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EDITED TRANSCRIPT

COO.N - Cooper Companies Inc at KeyBanc Capital Markets Life Sciences & MedTech Investor Forum (Virtual)

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PRESENTATION

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

Good afternoon. I'd like to welcome everyone again to the KeyBank Life Sciences and MedTech Investor Forum. My name is Matt Mishan, I am senior MedTech analyst. I'm pleased to be joined by CooperCompanies, who is represented today by CFO and Treasurer, Brian Andrews; and EVP and COO, Dan McBride. Thank you guys for joining us. I'm going to start us off, but this will be 100% Q&A and questions can be submitted directly to me by typing into the box below the video screen and then I can relay from there.

QUESTIONS AND ANSWERS

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

But I'll start off. I guess, Brian, I'm asking this question to you. It's basically as you're in San Francisco, are you talking to other CFOs about the Silicon Valley Bank issues? How do you think about direct versus tail risk at this point from that?

Brian G. Andrews - *Cooper Companies, Inc. - Executive VP, CFO & Treasurer*

Yes, that's a good question. I'm a member of a number of different councils and so we're all actively talking to one another. We look at our counter party risk and assess who we work with. And by and large, the banks that we work with, whether it's our banking relationships, or even the swap counterparty banks, those are our primary lenders. So those guys lend hundreds of millions of dollars to us, including KeyBank. And we're in constant contact with those guys and are our deposits, what little there is of our deposits is with those banks.

Obviously, we've got a fair amount of debt, and we do a really good job of paying down our debt as we generate cash. We're always in a net debt position. And so, it's not as big of a concern. We had no exposure to Silicon Valley Bank but we're constantly assessing their creditworthiness and the risk of our banks. And so, it's a constantly moving situation. We're watching it closely. You never know that you're completely out of the woods, you don't feel super confident with anything that's coming out these days. But at least I'm confident in the banks that we work with. They're all sound banks. They're all strong and so I think we've got our bases covered.

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

That's good to hear. And then, Dan, are you surprised at how well market demand for contact lenses seems to be holding up. My sense is that the start to the year in 2023 so far has been pretty good.

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes. No, we saw a really strong January and February. We're really pleased with that. We're not really that surprised. I mean right now, the consumer still has got buying power. The tailwinds around our industry are all really, really strong in terms of macro trends of people becoming more myopic.

Our portfolio continues to expand to those people that can go into contact lenses. That's helpful. The work that we're doing around myopia management is bringing younger kids into contact lenses, which is healthy for the industry. We're seeing COVID recovery still driving some extra demand in Europe. We expect COVID recovery to drive extra demand in Asia Pac.

So no, I think it's more the fear of recession that has people thinking that there should be some headwinds to the industry. But until that actually manifests itself in some way meaningful to our consumers, which for contact lenses tend to be the wealthier consumer, we're really seeing nothing but a strong market right now.

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

What did you make of 1 competitor, 1 major competitor and a healthy one. I mean there's quality ones, there's not so quality ones, but a healthy competitor in Alcon indicated some level of constraint on volumes in one week. And the next Cooper is out raising guidance and not really seeing anything. How do you kind of reconcile the 2?

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes. I think it has to do with the time frame that they were reporting on because they were reporting on the calendar fourth quarter. And we did definitely see a slowdown in November and December, but that was more than made up for in the strength we saw in January, February going into the marketplace. So we're not seeing what they were saying on when we were reporting, which was including January in our numbers and really taking a good look at February.

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

Okay. Is that the right way to look at it from a risk perspective, you're not going to see consumers switch lenses. I mean once you're prescribed in a lens, you're not going to say, give me the worst lens. But is the right way to look at it like a consumer might wear less or instead of buying a 12-month supply, maybe you see people say, I'm going to buy a 3-month supply. Is that kind of how to think about what could potentially happen if things slow down?

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes. You'd really have to see something that changed lifestyle and behavior. So that's what we saw with COVID, which was really unique. So we hadn't seen that behavior before where consumers substantially dialed back their usage. Really, when we talk about a recession like going, '08, '09, we really didn't see that much. So no, I don't really think we're going to see consumers dialing a whole lot back unless you see a big jobs recession going on, and then consumer behavior can be thrown into the mix.

But I just think it's really premature to call anything negative about the industry until we know what's happening to the consumer with respect to Vision Care. So yes, we know the consumer is under pressure with respect to inflation, but Vision Care is relatively inexpensive, and it's an essential. It's not a discretionary. I'm not seeing either of those things happening. I'm not really thinking they're going to happen unless we saw something much more dramatic occurring in the job market.

