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## PRESENTATION

**Lilia-Celine Breton Lozada** - *JPMorgan Chase & Co, Research Division - Research Analyst*

Hey, everyone. Thanks for joining us today. My name is Lilia Lozada, and I'm a member of the medtech team here at JPMorgan. It's my pleasure to have Cooper's CEO, AL White, with me here today.

Just as a quick reminder, feel free to submit any questions that you may have through the conference website using the "Ask a Question" button right below the video.

And with that, I will turn it over to AL on his prepared remarks.

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**Albert G. White** - *The Cooper Companies, Inc. - President, CEO & Non-Independent Director*

Great. Thank you. Appreciate it. Welcome, everyone. I wish we were doing this in person in the big conference room here in San Francisco. But suffice it to say, that's a challenge. So I'm going to walk through this presentation today. A lot of you have probably already seen it and know about Cooper Companies. We've had multiple meetings, as you can imagine. So I'll try to weave in some of the information from some of the questions I've received. And then I think we'll take some questions afterwards.

So let me jump right into it. We'll move to Slide 3 here after the disclaimer slide. For those who don't know, Cooper is a leading medical device company. We did about \$2.9 billion in revenues last year. We have 2 business units, our CooperVision business unit, where we're the second largest contact lens manufacturer in the world; and CooperSurgical, our, I'll say, women's health care business, but little bit broader than women's health, and a growing part of our business.

Been a member of the S&P since 2006 (sic) [2016]. You can see the geographic breakdown on this slide here a lot of business in Asia Pac, which is a high-growth opportunity for us. And then obviously, the Americas and EMEA. And obviously, products sold around the world.

If I look back, we obviously had a disruption in 2020 and a little bit in 2021, which you can see our business is pretty consistently up and to the right. We have 2 pretty strong annuity businesses. Within our CooperSurgical world, we have fertility, which is a big part of our growth. I'll talk about that later. Within CooperVision, just very good, solid, consistent growth, big annuity stream. So I'm always proud of looking at some of our historical numbers and our growth rates and what we're doing.

And if I look at the next year, you can see the \$2.9 billion there. And if you move forward here and you look at our guidance of a little bit over \$3 billion, 6% to 8% constant currency growth. So another good year this year. CooperVision, within that total 6% to 8% growth, same for CooperSurgical, and then non-GAAP EPS of 9.5% to 12.5%. So if I look at the midpoint for this year, on a constant currency basis, this currency certainly was negative to us here as we gave guidance for this year. 7% constant currency growth, 11% EPS growth.

So one of the things we always pride ourselves on is driving growth, long-term growth, mid upper single-digit growth, but also leveraging our business. And I think we've done a nice job of that for many years. And as you can see in this slide, continuing to guide in that direction. Noting this does not include Generate, the recent acquisition we did, which I'm going to touch on a little bit more later. And we'll incorporate that into our guidance when we report in March.

Let's start with CooperVision. Now I'll break down the 2 businesses. CooperVision is, as stated here, a global leader in the contact lens space. We have the broadest range of contact lenses available in the marketplace today. We also supply, if you will, all avenues. So independent optometrists, buying groups, retailers, customized solutions, which would include private labels, on a global basis, big relationships with key accounts. We do that through a lot of different products that we have in a lot of different SKU ranges, whether it's clariti and MyDay and, obviously, Biofinity and then our Myopia management franchise, which I'll talk about.

Jumping to the -- before we get into too many specifics on CooperVision, we look at the global soft contact lens market itself. As you can see on the slide, and I'm on Slide 7, by the way, you can see the contact lens market is fairly large on a global basis, with JNJ, the current market leader, and ourselves and Alcon in the 2 and 3 spots and then 12% other, Bausch and Lomb being in that other part.

When you look at the market by category, it's still driven by spheres, which is kind of your standard visual correction. Torics, being roughly 1/4 of the market right now, continuing to grow. So a Toric lens is for someone within astigmatism. So it's a little bit more of a challenging fit. It requires a much larger SKU range, which we're, as a company, very, very strong at it, producing a wide SKU range and being able to distribute that. Multifocal is 10% of the market. So that's a lot of us. We hit our 40s, mid, late 40s, into 50s, and we need multifocal. We need visual correction for our presbyopia.

