THOMSON REUTERS

EDITED TRANSCRIPT

Q4 2019 Cooper Companies Inc Earnings Call

EVENT DATE/TIME: DECEMBER 05, 2019 / 10:00PM GMT

CORPORATE PARTICIPANTS

Albert G. White *The Cooper Companies, Inc. - President, CEO & Director*
Brian G. Andrews *The Cooper Companies, Inc. - Senior VP, CFO & Treasurer*
Kim Duncan *The Cooper Companies, Inc. - VP of IR & Administration*

CONFERENCE CALL PARTICIPANTS

Anthony Charles Petrone *Jefferies LLC, Research Division - Healthcare Analyst*
Christopher Cook Cooley *Stephens Inc., Research Division - MD*
Christopher Thomas Pasquale *Guggenheim Securities, LLC, Research Division - Director and Senior Analyst*
Jonathan David Block *Stifel, Nicolaus & Company, Incorporated, Research Division - MD & Senior Equity Research Analyst*
Lawrence H. Biegelsen *Wells Fargo Securities, LLC, Research Division - Senior Analyst*
Lawrence Soren Keusch *Raymond James & Associates, Inc., Research Division - MD*
Matthew Ian Mishan *KeyBanc Capital Markets Inc., Research Division - VP and Senior Equity Research Analyst*
Matthew Oliver O'Brien *Piper Jaffray Companies, Research Division - MD and Senior Research Analyst*
Robert Justin Marcus *JP Morgan Chase & Co, Research Division - Analyst*
Stephen Barr Willoughby *Cleveland Research Company - Senior Research Analyst*
Steven Michael Lichtman *Oppenheimer & Co. Inc., Research Division - MD and Senior Analyst*
Jason Bednar

PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the Fourth Quarter 2019 Cooper Companies, Inc. Earnings Conference Call.

(Operator Instructions) Please be advised that today's conference is being recorded. (Operator Instructions). I would now like to hand the conference over to Kim Duncan, VP, Investor Relations and Administrations.

Kim Duncan ***The Cooper Companies, Inc. - VP of IR & Administration***

Good afternoon, and welcome to The Cooper Companies Fourth Quarter and Full Year 2019 Earnings Conference Call. During today's call, we will discuss the results included in the earnings release, along with updated guidance and then use the remaining time for Q&A.

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

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

Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and are subject to risks and uncertainties. Events that could cause our actual results and future actions of the company to differ materially from those described in forward-looking statements are set forth under the caption Forward-Looking Statements in today's earnings release and are described in our SEC filings, including Cooper's Form 10-K, all of which are available on our website at coopercos.com.

Should you have any additional questions following the call, please call our investor line at (925) 460-3663 or e-mail ir@coopercos.com.

And now I'll turn the call over to Al for his opening remarks.

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

Thank you, Kim, and good afternoon, everyone. Welcome to our fiscal fourth quarter 2019 conference call. We closed the year on a high note with a strong Q4, driving record full year revenue and earnings. Both our businesses posted 7% pro forma growth for Q4 and each reached record full year revenues, with CooperVision up 7% and CooperSurgical up 6% for the year. This was a very successful year, and we're well positioned to continue producing strong results moving forward.

For the quarter, consolidated revenues were $692 million, with CooperVision reporting revenues of $510 million, up 6% or up 7% pro forma and CooperSurgical posting revenue of $182 million, up 7% as reported and pro forma.

Non-GAAP earnings per share grew 15% year-over-year to $3.30.

Beginning with the CooperVision, the results were impressive given the challenging 10% comp from last year's fourth quarter. On a pro forma basis, the Americas grew 6%, led by our daily silicone hydrogel franchises, where we continue to provide the broadest offerings in the market with MyDay available in a sphere and toric, and clariti in a sphere, toric and multifocal. Of note was the performance we saw with clariti, where we posted solid growth across the product family.

EMEA grew 5%, driven by daily and FRP results with strength seen in several of our key accounts. Asia Pac posted strong growth of 11% against a tough 19% comp with strength seen throughout the product portfolio and across the region. There was some buy-in activity in Japan prior to the VAT increase, which went into effect October 1, but this was largely in line with our guidance.

All 3 regions were led by our daily silicone hydrogel portfolio, which grew 18%. Within this, it's important to note, we did see some negative impact from MyDay's supply constraints, and this will also impact Q1, which I'll discuss later in guidance.