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

Do you think that 2008, 2009 is an accurate comparison at this point. I mean, when you think about the markets you went from a 2-week monthly market that, what is an annual supply $150 or so back then, to a market where you've traded up a lot of people to daily silicone hydrogel, which are running from $500 to $900 per year. Is it more expensive now and maybe a little bit more volatile?

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes. I think the difference is the buying power of the consumer is so much stronger right now than it was in '08, '09. And quite frankly, even in '08, '09, when you saw the market was still growing 3% and we still grew 5% through that event, it's largely because, again, eye care is not really that high cost for the value it brings. I mean it's an essential piece of what people have.

So yes, we have the portfolio that one would think you would see those activities happening immediately with. We're leading in FRPs. We have clariti, which is the really mass-market silicone hydrogel lens. But we're still seeing, like our competitors are reporting with their premium products, MyDay being the strongest product for growth, higher end parts of the Biofinity portfolio selling stronger. We're not really seeing anything that suggests that, that's what consumers are doing or planning to do.

Brian G. Andrews - *Cooper Companies, Inc. - Executive VP, CFO & Treasurer*

Yes. And just to add to that, we're also not seeing any difference really in our store brands versus our own brands. So certainly, if there's more of a focus on trying to drive traffic to stores, trying to drive better profitability in stores, it wouldn't be surprising if we're out talking to investors, if there's an economic hit, it wouldn't be surprising to hear us talk about strength in our store-branded portfolio. But we've gotten some questions following this earnings call about, hey, is there something going on in your customized solutions. And really, that part of our business is showing good growth, but it's really aligned with our own brands right now.

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

When you think about those customizable solutions, it's funny, I always ask people what lenses they wear. And a lot of times, they have no idea which always strikes me as you're putting something in your eyes prescribes it's a lot of money. But is there a difference in how consumers really perceive like a store-bought brand versus branded. And but for the most part, you're getting the lens is where you get lenses tested. I mean 1-800 contacts is a little bit of a different story. But for the most part, if you go to Costco, you're going to go to Costco retail get your lenses at Costco or you go to LensCrafters and you get lenses. So, do they perceive it differently on the contact lens side, private label versus branded?

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes. I think the only difference you really get is it depends on the brand. So, if you're buying into a discount brand, you probably view it as discount. If you're buying into a premium brand, you're going to view it as premium. And quite frankly, we sell across the spectrum there. So, there are brands that we provide to our customers that are actually viewed as a premium over the branded premiums. There's brands that we sell to customers that are viewed as a discount. But it really allows the store or the retailer to put the brand identity behind the product.

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

Okay. From my perspective, I think what came out of last quarter for me and my takeaway was that there seems to be a little bit of separation in share gains emerging with Cooper. You've always been a relative winner over the last couple of years, but are you now a growing winner? And am I kind of reading that right?

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes, what's interesting to us is our own internal data, we've grown share for 15 straight years. So, our expectation is to grow share in every year. I think what we're seeing in terms of the differentiation, that's interesting. And I was just at Vision Expo East talking to customers about it. Certainly, investors should be aware of it. I think the industry looks at us as apples to apples, apples to apples. Here's 4 companies that look kind of the same, providing kind of the same products to market.

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But when you actually go below the covers, it really is more apple, apple, apple, orange. The 3 other competitors are providing tens of thousands of SKUs to the market, a center of the bell curve eye service in contact lenses. They're similar kinds of contact lens companies in that regard. We provide in the millions of SKUs. I mean, we're literally 80x-100x, more complex in terms of what we provide to the marketplace.

So, we're really delivering a full-service vision model using contact lenses. We're not just providing a narrow range of products. I think that's a big, big difference that our customers value. We do that not only with product range, but we also do it with providing customized solutions in their own brands and by bringing in things like myopia management.

If you go back to the Cooper from 10- or 15-years ago that was a follower in the industry, you're mistaking who we are now. We're really leading the industry in providing contact lens services out there. So, it really is a very different dynamic that really unveiled itself most in this last round of product launches with MyDay multifocal, MyDay toric expanded range, MyDay Energys, we've suddenly said the 1-day category should serve as many patients as the FRP category. There's no competitor doing that. There's no competitor even talking about doing that. So, we're just a different kind of company than the industry.

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

Yes. I have been thinking about this more lately with Cooper is how difficult would it be to exclude Cooper from a practice at this point? I mean -- let's say, there's 4 contact lens manufacturers. A lot of practices will use 2 or 3, how many of those practices now look and say, "I can't exclude Cooper. The Cooper sales rep and what Cooper does is important to my practice. So whichever of the 2 to 3 manufacturers I choose, 1 of them now has to be Cooper."