High barriers to entry in our space. Some of that is just tied to the high capital that is required to manufacture contact lenses between the capital that's there, the technology, the intellectual property that's there. These are all medical devices. So they're regulated by the FDA and different agencies around the world. And then just the relationships, I mean, all of us have been in this business for a long, long time. So when you look at this, you can see 88% of the global contact lens market is supported by 3 large successful manufacturers. So high barriers to entry, certainly.

Great industry characteristics, so we've seen consistent growth in the contact lens market. I talked to this year about the market, again, growing 4% to 6%. And we've seen for many years, the market grow more in that 5% to 6% range, but there's really strong fundamental growth drivers. Not only are you seeing the increasing incidence of Myopia. As a matter of fact, why don't I move to Slide 8 here as I talk about that?

But what drives contact lenses? What drives glass is myopia. So you're seeing a significant increase in the number of people who are myopic around the world. As a matter of fact, estimates right now say that half of the world's population by the year 2050 will be myopic. These are people who are needing visual correction. So whether it's glasses or contact lenses, some sort of visual correction. Why is this happening? So much of it is what we see in our kids. And I have 2 teenage kids. So many people spend so much time on screens these days. And whether it's a iPhone you're looking at or whether it's your iPad or whether we're doing what we're doing right now, but spending time indoors and not outdoors stretching your eyes out, looking at screens right in front of you, I mean all that kind of stuff is problematic for your vision.

Genetics plays a part in it in that if mom and/or dad are myopic, the likelihood of their children being myopic is significantly higher. All of this means, at the end of the day, that you're going to have a higher number of people who are myopic as we move forward. That all means more visual correction. That's all a positive for us.

There's certainly risks associated with it. And especially if you look on Slide 8, the high myopes on the bottom here where you're seeing more significant eye risks associated with myopia. And I'm going to talk now about how we're attacking that. And if you look at -- kind of stop in here, jump back here to a slide. I'm not sure what happened there from my screen.

Slide 9, you go to contact lens market drivers. I just talked about these -- the shift in the dailies, the growth in Torics and Multifocals. All of this continuing to drive the contact lens overall market. So if I move forward, because I want to skip out of that, there's a lot of fundamental drivers for the marketplace for glasses and contact lenses.

But if I go to Slide 10, myopia management. Right now, myopia management is still in its infancy. We're a leader in that, but it's in its infancy. And what we're talking about is reducing the progression of myopia within children. So if a child is going to end up being a minus 4, we would love it if they were a minus 2. And we have products for that. We have MiSight. That's our FDA-approved contact lens to help reduce the progression of myopia. We have our Ortho K franchise, where we're very successful, and we have SightGlass Vision. Now each of these products is unique in themselves, all the way from SightGlass Vision is a pair of glasses that's helping to reduce the progression of myopia. Ortho K, our lenses that a child would wear when they go to bed at night and they would sleep in the lenses. In the morning, they would take them out, and their eyesights

would be back to 20/20 for the day, and you would have to wear those every night. And then MiSight is traditional soft contact lenses that are used. So these are great products. This is a great space that we're talking about here.

We have a strong relationship with EssilorLuxottica on several of these areas. We're about to launch MiSight in China. Essilor is our distributor there for that marketplace. If we look at the Ortho K products we have out there, as EssilorLuxottica as our primary distributor in China for that product. But we have sales around the world, and we're in a joint venture we're finalizing with EssilorLuxottica right now for the sale of SightGlass. We just launched that product in the Netherlands. So some really exciting stuff going on with respect to our myopia management franchise.

And let's keep moving along here, Slide 11. Let me just spend an extra minute on MiSight, which is the first -- the only FDA-approved myopia contact lens in the U.S. market. So it's obviously very, very powerful. We just released our 7-year clinical data on MiSight, which is fantastic. So when you talk about barriers to entry and success, this is a great product for us. We did really well with it last year. We did \$19 million in sales. We're expecting that number to grow pretty significantly. The only challenge, frankly, that we really had on MiSight has been COVID, and it's been fit-related activity. The demand for the product is there. The growth rates are high. What we've seen most recently here when we look at kind of November, December and as we enter into January, is continuing success with our MiSight product. So I'm really happy about where things stand today, the growth rates we're seeing around the world, the opportunities that we have in China where we've done the soft launch, and we'll have the more robust launch coming here in the coming months.