We saw a nice performance in our silicon FRP franchises, led by Biofinity Energys and multifocals, and Avaira Vitality spheres and torics, leading to combined growth of 8% for these 2 product families.

Moving outside brands, torics reached 6% and multifocals rebounded nicely growing 10%, led by clariti and Biofinity.

So in summary, this was a solid quarter with strength seen throughout the portfolio and geographically.

Moving to CooperVision's infrastructure investments. This past year was extremely active as we opened new distribution centers in Spain, Budapest and South Africa, significantly expanded our distribution center in Belgium, added a new packaging facility in the U.K., began construction on doubling our Costa Rica manufacturing facility and expanded our manufacturing operations in Puerto Rico and the U.K.

For fiscal 2020, our focus is on expanding our daily silicone hydrogel manufacturing and supporting MiSight, our innovative myopia management contact lens. We received FDA approval on MiSight earlier than expected, so we've accelerated our targeted U.S. launch plans to March, including hiring several marketing specialists, starting educational and marketing programs and finalizing packaging and labeling to meet FDA requirements. I'm happy to report that early interest has been phenomenal for both consumers and optometrists, who are now becoming more aware of the clinical benefits of MiSight and why this treatment should be standard of care for young patients with Myopia.

From an investment perspective, we spent around $10 million in fiscal 2019, developing, launching and selling MiSight around the world. This activity helped generate $4.2 million in sales, up over 100% year-over-year. For this fiscal year, we're targeting investing around $25 million as we accelerate our U.S. launch, expand geographically, continue clinical activity, increase regulatory work and increase sales, marketing and educational support.

We're forecasting roughly $10 million in sales for fiscal 2020, with the U.S. being around $2 million of that. Moving forward, we expect that to more than double to around $25 million in fiscal 2021 and then double to around $50 million in fiscal 2022.

Lastly on MiSight, a few comments on myopia and why we're so excited about this product. It's currently estimated that roughly 1/3 of the world's population is myopic, and this will increase to 50% in 2050. Anyone who has ever needed visual correction due to nearsightedness knows the challenges of myopia and that less myopia that can significantly improve one's quality of life. And most importantly for us, parents who have myopic children, who are educated on the benefits of MiSight, want to provide this life-altering treatment to their kids. This is the reason we've already seen over 13,000 kids around the world use MiSight. Given myopia has been linked to severe eye conditions later life, such as glaucoma, cataracts and retinal detachment, we have good reason to get excited about having the first FDA-approved product to proactively address this epidemic. And remember, even children with mild prescriptions have a higher risk of serious eye-health problems later in life. And by the way, all this is also largely the reason there's a growing global $100 million Ortho K market where we're an active participant. Outside of MiSight, our investment activity is largely focused on expanding our daily silicone hydrogel manufacturing base. The demand for clarity remains robust, and the demand for MyDay is extremely strong and accelerating. We've recently realigned significant resources to accelerate start-up efforts on new lines, and this is going really well with the main detriment being it reduces our ability to tackle cost reduction projects in the near term. Regardless, getting these lines operational as soon as possible is imperative to capitalizing on the growth opportunities we're seeing, and we can focus on cost containment projects at a later date.

I believe these investments position us well for this fiscal year, and they certainly position us extremely well for fiscal 2021. Before concluding on CooperVision, let me remind everyone of the multiple growth drivers that underly the $8.9 billion contact lens industry. In addition to the increasing incidence of myopia mentioned earlier, there's geographic expansion, growth in torics and multifocals and the continuing trade up from FRPs to dailies, and specifically silicone hydrogel dailies.

Within dailies, this powerful double trade-up should last a long time, as we estimate only 25% to 30% of wearers are in dailies today and only 42% of those are in silicone hydrogels.

All this continues to support market growth in the upper part of the 4% to 6% range for many years to come.

And finally, I'm once again happy to report our new fit data was very strong this quarter, especially with respect to silicone hydrogel daily fits. So this bodes well for our performance moving forward.

Moving to CooperSurgical. We reported revenue of $182 million, up 7%, with fertility growing a healthy 12% and office and surgical up 4%, all pro forma. Fertility growth was led by our device portfolio, which includes consumable products like IVF media and our market-leading Wallace Embryo needles and transfer catheters.