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes. partly depends on what the customers intent is going to market. If they intend to serve every customer that comes through their door and have options for them, we have the essential portfolio that's there. Now we also know not to have too much arrogance around that. We try to be incredibly customer flexible and customer-friendly because, of course, they could just serve the center of the bell curve. Contact lenses for most of our customers, are like 15% to 20% of their business.

But those that really want to serve the full customer base that are coming through their doors. Cooper is the only one that provides the range of products that allows that to happen. I think when you combine that with being flexible, with being friendly, with being really adaptive to trying to meet customer needs, I think it makes you pretty indispensable in the marketplace.

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

Where do you think the market share is coming from now? I mean MOIST has always had this target on its back given the size of it. Is that now bleeding or just how they maintain their base and new fits are increasingly moving to Cooper at a higher rate?

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes, I think that's probably the better way to look at it, I think it really is it's new fits are moving at a higher rate. But we are finally seeing the cracks. I mean, one, they were happening anyway, you're now seeing new fits being predominantly 1-day SiHy and you're now seeing 1-day SiHy being greater than 50% of the revenues in the 1-day marketplace. This was dominated by those 2 hydrogel families of DACP and MOIST. By Alcon putting DACP in play, I think it's giving a license to ECPs to go like, yes, we're switching to 1-day SiHy. So that's what we're doing with all of our new fits.

So, I do think that there's a lot of pressure on J&J because they don't seem to have a trade-up strategy for MOIST. Alcon has a very clear trade-up strategy with PRECISION1 for DACP. It's not clear to me there's a trade-up strategy that J&J has put in place in that range. And so, we look at that as a good source of share. We also looked that Bausch seems to be languishing where they are. We're spending a lot of time looking at wearers too because I think J&J has done an extremely good job of moving up price to hold share, but we think wearers are disproportionately we're getting more of those.

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

How much longer do you think J&J stays disciplined. So I asked this because it doesn't seem like you guys are getting ready to step off the gas. I think the economy is holding in well now. It's probably who knows where we're going to be in another 3 to 6 months. Is there any concern that competitors kind of reverse pricing strategies and industry rebates start increasing if things get a little tighter.

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes. I think there's 2 reasons to think that's not going to happen. One is that there's appears to be a shortage of contact lenses globally. So, we're seeing service issues with everybody. We even have our own. We tend to find out from our customers that we're the best of everybody, so why would you be reducing price in a shortage of supply situation? Demand is greater than supply, not a great environment to do that. I think the second reason why I don't expect to see that behavior is that it was tried 3 years ago, nobody won. We just gave more money back to the consumer, but basically, everybody has matched each other. And at the end of the day, there was no real value. There was no real benefit to giving more away.

What I think we are seeing is a much more targeted defense of a key customer, you might see J&J or Alcon or even ourselves running a promotion to try and make sure you ring-fence a customer to stay with your products. So, you might see a little bit more of that type of activity. But I think the broad moves on price, I think actually, we'll continue to see the opposite, which is that the consumers didn't react to the price increases that went through in any way negative. So, there's no reason that we can't continue to see prices move up effectively.

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

And all that being said, you did put some level of conservatism in the guidance for like the second half. In all intents and purposes, you're not sure exactly what's going to happen, but you're prepared for it if it were to.

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes, and I would have been more comfortable saying it was conservative before the SVB thing. That changed things a little bit more around what is going to go on in the marketplace. But we also do believe that fundamentally, the market is a 4% to 6% grower it's probably going to stay on the high side for a while. And so, when you run 8 straight quarters of double-digit growth, you start to say, well, at some point, you're lapping some pretty big numbers. So, I think even though it may seem a little conservative, on the other hand, it's also our pragmatic view that eventually the market goes back to its normal growth rates.

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

Okay. And just switching over to Europe. I honestly still don't get Europe. So, hoping you can kind of explain that to me. And just how that is a double-digit grower, because it's just been so strong for you.

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes. I think we misinterpreted that there was more of a COVID rebound even into 2022. We thought we had done a lot of the COVID rebound in 2021. There was still more COVID rebound that was going into 2022. So, I think that's part of it. I think pricing has been a good piece of it in the European market, the pricing has held up. Key accounts are doing extremely well. So for us, since we're really embedded in their strategies, I think that's helped us do better in Europe as a result of that.

Europe, for us, as we reported also includes emerging markets, so you get a little bit of an upswing from that as well. I agree. I think it's been running remarkably strong, and we expect that to return at some point in time. But I think those were the factors in why it's been delivering so strong for so long.