But I mean, you end up looking at this and you say, well, what are the growth drivers? And at the end of the day, this product works for nearly every single myopic child. So that's huge. You're an optometrist. This should be standard of care where you're trying to help your children's myopia progress slower. It cuts the progression of myopia, reduces it by 59% on average. It works at any age you're going to start to wear this lens. So the average right now is about 11 years old, but we certainly have kids much younger than 11 years old starting to wear this contact lens. And it wears as long -- it works as long as you wear it, and there's no rebound. If you take this out, you're not going backwards. So these growth drivers are fantastic. It's just a great marketplace.

And we have MyDay out there -- I'm sorry, we have MiSight in the marketplace right now. We have a number of lenses in our R&D program right now that we're going to have in the coming years. So this is a current growth driver for us and significant future opportunities.

To pull that together, if we look within our business right now, the guidance we've given is \$100 million plus of myopia management sales for this fiscal year. That includes our MiSight, our Ortho K products and our SightGlass. So I feel good about that. We're continuing to make really nice progress.

Let me just quickly touch on Slide 12, which you can see the really nice growth over the years from CooperVision and outpacing the market. We continue to take market share. And I believe for the coming years, based on the FID data that I've seen out there and the fact that we are currently fitting more wearers than our current market share, is a clear indicator we're going to continue to take share. So I don't see that changing.

Slide 13 is just the revenue breakdown of CooperVision. I'm going to move forward. We don't have enough time left here. So let me just get into a summary slide on CooperVision. We're really well positioned to succeed and take share. We have a great suite of products and the broadest suite of products that are out there, the broader SKU ranges in the marketplace for traditional contact lenses for silicone hydrogel lenses and within the myopia management space.

We also have, as I touched earlier, branded customized solutions that are out there. We're extremely strong on our logistics and our distribution and a lot of our value-added services. So a strong support part of our business. We have great relationships, especially with key accounts. We spent a number of years building our key account relationships. So I'm really, really happy where we are there.

And then if you look at our scores in terms of customer experience and customer service, very, very high in the industry. So we take a lot of pride in having the best products in the marketplace, the strongest support in the marketplace and great relationships. So I think we're well positioned today, and I think we're well positioned for the future. We're going to continue to aggressively invest in this business. And we've done that in the past, and we're going to do that in the future.

So let me move with the last kind of 5, 6 minutes here in CooperSurgical. You could see fiscal '21 revenue is \$771 million. We're going to grow pretty significantly on that. Our core businesses are growing. Our fertility business, which was 41% of revenues, is growing very nice. We have a great fertility franchise, a number of products there, including, someone has highlighted here, genetic testing side. That's doing really well. And then our office in surgical products, which includes traditional medical device products and also PARAGARD, the only nonhormonal IUD on the market here in the U.S.

So let's break that down into different components and talk about CooperSurgical fertility to start. We have the broadest medical device coverage to the entire IVF cycle. So throughout the cycle, you can kind of see on Slide 16 here to the far right, you'll see this kind of snake, if you will, which highlights all the products through the fertility process. And we have products that are offered to the fertility clinics to be able to service them. So that's kind of a unique thing for us. We are definitely pioneers when it comes to the IVF genetic testing platform. We have great R&D facility. We're using artificial intelligence right now. We've rolled out some AI tests on the genetic testing side that are really exciting that are doing really, really well right now. So I'm excited about that and the progress we're making.

We also closed our acquisition to Generate Life Sciences at the end of December. About 1/3 of that business, they did about \$250 million revenue on a trailing 12-month basis, about 1/3 of that being fertility tied to donor egg, donor sperm, cryopreservation services, just fantastic tie-in with our fertility business. I'm happy to say that we announced that deal, and we immediately started receiving inbound calls from fertility clinics really interested in what we're doing and how we're going to be able to help them because there is a lot of demand for eggs and high-quality sperm and cryopreservation services. Right now, there's more demand certainly than there is supply, which is a great position for us to be in. Right now, we're rolling up our sleeves, really working hard on how we're going to solve that supply problem. But I look at this and say 5% to 10% growth plus as we can solve some of those problems.