The team executed exceptionally well to finish the year with a focus on key accounts and cross-selling our market-leading portfolio of products.

For the full year, fertility posted growth of 8%, and we expect continued strong growth as the fertility market has fantastic global growth trends.

Within office and surgical, growth was driven by EndoSee which was up 67% as our second-generation device is showing very strong performance and PARAGARD which grew 5% against a difficult 20% comp. PARAGARD was driven by solid unit demand, along with buy-in activity in advance of an upper single-digit price increase we implemented effective September 30.

On a full year basis, PARAGARD grew 6%, and we continue to believe we'll see mid-single-digit growth for many years to come, supported somewhat evenly by unit growth and price. On pricing, remember that increases roll in over 3 years, due to buy-in activity, contractual arrangements and public market purchases, such as Medicaid. Outside of sales, I'm happy to report that we made significant progress on our expansion activities. Our Costa Rica project is proceeding well with several products transferred and in production, several other product transfers in-progress and construction to triple the size of the facility running on schedule.

We're well on our way to having a state-of-the-art manufacturing facility that will include, what we believe, will be the most technologically advanced facility manufacturing operation in the world. We also expanded our headquarters in Connecticut this year to support our growth, added a new distribution center in Europe and completed the consolidation of 16 genetic testing labs down to 3.

For this upcoming year, our investments will be focused on similar activity, including PARAGARD, where we recently added 10 new sales reps, and we will be continuing our marketing and advertising activity with targeted television, print and social media campaigns, along with educational activity with physicians. Additional investment activity will be focused on growing our fertility business, as we expand our international and key account operations within our medical device business, where we started expanding our international management team. In addition, we'll finish construction of our Costa Rica facility, which is a key part of our long-term strategy to upgrade manufacturing, improve logistics, reduce costs and improve efficiency.

Moving to guidance. We're expecting a strong year, but MyDay constraints will continue to impact us. We'll see this impact in EMEA to some degree, but more so in our Asia Pac business, as we don't have clariti in Japan yet so don't have an alternative option to present customers. Asia Pac also needs to hurdle some of the Japan VAT buy-in so we're forecasting low single-digit growth for that region in Q1 before a return to double-digit growth in Q2.

Regarding MyDay, the good news is demand is continuing to accelerate. We're increasing output every month, as our existing lines become efficient, and we're adding additional lines so we expect improvement as we exit Q1.

For CooperSurgical, we're expecting something similar to CooperVision, where we're forecasting Q1 being our softest quarter of the year due to buy-in activity associated with the PARAGARD price increase, which we just completed in Q4.

With that, let me say this is a really exciting time for Cooper. Not only are we excited about MiSight and the demand we're seeing for our products within CooperVision and CooperSurgical, but we're also continuing to make fantastic strides with our ESG and corporate responsibility efforts. This includes increasing support of our local communities, continual focus on improving the sustainability of our operations and expanding our philanthropic efforts. As an example, we are a long-standing sponsor of Optometry Giving Sight, a world-class charity which supports adults and children by providing vision care in underserved communities around the world. Since initiating our partnership, we have surpassed $1.1 million in cumulative funds raised by employees, including corporate matching dollars.

We also have a program allowing our customers to donate all or part of their contact lens rebates, which has resulted in more than $800,000 in donations. This is an important part of our culture and something I'm proud to say is part of Cooper.

And with that, I'll turn the call over to Brian.

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

Thank you, Al, and good afternoon, everyone. Most of my commentary will be on a non-GAAP basis. So please refer to today's earnings release for a full recondition of GAAP to non-GAAP results.

Al covered revenues, so let me move to the rest of the P&L. Consolidated gross margins for the quarter improved 50 basis points to 67% from 66.5% last year. CooperVision's gross margin was up a solid 130 basis points year-over-year to 65.4% from 64.1%. The improvement was largely due to currency and product mix, with the only real negative being higher-than-expected write-offs of legacy hydrogel products.

CooperSurgical's gross margin decreased to 71.6% from 73.1% last year, primarily due to inefficiencies from clearing back orders generated largely from our global consolidation activity to Costa Rica. On the flip side, we made a lot of progress with this work and expect only minimal disruption in Q1, and then improvement as we move through the remainder of the year.

Moving forward, OpEx was tightly managed and grew only 3%. The [expense] (corrected by the company after the call) control, combined with gross margin expansion, resulted in consolidated operating margins increasing 180 basis points to 28.5% from 26.7% last year.

