Albert G. White III

Albert G. White III
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian G. Andrews, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Cooper Companies, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 4, 2020

/s/ Brian G. Andrews

Brian G. Andrews
Senior Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Albert G. White III, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of The Cooper Companies, Inc. (the “Company”) for the quarterly period ended July 31, 2020, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 4, 2020

/s/ Albert G. White III

Albert G. White III
President and Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian G. Andrews, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of The Cooper Companies, Inc. (the “Company”) for the quarterly period ended July 31, 2020, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 4, 2020

/s/ Brian G. Andrews

Brian G. Andrews
Senior Vice President, Chief Financial Officer and Treasurer