So you've got a marketplace that's certainly approaching \$2 billion right now for fertility. And you have fantastic underlying growth drivers. So I talked about those with respect to contact lenses. Those would also be true with respect to the fertility space, just great underlying fundamentals. And you're seeing that with the maternal age increasing. Maternal age, the longer you wait to have a baby, the more challenging that ends up being, the more likely you are going to need fertility services. So as everyone delays childbirth, that drives the IVF process.

Greater access to treatment. You're seeing new fertility clinics open around the world. That's one of the things that's been driving our growth is not only our consumables and our annuity business, if you will, but also our capital equipment business as we supply products, as we supply equipment, I should say, to all these new clinics.

Increased patient awareness comfort. There's no longer a stigma around that. People are much more comfortable talking about their fertility challenges. And as that becomes more acceptable, as people have more income, as people delay childbirth, it all drives that. So if we look today, 1 in 8 couples suffer from infertility and are looking for help having a baby, we are incredibly well positioned for that. And we've seen the last couple of months. And as we move through even what's going on with COVID right now, we're continuing to just perform really well.

If I go to the next slide, Slide 17, we talk about our CooperSurgical medical device portfolio. We have a really strong portfolio here of OB-GYN products, medical device products, highly diversified. I won't spend a ton of time on that other than to say that, that portfolio has done well and it's continued to do well. There is a piece of the Generate Life Sciences acquisition we did that I want to touch on here, which is just cord blood storage and cord tissue storage. A lot of you will know that cord blood storage it's a good space, has good margins, solid growth characteristics, I should say, really strong margins.

I'm a little bit more excited about the core tissue side of things. That's a different type of stem cell. There's a lot of clinical studies being done right now on regenerative medicine associated with clinical tissues -- or with umbilical cord tissue. So I think that's an area that we're going to be able to use our professional services and our education abilities to be able to educate OB-GYNs and consumers on the value of storing their cord tissue. And I think we're going to be able to get some nice growth out of that. So I'm excited about the opportunities there.

PARAGARD, I'll touch on here somewhat quickly. But PARAGARD is the only non -- or I should say, hormone-free or nonhormonal IUD in the U.S. market, very effective, very successful product, fits nicely within the overall birth control marketplace. I will say, because I had this question a couple of times, that as we move into mid-January here, we have not seen a lot of impact from COVID on our business. We've continued to perform really

well and kind of highlight our vision business and fertility business is continuing to perform well. We had a few struggles with PARAGARD. It's a little bit more of a consumer kind of product, if you will. We've seen that a little bit. I'd love to say that we're hitting on all cylinders right now. The business is just growing. But PARAGARD is -- we're continuing to see challenges. Now I believe that's true for the IUD market in general. I believe in everything that we've seen is that foot traffic and staffing issues, heavy with staffing issues on the OB-GYN side and the medical professionals that are involved in this. So there's no indication we're not going to see that come back and move in the right direction, but we'll see how that plays out.

I look at CooperSurgical, again, the history of success, the growth rate here, almost 15% if we look since 2016. We'll get a nice bump this year with adding Generate and the success from our fertility portfolio also.

Let me -- before I wrap up here, and I'm kind of running out of time. Slide 20. We are very, very serious here about our ESG efforts, our social and environmental. We're very focused on our social and environmental responsibilities of the company. You can read our ESG reports out there. Lisa Fawcett has done a lot of that work for here. Some of you may have spoken to her. She's certainly available. But this is important for us. It's important for me personally, and I guess I'll say that me sitting as the CEO of this company believes in our ESG responsibility. So we're going to stay focused on this. Our efforts are going to continue. You're going to continue to see good news come out of this. So for me, it's personally something that I think is incredibly important. And because of that, it's going to be important for the company.

Let me wrap up on Slide 21. I talked about this, 2 great businesses, 2 strong markets that we're operating in right now with really strong fundamental drivers. We got revenue growth that's exceeding our markets. We're taking share within vision, and we're taking share within surgical. We continue to invest in the infrastructure of both of these businesses because we believe in the long term growth, but we're also positioned to achieve our long-term objectives. And what I mean by that is leveraging our growth. We're in a really good spot with that. We have a long track record of success. I've been here for a number of years. The rest of the executive management team has been here for a number of years, Dan and Holly and Brian, really, really successful team here with a long track record of success. So I believe that I'll be able to continue to say that for a long time because I think we're going to be successful for many years into the future.