Interest expense was $13.8 million, driven by lower average debt balances and lower interest rates. In other expense, we posted a $3.3 million non-cash FX loss, primarily tied to the remeasurement of non-functional intercompany trade balances, particularly those tied to the pound, which made a significant move this past quarter.

With a lot of our internal restructuring activity mostly completed, we've reduced the considerable amount of FX exposure, which should help to reduce FX gains and losses moving forward.

The effective tax rate was lower-than-anticipated at 8%, largely due to our remeasurement of certain State income attributes and audit settlements.

Non-GAAP EPS for the quarter grew 15.2% to $3.30 with roughly 50 million average shares outstanding. Free cash flow was $115 million comprised of $200 million of operating cash flow, offset by $85 million of CapEx.

In the quarter, we bought back $150 million in stock, which equated to roughly 512,000 shares at an average price of $293 per share. This increased net debt by $37 million to $1.74 billion and our adjusted leverage ratio moved slightly higher to 1.85x.

Regarding the full year fiscal 2019 results. Consolidated revenues were $2.654 billion, up 5% or 7% pro forma, CooperVision revenues were $1.973 billion, up 5% or 7% pro forma and CooperSurgical's revenues were $680.5 million, up 5% or 6% pro forma.

Non-GAAP EPS was $12.35, up 7%, and free cash flow was $421 million.

Lastly, on fiscal 2019, the FX impact to revenue and EPS for the year was negative $62.6 million and negative $0.62, respectively, and the impact to Q4 was a negative $8 million to revenue and negative $0.05 to EPS.

Moving to fiscal 2020. We're introducing consolidated revenue guidance of $2.767 billion to $2.817 billion, which is comprised of $2.07 billion to $2.1 billion at CooperVision, up roughly 5.5% to 7% in constant currency. And $697 million to $717 million in CooperSurgical, up roughly 3% to 6% in constant currency.

We expect consolidated gross margins to be up slightly, with CooperVision expected to be roughly flat due to the deferment of cost reduction projects to ramp up MyDay production faster.

Gross margins at CooperSurgical are expected to improve due to increased Costa Rica manufacturing and PARAGARD. Consolidated operating margins are expected to improve slightly, even including the incremental MiSight investments and higher pension costs of roughly $4 million, primarily due to a much lower discount rate tied to lower interest rates.

As a side note, remember we announced last quarter that we implemented a soft freeze on our pension, so we expect the pension cost to reduce over time. Interest expense is forecasted to be in the low $40 million range, and that assumes all cash flow goes to reducing debt and not share buybacks.

Our effective tax rate is forecasted to be around 13%. And this does not include any assumption for excess tax benefits from stock-based compensation associated with the exercising of stock options.

Non-GAAP earnings per share is expected to be between $12.60 and $13.00 based on approximately 50 million shares outstanding. EPS growth is expected to be roughly 11% to 14% in constant currency when excluding the MiSight investments and the impact of the tax increase. Within this, we're forecasting the year-over-year currency impact to be a negative $11 million to revenues and a positive $0.06 to EPS. All this assumes roughly current FX rates with our 3 primary currencies being 1.10 for the euro, 1.29 for the pound and 109 for the Yen. Free cash flow is expected to be around $425 million, with CapEx remaining elevated around $325 million due to the build-out of daily silicone hydrogel production capacity.

Note, this guidance does not include the reinstatement of the medical device excise tax that we're assuming will be suspended again.

Lastly, on guidance. We're guiding Q1 consolidated revenues to $638 million to $653 million, with CooperVision at $480 million to $490 million or 3% to 5% constant-currency growth and CooperSurgical at $158 million to $163 million or flat to 4% constant-currency growth.

Q1 non-GAAP EPS is expected to be between $2.65 and $2.75.

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

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from the line Jeff Johnson with Baird.

Jason Bednar

This is Jason on for Jeff. Al and Brian, I just want to start on CVI guidance. I appreciate all the color there on the MyDay capacity constraints, that seem to be reflected here in the F Q1 guide. And maybe some pull forward that's impacting here from just the VAT tax. But anything you'd point to with respect to maybe competitive forces or anything else that are impacting the F Q1 guide and maybe the F Q2 to F Q4 implied guide for CVI growth?