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

Okay. I know China is not a big market for you from a contact lens perspective. It could eventually be from a myopia control perspective. But does China coming back impact Asia Pac in general? Is there a halo in that region from an activity perspective, if China is all of a sudden open, and it's post-COVID there maybe a little bit later than everywhere else?

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes, I don't think that we really see a halo from China to other markets, but the COVID opening that is happening in China, the phenomenon around that I think is helping other markets be more aggressive in opening too. So, I think you're not getting a direct halo, but I think China changing its COVID policy is making it pretty clear that the rest of the countries there, Taiwan, Korea, Japan are not going to go probably back on COVID. And so, I think the halo would be in that direction, not really in a one-for-one market-to-market type of a halo.

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

In myopia control, just how should we think about the right growth trajectory for myopia control over the next few years? Can that be like 100 basis points of growth for CooperVision and there's a second part to that is the below-the-line contribution from SightGlass eventually impact the growth that you can show to your top line.

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

In myopia management, it should be able to deliver the 100 basis points for a while. I mean it does seem like between Ortho K and MiSight, there's strong growth there on the revenue line, and that's really a nice uplift for the overall business. For SightGlass Vision, we're still a ways out from that being a meaningful deliverer on below the line. Good partnership, good progress being made, but there's a lot of investment that's going to go in that. So I think you're going to see some costs roll through below the line supporting that business as we grow it. Probably not worth factoring a whole lot below the line into any model on any type of short-term basis.

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

Okay. And then could Brian put some context on the new investments you guys are making into '23 versus the investments you made several years ago. It's striking to see the size of what you guys are doing and stepping on the gas again with this. After what you've already accomplished, back in 2018, 2019 and 2020.

Brian G. Andrews - *Cooper Companies, Inc. - Executive VP, CFO & Treasurer*

Yes. I think it's hard for investors probably to really put into context the commentary that Dan provided earlier around demand really outstripping supply. When you talk about all of us now, all of the industry having daily SiHy and we're all saying the same thing, that the daily SiHy are the best, most comfortable, healthiest thing to put into your eye, and you talk about the amount of capacity that's needed to fulfill that demand, it's very, very significant.

What warms my heart and makes me really feel confident in what we're doing is, our manufacturing capabilities are best-in-class. That's my opinion. I haven't been through our competition's plants. But we continue to put new lines into production with amazing outputs, great yields, great cost per unit very low defects per million, and they're meeting or exceeding our expectations quarter in, quarter out.

But when we talk about the amount of capacity that we need to put in, We're going to need to double our capacity in the next 5 years. And we already make nearly billions and billions of lenses per year. But when you talk about just the manufacturing capabilities, and we talked about the portfolio, Dan highlighted how we're different and differentiated earlier, you also have to make sure that you're matching up on your packaging and your distribution capabilities.

So, as we're adding capacity and we're making our portfolio more complex, we need to make sure the customer experience is great. We need to make sure service levels are great. We need to also make sure that we're compliant on MDR and all of the changing regulatory environments, customized solutions are becoming a bigger part of our focus. So, all of these things have to line up in order for us to continue to drive this differentiated approach that we take towards meeting the demand in the market and driving growth in the market with our key accounts and all of our customers for that matter.

So, there was a lot of capacity being put in. Back in those years you're talking about, the platforms are much more specific to the types of lenses that we were coming up with. They're a bit more flexible now. We can make different modalities and different lenses. So we don't have to thread the needle as much as we used to. But the volume we're getting out of our new lines is really helping us to drive that forward in a meaningful way.

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

I mean, do you think that your competitors have the same ability to make these investments. Just thinking about it through this question, I mean, on one, does one have the focus to do it? Does another one have the ability to kind of drive margins the way they want to drive margins and still make these kind of investments? Does the other one have the cash to even do that?

Brian G. Andrews - *Cooper Companies, Inc. - Executive VP, CFO & Treasurer*

Well, I don't want to speculate if they can. Certainly, you can throw dollars at anything and some of our competition have plenty of dollars to throw at things. Whether they will is really the question, we haven't seen it. It's not something where you can throw a lot of dollars and get there overnight. We've always been known as great in torics and multifocals. And we continue to expand our parameter ranges. We continue to invest in our manufacturing, packaging and distribution competencies.

It's all about continuous improvement. In order to get there, you have to continue to say, okay, what are we doing? How are we doing this? How are we going to get better? And so those are all learned competencies. Those are all things that you just can't learn overnight and just throw a lot of dollars at. We've been doing this for decades, working with key accounts, doing customized solutions.