With that, let me wrap up, put a pause here and see if there's any questions from anyone in the audience or from Lilia.

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## QUESTIONS AND ANSWERS

**Lilia-Celine Breton Lozada** - *JPMorgan Chase & Co, Research Division - Research Analyst*

Sorry, I'm on mute here. But yes, thanks, AL. Maybe just to start off the conversation with COVID and some near-term trends. You touched on this a bit in your prepared remarks, but could you just walk us through how the recent Omicron surge has impacted volumes in recent weeks in both surgical and in vision? And how would you compare this pressure to what you've seen in the past waves of the pandemic?

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**Albert G. White** - *The Cooper Companies, Inc. - President, CEO & Non-Independent Director*

Sure. I'll break it into 2. So for CooperVision, we've seen very little impact. Well, I should say, from a revenue perspective, we've seen no impact. I think that people are able to still get into the optometrists, and they're certainly able to still buy their contact lenses. So whether buying them from their optometrist or online somewhere, we're continuing to see that activity. So I'm happy about that.

On the CooperSurgical side of things, I mentioned PARAGARD where we're seeing it from a volume perspective, certainly not from price, but volume is down, attributable to a lot of the staffing challenges that are out there. We haven't seen that as much. We haven't really seen much at all on the fertility side of things. A little bit on medical devices, depending upon the type of medical device it is, some of those be selling to hospitals. So a little bit, but not -- but certainly not too bad. In our core contact lens space in our fertility space, not seeing it.

If I think about it from our perspective outside of revenues, probably no different than anyone else. We're continuing to work through those challenges. We certainly have people within our entire business who are out because either they have COVID or a family member has it. So we've

had to work through that. We're continuing to work through that. I don't see any different -- difference from what we've been dealing with in the past.

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**Lilia-Celine Breton Lozada** - JPMorgan Chase & Co, Research Division - Research Analyst

So another near-term dynamic everyone is obviously focused on is inflation. So to what extent has this put pressure on margins in recent months? How has it trended? And how are you thinking about Cooper's ability to take price and offset these dynamics in 2022?

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**Albert G. White** - The Cooper Companies, Inc. - President, CEO & Non-Independent Director

Yes, that's a great question. For a number of years in certainly in the contact lens space, pricing was pretty flat, even down a little bit with all the rebate activity we were seeing. But if you kind of said it ran around flat for a number of years, that is not the case now. You are seeing price income. Now it's a little difficult to walk through specific pricing because you have list pricing, you have rebates. Pricing is part of contracts and short-term, long-term contracts. Pricing here in the U.S. and, obviously, around the rest of the world. But what I would say is that you are seeing positive pricing, if you will, from a manufacturer perspective, covering inflation. Certainly, we'll see if that exceeds inflation. But certainly, covering inflation as price increases are going in.

I know you've seen some people, including us, take some in terms of shipping as we've had to deal with some of the supply chain issues out there and some interim charges associated or interim fees associated with some of those challenges. So yes, positive pricing for the first time in a number of years.

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**Lilia-Celine Breton Lozada** - JPMorgan Chase & Co, Research Division - Research Analyst

So with optometrist office closed during the height of the pandemic, COVID has accelerated the shift towards online retailers and DTC quite a bit. So how does that shift towards DTC lasted? And if so, what sort of impact does this have on Cooper? And how are you adopting?

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**Albert G. White** - The Cooper Companies, Inc. - President, CEO & Non-Independent Director

Yes. So you certainly saw a shift, especially in early COVID, where you saw a big swing to online purchases. That has largely gone back to normal. There's still some of that activity that's out there and maybe even over the last few weeks or months, that's increased a little bit, possibly. But it's mostly gone back to normal. For us as a manufacturer, the way we sell relationships, that doesn't impact us very much.

Maybe the one point I would take out of that and highlight though, it's probably worth mentioning is, optometrists and retailers, people who are out there looking at us saying, "Wow. People really can buy their contact lenses from a lot of different sources and including online. How can I do a better job of tying my customers into my business? Because I fit them lens. I want to continue to fit them. I want to sell them our product." A lot of our unique solutions, I think, are really favorable there.