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

No, I wouldn't say anything from a competitive perspective. If you look at the guide for CooperVision for Q2 to Q4, it's around that kind of 7% range. And we did 7% this year and 7% the year before. So I think that's kind of like the true run rates that we're running. This is really truly more around capacity constraints on MyDay and some shifts we made with respect to MyDay that's impacting us. And then a little bit of the VAT situation in Japan.

Jason Bednar

Okay. And then maybe shifting over to MiSight briefly. That was helpful. I mean how to think about maybe the cost and fixed cost infrastructure here as we think about MiSight and as we look beyond fiscal '20? I know you gave some of those spending numbers for fiscal '20 in the guide, but just as you think about the revenue guide for '21 and '22, I mean, is '21 when we start to getting a little bit of leverage in some of that spending levels out or maybe how to think about that?

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

Yes, I really think it's going to end up depending upon the success of the product and what countries we get additional approval in. There's some massive opportunities out there. China has just a gargantuan opportunity that we don't have approval in right now. Japan is another market that would be a fantastic opportunity for growth, once we get approval there, ultimately. So I think it will depend how well the market develops, how well we're doing in terms of how much more we invest. And to be honest with you, I hope that the investing stays pretty high for quite a while because I'm pretty excited about the product. I think it's going to do really, really, really well. So if it does, and it goes in that direction, then we'll invest in it again pretty heavily next fiscal year. You're naturally going to get a lot of leverage at some point, though. Because you have good gross margins on that product. It's a Proclear product. So you start with good solid gross margins right off the bat. Everything else is investment dollars. That's all the educational activity. A lot of that is regulatory work, clinical work and so forth. So you give it couple of years, no matter what. You're going to get pretty significant leverage. It will just be a question of when that is.

Operator

And our next question comes from the line of Larry Biegelsen with Wells Fargo.

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

One on the CVI Q1 guidance and one on MiSight, Al. So just on the Q1 CVI guidance. Could you quantify the benefit from the Japan buy-in Q4 and the impact you're assuming in Q1 from that rolling off, if you will? And the MyDay supply constraint impact in Q4 and in Q1? Could you quantify those for us, please?

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

Yes, the buy-in was somewhere around $4 million in Japan. So that, on a percentage basis obviously, would have affected Asia Pac a little bit more 11% to 7 or 8%, somewhere in that kind of growth and a little bit less than 1% impact on the overall business. And then we have to hurdle that in Q1. If you look at the MyDay constraint, everything else besides that is really MyDay constraint, Larry. You can kind of plug it in the numbers. But everything is related to MyDay. The rest of the business is pretty strong. Clariti is looking like it's continuing to go strong. Biofinity's strong, Avaira Vitality is finally growing. Everything else is in pretty good shape. And just to give you a little bit more color on MyDay and what's happening is we are in a good spot from a manufacturing perspective, and we're increasing production on all our existing lines, as I mentioned. I feel good about our ability to get right back in shape by Q2. We had another line come on last week. So we have other lines coming. We're in pretty good shape. We have good visibility on that. Where we ran into a little bit of a problem there was associated with MyDay toric. As demand really was accelerating, we really saw a lot of the strength coming from the MyDay toric. And once we started the change in production there and producing more of our product and increasing inventory that we had, that's kind of what has created the short-term constraint that we're dealing with. So we have to look at that and say, what can we do, right? As you pull back on fitting sets a little bit and trial lenses a little bit; raise price a little bit. You do the things you can do, knowing that you're going to solve your capacity problem and really get back in the market in a big way in the near future. So there was a lot of push and pull the way we ended up doing it to have the least impact on our customers, was to do it this way and build inventory to expand our core toric range and so forth and kind of level set ourselves after this first quarter.

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

That's very helpful. And now on MiSight. Congratulations on the approval there. Can you talk about a little bit more about the commercialization plan there. It sounds like you're going to certify optometrists. And if the demand is so strong or the enthusiasm is so high, as you mentioned, why only $2 million in U.S. sales in fiscal 2020?