And so whether it's dollars, they might have the dollars, but we've also seen some of them talking about rationalizing their portfolio. They're not going in the direction of expanding. They're actually narrowing. So it's more than dollars, it's also competencies. And certainly, we've been leaning into it and continue to develop more and more. And frankly, even just what you saw in Q1 with our results, we put more automation and robotics into production and we can be more flexible and have better output to serve the needs of our customers, then that will be room for operating margin expansion, which will drive future expansion as we leverage that infrastructure.

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Yes. I think 1 tiny insight for investors to think about in terms of capacity in the marketplace is as MOIST and DACP decline in terms of their importance in the marketplace, that's capacity that falls out of the industry that the industry has to replace. So when we talk about investments into 1-day SiHy, we're not only building market with that. We also have to be replacing pieces of the market that the capacity is now obsolete. Those are big families of products.

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

If you have a large manufacturing presence where you're building traditional hydrogel lenses, the conversion of those manufacturing lens to silicone hydrogel is not possible requires a lot of money or do you have to completely revamp the equipment that you kind of purchase to do that.

Daniel G. McBride - *Cooper Companies, Inc. - Executive VP & COO*

Obviously, I don't know everything about how our competitors make product, but my understanding is to require brand-new lines. I don't think that you can directly convert those lines.

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

Okay. And when does operating leverage become a bigger piece of the investment. Now after listening to you guys explain the capacity investments and what you guys are doing. It's like why am I even asking the question, like when are you guys going to drive better leverage to EPS when you have this opportunity. But yes, what do you to drive better leverage to EPS when you have this opportunity ahead of you?

Brian G. Andrews - *Cooper Companies, Inc. - Executive VP, CFO & Treasurer*

Yes. I guess I'll take that one. I mean, I would say we're doing it this year. Implied in the midpoint of our guidance on a consolidated basis is revenues of 7.5% to 8% growth on an organic basis. And then we're delivering at the midpoint, roughly 10.5% of constant currency OI growth. So, I would say that if you think about this year as being a new base, call it, around 24% we should be able to drive incremental operating margin expansion on a constant currency basis year in and year out.

We had some factors that from 2019, I got the question on the call about compare 2019 to this year. And you had about 1.5% from FX and then another 2% from some operational items that I talked about. But really, we're in a really good spot now to drive incremental operating margin expansion. Can we cut costs faster and get to, call it, 27.5% more quickly, absolutely. But we are really, really focused on driving consistent, sustainable top line growth. That's critical. And so, we're going to drive operating margin expansion incrementally year-after-year, but we'll want to reinvest in our business to make sure that we're driving that durable top line growth.

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

Okay. We only have a couple of minutes, we should have discussed CooperSurgical because it is a bigger piece of what you guys are doing. And it isn't like a couple of years ago where you just ignore it for the last question, so to the people who cover CooperSurgical, I want to apologize for that. Can fertility remain a double-digit grower for you guys moving forward. And I think that's pretty much all we have time for.

Brian G. Andrews - *Cooper Companies, Inc. - Executive VP, CFO & Treasurer*

Yes. We talked about the 8 consecutive quarters of Vision growing double digits, but fertility has grown 9 consecutive quarters. I would say the fertility market is probably the best market that we're in as a company. The fundamentals driving that market are really strong, and we're in the best position to capitalize on those growth fundamentals. It's hard to grow double digits continually consecutively. But certainly, we do believe that the market should be growing at the upper end of that single digits, and we should be growing faster than market.

So, I would expect that's going to happen for the next several years, if not longer, where we just continue to drive above market growth and that's going to be really one of the biggest drivers that's driving CooperSurgical growth in that mid-single digits.

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

Do you need the infrastructure of Cook internationally to continue to drive that?

Brian G. Andrews - *Cooper Companies, Inc. - Executive VP, CFO & Treasurer*

Implied in our guidance is already a significant amount of infrastructure investments, including Asia Pac where Cook was strong. That was going to happen regardless because what we were getting was products and registrations and we would have needed infrastructure to invest to support the business. So, we're going after those investments. As that business gets bigger, we continue to leverage those investments and to grow into our skin.

But we're certainly going to continue to feed that beast and fuel that engine that's driving above-market growth because there's massive opportunity. Whether it's geographic expansion and driving further getting deeper with our portfolio into certain markets getting better with our manufacturing competencies, integrating more of those businesses. We're going to continue to invest in the long-term growth of that business.

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

Great. Excellent. With that, Brian, Dan, I think we're out of time. Thank you very much. That was a good session.

Brian G. Andrews - *Cooper Companies, Inc. - Executive VP, CFO & Treasurer*

Thank you. Appreciate it.