The private label activity, the customized packaging, labeling, shipping and so forth. So I do think we're well positioned from that perspective that you're seeing a lot of optometrists, the true fitter is saying, I need to do a better job of "locking my patients" if you will. And I think retailers and the business people who are as part of that are saying, how can we do a better job at that. So we're having a lot of those conversations with key accounts and optometrists right now about locking their patients in better. And we're really well positioned for that. So I like our ability to gain new wearers because of our offerings in that space.

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**Lilia-Celine Breton Lozada** - *JPMorgan Chase & Co, Research Division - Research Analyst*

So looking at your position within the broader lens space, you've been able to pretty consistently take share in the market over the last few years. So where do you think Cooper is winning? Where do you think there's more work to be done? And what sort of strategies and pipeline updates are in store to maintain this above market growth?

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**Albert G. White** - *The Cooper Companies, Inc. - President, CEO & Non-Independent Director*

Yes. We've launched a lot of products over the last few years. Our competitors have launched products also, but we've launched a lot of products. And some of the products are products that people know about, they've known about for a while, but now they're in new markets, clariti going into Japan, extended SKU ranges for torics and all of that kind of activity, new products in like a MyDay multifocal that's being launched, which is doing fantastic right now. So I think I worry about ourselves mostly. And I say, hey, are we launching new products? Yes. Are we a market leader on products? Yes. Do we have the widest SKU ranges and product offerings in the marketplace? Yes. Do we have a great portfolio out there today? And do we have great products in our R&D facility where more things are going to come and we're going to launch? Yes. So I kind of check all those boxes.

And I believe, because of that, we're going to continue to win wearers. Our competitors are in a little different situation. Everyone is a little different situation. Some of them have big legacy hydrogel portfolio so they can raise price and make some good money off that. And that's great. Some of them are trading those wearers up to new wearers, and they're getting the 20%, 30% trade-up from that, and that's great. So a lot of times, one of the things that's interesting about our industry is that we don't have to take from one another. We have different reasons that we're growing. And I think that you're going to have the whole contact lens industry do well because of that. And I think some of our competitors are going to do well because of that.

For ourselves, I feel really good about where we're positioned. And I do believe this year and for the coming multiple years in front of us, we are going to continue to take wearers. So our new wearer position will continue to gain. And that will result in revenue growth, which I believe ultimately will put us in a position where we're growing a little bit faster than the market, which is what we've done historically.

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**Lilia-Celine Breton Lozada** - *JPMorgan Chase & Co, Research Division - Research Analyst*

Question from the audience here kind of related to share and your competitive position. Is there a path to get to 30% share in lenses over the next 5 years? And does it require success with myopia to get there?

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**Albert G. White** - *The Cooper Companies, Inc. - President, CEO & Non-Independent Director*

Yes. Generally speaking, I don't think about it in terms of getting to 30%, if you will, from a market share perspective. I look at it and say, "Hey, we want to be really intelligent about our growth." So we're not a company who's looking to grow revenues at all costs. We're looking at winning new wearers. We're looking at leveraging our business model to drive some good top line growth but also leverage it to the bottom line. The one thing that is unique, and you just mentioned, right, there is the myopia management side of things. We clearly are a market leader there. I mean I believe CooperVision is clearly the most innovative contact lens company in the market right now. There's just no question about that in my mind when you look at what we're doing in myopia management. We did \$65 million in myopia management last year. We're talking \$100 million plus this year. That's unique to Cooper, a large portion of that is unique to Cooper, especially with MiSight. So I think that's going to continue to grow very nicely. I mean that's, what, 50% type growth this year to next year, we're going to continue to get nice growth on top of that. So that's certainly going to be something that's going to give us a position where if our core business is growing a little bit faster than the contact lens business, you layer around myopia management on top of that, it puts us in a position where we can have some strong years and certainly gain some market share.



**Lilia-Celine Breton Lozada** - *JPMorgan Chase & Co, Research Division - Research Analyst*

Maybe digging into MiSight little bit more. So exciting product, but the launch has progressed a little bit slower than we had hoped with fiscal '21 sales falling a little short of your initial \$25 million target. So can you walk us through what you think has held back adoption in the last few months? How are you approaching the rollout in fiscal '22? And how confident are you in that \$100 million total myopia management target this year?