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

Yes. I'm probably being a little conservative on that $2 million number. At the end of the day, if we launch in March, and we're out there, we're doing training and educational activity as a treatment, keep in mind, we are doing this as a treatment, which means working with the doctor, working with families to sell them this product for their kids as a full year treatment. They need to understand at the end of the day, this is a multi-year commitment to get the best bang for the buck. So as we go through that process, we'll work with doctors and get the product out in the marketplace, I think you'll see a fairly quick ramp. And that's kind of where we talk $2 million going to $9 million and accelerating off that. The question is just going to be solely a matter how fast does it gain traction. When we at the market in Canada, how we started in Canada and how fast we've accelerated, the initial start was a little slower when you took into consideration all the training, all the educational activity and everything else that needed to be done. Now Canada was a little different. We launched that off our strong 3-year clinical data. This is off FDA approval. And there's been a lot more consumer activity associated with it. So we'll see, I mean, I'm optimistic that it will go a little bit faster than that. I think, but for now, it's probably prudent to say $2 million is a fair number for the partial year.

Operator

Our next question comes from the line of Larry Keusch with Raymond James.

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

Al, I just want to start on MiSight. You said something that was important here with the FDA clearance. You really can now position this differently than traditional contact lens, given the data. I know that pricing has varied around the world. And Canada, for example, is fairly low. So how should we think about where you're thinking about pricing on an annual basis for this product with that FDA clearance behind it?

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

Yes, it's a good question, Larry. We are working on cleaning that up around the world right now. That's part of the internal project, to ensure we standardize the price. Obviously, this is not the kind of product that's going to go out with a bunch of rebates and discounts and all that other kind of activity. But it's a little challenging to answer, because at the end of the day, the pricing that you're going to see will largely be dictated between the optometrists and the patient. And it will be what the optometrists wants to see. So let's say that a family goes in, they decided to put their child in MiSight and the optometrist is saying, hey, I'd like to see you every 30 days. I'd like to have you back in here just to check to make everything is working, everything is okay. This is a true treatment, right? That could be a little bit more of an expensive process than you see in certain spots around the world right now, where a lot of times this is sold as more of the contact lens than it is a treatment. So long story short, I guess my answer to you on that one is the pricing is going to result in a very profitable product for us at the end of the day. But TBD on where it sells out in terms of how optometrists handle this with the patients themselves.

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

Okay. But at a minimum, we should probably think of this as at least, pricing above premium silicone dailies, correct?

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

Yes, I would think of it that way.

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

Yes. Okay, perfect. And then the second question really is just more of a longer-term question. You laid out '21 and '22 objectives from MiSight revenues. So those imply a little over 100 basis points and 200 basis points of growth here. I know you guys are investing a lot, you're really trying to drive a durable growth engine here. Is the right way to think about MiSight as sort of incremental to growth, and we really be looking at a franchise that's growing 7%, 8%? Or is the right way to really think about CVI over the next several years is there's a lot of certainty around 6% plus when you include MiSight and MyDay capacity coming on? I'm just trying to really think about what the right way to calibrate the long-term growth.

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

Yes, Larry, we've positioned us more at the higher end of what you're talking about. So when you look at the distribution center expansion, the build-outs, everything else we're doing, has been to put us in a position to accommodate all the growth that's coming in. You'll get leverage associated with that. When you look at the significant CapEx, I mean, we're $85 million on CapEx this quarter. We're talking about the highest CapEx we've had as a company this coming year, that's all to drive capacity expansion in the daily silicone hydrogel side of things. So I look at us being able to grow in that 7% range that we've been running and tacking MiSight on top of that. That is not out of the question when we look at the outer years. It's just a matter of getting there. So that's what we're positioning ourselves as to say, do I feel good about if the market holds as is similar conditions, 6% and higher? Absolutely. Do I think we have a chance to put up some stronger numbers like you're talking about? Yes, yes, I do.

Operator

Our next question comes from the line of Anthony Petrone with Jefferies.

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

Maybe a couple on MiSight. One, actually, on PARAGARD. Just to go back to MiSight, when you look at that target market myopia progression in pediatrics, is there a number that you're thinking about in terms of a TAM, and just trying to size that opportunity. It strikes me that possibly not all myopes within that age category are candidates. Maybe just to fine tune, the actual target market you're going after there? And then in terms of the $25 million and $50 million guidance for 2020 and 2021, how much of that actually is U.S.?

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

Well, I'll take that one. So if you look at the U.S., you're talking about $2 million, right? We're talking about this year, and we've got to forecast around $9 million. And then we look at the OUS doubling on the existing platform, you would look at the U.S. being in that same way, right? So you get a double in the U.S. up to $18 million, $20 million, something like that, and the rest of the world doubling again also. Upside from that would probably come more than anything from the U.S. market, where I think that we could actually get better uptake than that and more than double the $2 million to $9 million doesn't necessarily get stop at $18 million, is what I'm saying. And then also other markets. I mentioned China and Japan. There's a number of other markets right now. We're waiting regulatory approval on the FDA approval, help get us approval on those markets. So I think that provides a little upset on that side. When you look at the addressable market, I have to say it's going to be very, very large. I mean, any child in that age group that has myopia, is a candidate for MiSight. Now as we know, a lot of kids don't go to the optometrist. They don't even say anything. So it goes untreated until the point where they're finally complaining to their mom or dad that they can't see the blackboard or there're having issues seeing. And they finally get taken to the optometrist. But at the end of the day, any child in that age group is there. And I'll tell you, one of the things that I'm excited about is some of these guys on the spectacles side. I mean, other people come in. That is a positive for us. So I'd be excited to have a LuxEssilor or someone else come out and start educating the market on this epidemic, that is myopia, and how important it is for us to be proactive and get in front of it. And ultimately, if you start moving more in that direction and you're getting spectacles there and spectacles are working and we're all together in one pushing this and you get insurance reimbursement? Well then watch out. And then the market will really explode. So, multiple, multiple billions of dollars market in my mind, no question.

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

Very helpful. And just quick on PARAGARD. And you took some tv ads down. I'm just wondering what the update is on PARAGARD DTC and TV ads specifically?

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

Yes. So the TV ads worked really well. They're expensive, but they worked really well. We get them in Northern Cal and the New York metro area. So what we're looking to do in this year is to take that in a little different angle and put it in a number of markets around the U.S., smaller markets, but spread much more broadly.

And we'll kick that off here in the not-too-distant future. So I think what you saw was the first year, big investments, we hired a lot of salespeople, we did a lot of print, social media and the TV advertising in a couple of big markets. We learned a ton. This coming year, we're back at it again. We're going to do the TV advertising a little different, a little bit more fine tuned on some of the other stuff. We're probably going to spend $5 million more than sales and marketing this year than we did last year. So this is another pretty heavy investment here in your PARAGARD. I do think we'll start seeing some much better leverage on that in fiscal 2021. But we are taking another year here to understand the market and make sure we capitalize on it. We're talking a very high gross margin product. And if we can be getting mid single-digit growth, like it looks like we're going to be able to for a number of years in front of us, then it is a product we definitely want to invest in.

Operator

Our next question comes from the line of Matthew Mishan with KeyBanc.

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

Al, are you bringing on enough capacity to meet increased demand in FY '21? Or is this going to be a persistent ceiling for growth?

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

We're bringing a lot on. So let me say that, first of all it will support very solid growth for a couple of years. But in reality, if the market continues to shift, like I think it's going to shift and give you a couple of numbers on that. About 53%, 54% of the market is dailies. That's going to go, in my mind, probably 2/3 of the market, will be dailies. If you look at daily silicones, that's 42%, 43% of the market right now, that's going to go up to like 84%, 83% kind of where FRPs are. You look at that. That trade up, in that conversion over to dailies, is several billion dollars of incremental sales. It's probably, when I did the math, it was about $2.5 billion to $3 billion of incremental revenue to the contact lens industry. If that's the case you are going to see, that rising tide lift all boats, but it will definitely include us. I don't think you get like the massive years that we're seeing now in terms of CapEx because I think it will naturally level off a little bit, but you'll continue to see us put CapEx there if that market moves, like I think it is going move.

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

Okay. And I know you can't win every contract, but there were a couple of private label or key account wins from competitors in Asia in the quarter. Given you've seen capacity strain, are you able to on board, like new customers at a level you were like a year or 2 ago?