**Albert G. White** - *The Cooper Companies, Inc. - President, CEO & Non-Independent Director*

Yes. We set the kind of target of \$25 million, and COVID kept hitting us and kept hitting us and kept hitting us. Because I think, without COVID, frankly, we would have been in the low 30s. That's kind of where we settled out. but we weren't. We had to reset expectations on that. So we put the business together in, one, which is how we look at it, which is myopia management in total, which is MiSight, obviously, but also including Ortho K. And we reset that expectation at \$100 million. I'm confident we're going to hit the \$100 million. I'm not planning on getting phone calls talking about missing numbers and having to adjust that. I'm looking forward to producing hitting numbers and talking about exceeding expectations.

I think we're within the \$100 million. We're really well positioned with MiSight. And I think with respect to an opportunity like China, it's offering us opportunity to certainly exceed that \$100 million. So I feel much better today about where we're positioned in our expectations about the growth of MiSight and Ortho K than I did a year ago.

**Lilia-Celine Breton Lozada** - *JPMorgan Chase & Co, Research Division - Research Analyst*

So, you have a number of shots on goal in this space, including SightGlass. So I know it's still early days, but can you talk us through how this launch has progressed so far in Europe? And second, what sort of role do you see lenses versus spectacles versus Ortho K playing? And what sort of patients do you think are best suited for each of those?

**Albert G. White** - *The Cooper Companies, Inc. - President, CEO & Non-Independent Director*

Yes. So that's a great question. It's one of the reasons that we have a portfolio approach when it comes to myopia management. It's one of the reasons we've teamed with EssilorLuxottica in a lot of this activity. We're a leader, a clear leader on contact lenses right now. We're really well positioned with great products and Ortho K. And obviously, MiSight and the soft contact lens side. We're continuing to see really nice growth in MiSight around the world. We're seeing really nice growth with Ortho K, a lot of that's led by China, but nice growth with Ortho K.

And then when it comes to glasses, that's new for us. So we obviously partnered with EssilorLuxottica on that. We launched SightGlass together in the Netherlands, which is going really well. We have additional launches coming soon here, including we'll be launching in China. So it's just a great portfolio. It's a great partnership. A lot of people want to wear glasses. Obviously, a lot of kids wear glasses. So having glasses as an option is really important.

Now keep in mind, this is a treatment. So it's a little different than somebody just wearing glasses or contact lenses. You want the child to receive this treatment all day long. It's kind of like they tell you, "Hey, we're Invisalign 22 out of 24 hours." They want that treatment going the whole day. So the one thing we have been hearing from optometrists in China, as we talk to people, is certain people saying, "Hey, I like the idea of contact lenses because I don't want the children taking the glasses off. I want them getting the treatment the entire time." China being different than a lot of the rest of the world where you're selling to independent optometrists. There, you're selling through a hospital, so it's a more concentrated focus.

So to me, I end up looking at it saying, "Okay. To the parent, what would you like? Here is a soft contact lens that's fantastic. 7-year clinical data. Clearly works. It's great for your child to wear all day long." If you want to monitor it closer and put the lens in your child's eye and have them wear overnight and take it out, we have a fantastic option for you there on the Ortho K side of things and clear proven success. If you want your child to wear glasses or maybe starting glasses or wear glasses for a little while as you see how this works before you go to contact lens, we have a great option there. And we're clearly seeing success on glasses. Well, I shouldn't say we are, but Stellest is, which is EssilorLuxottica is in China. So I feel

optimistic that SightGlass is going to be able to follow through and also be successful. It's a different technology. It's a unique technology, so I think it's going to do really well. Each of them can be complementary to one another.

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**Lilia-Celine Breton Lozada** - *JPMorgan Chase & Co, Research Division - Research Analyst*

That's great. Well, unfortunately, it looks like we're at the top of our time slot here. There's a lot we did get to talk about. I wanted to ask about Generate. But I appreciate you being here, AL, and thanks, everyone, for tuning in.

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**Albert G. White** - *The Cooper Companies, Inc. - President, CEO & Non-Independent Director*

Thank you. Appreciate it.

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