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

Short answer is no. We are not. Q4 would have been stronger if we were able to do the things that we could have done, so to speak. Based on the contracts and the opportunities that we could have executed on those, like we wanted to, Q4 would have been a better quarter. We still had a great quarter, so I don't want to downplay by any means. But it would have been better. I think we'll be much, much better positioned to take advantage of those opportunities in Q2 and going forward. So right now, a couple of things are a little on hold. One of the things I'm really happy about it as well as MyDay has done and it gets all this attention around the world, and we're seeing all that accelerated growth, we shouldn't lose sight of clariti. It's a great product. It's doing really well. Clariti toric, in particular, is a really good product that's doing well. So we're seeing some nice sales there, and I'm happy about that. So we'll see as these private label contracts, all that stuff grows. You look and say, are there more opportunities for clariti within there or MyDay and so forth. So we're kind of pushing and pulling on that one right now. But I do think that we're a little muted in our results right now, but you'll see that pretty up here as we move Q2 and going forward in the year.

Operator

And our next question comes from the line of Matthew O'Brien with Piper Jaffray.

Matthew Oliver O'Brien ***Piper Jaffray Companies, Research Division - MD and Senior Research Analyst***

Just, Al, I think what everybody is a little bit nervous about is just the competitive dynamic surrounding the mass SiHy product that you have. And a bigger competitor coming out, but you're talking about some pretty robust numbers of growth in CVI over the next couple of years, a lot of investments in new products. So I know you don't want to wave off the competitive threat, but how should investors think about the potential impact and how you can navigate around those launches, both on the sphere side torics side next year?

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

Yes. Well, unless J&J is coming out with something, I don't know. There's not a competitor that's bigger than us. So there could be other competitors coming out with product, but they're not bigger than we are. And that's fine. As I was just talking about, when you look at the conversion that we're seeing from FRPs over to dailies and dailies to daily silicone, there's clearly opportunities for other products to come into the market. So whether that's a competitor or a direct competitor here, whether it's an Asia Pac competitor coming into the market, there's a lot of opportunities for people to get into this market and be a participant in that growth. We're a little unique in our positioning and that we do have great branded products. We do have a great customized solutions We have great geographic presence and so forth. So if I look at that. I'd say, yes, competition is always there. It's always part of what we live with. When you look at our main competitors, they are coming out with new products, but we're coming out with new products also. We're expanding parameter ranges. We'll be launching new products this year. We're launching some new products next year. We have some really exciting stuff going on. So at the end of the day, I'd say, is there competitive activity? Absolutely. Are we in front of that competitive activity? There no question. Clariti itself is a sphere, toric and multifocal. MyDay is a sphere and a fantastic toric on the market. So I'm really happy with our competitive positioning. There's always going to be something that's out there. But this marketplace is big enough and it's growing fast enough, that there's opportunities for a number of people to put up really nice, strong numbers.

Matthew Oliver O'Brien ***Piper Jaffray Companies, Research Division - MD and Senior Research Analyst***

Okay. And then as a follow-up, and I know this is looking out of ways, and I'm sorry to get too far ahead, but just any thoughts on timing for Japan? And then you mentioned reimbursement for myopia control. That seems like a lot of heavy lifting, but how do you go about getting reimbursement for MiSight?

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

Yes. On Japan, the other markets, some of those markets get helped considerably by the FDA approval. So they don't necessarily use the FDA approval, but they'll take it into consideration. So I don't want to speculate on that yet, but I'm looking at within 2 years for a number of those markets, Japan, China and so forth, hopefully, earlier, but they could be a couple of years. So we'll see how that plays out. The FDA approval just came through pretty recently here for us. We're doing a lot of work on that spending pretty good money on the regulatory side right now. And additional clinical work and so forth to make sure we're checking the box to get all the approvals that we need. If you look at the insurance reimbursement, that's a tough one, and that's probably multiple years out. That's why I put that in the same vein of talking about spectacle myopia management lenses coming into the marketplace. As the market gets bigger, as insurance agencies and so forth and ophthalmic organizations and so forth, realize the value and the benefit of this product, and then it's a treatment of an epidemic, and it's something that can now be proactively addressed, I don't know why people would not get behind it. But I think it will take a little bit of time. One contact lens coming into the market, we'll do fantastic. But in order to really drive this market and get it going and you'd like to see some other players in there. And that will be the thing that ends up ultimately really help in driving us to get to the point of insurance reimbursement.

Operator

And our next question comes from the line of Jon Block with Stifel. .

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

Two for me. I guess, first on PARAGARD. You mentioned you took price in the buy-in. I don't know if you can quantify the amount of the buy-in. And if so, that would be helpful. And then what is the price increase, Al, that we should be thinking about? And is it all of fiscal '20 or their contracts, or is it more phase in, call it, over fiscal '20 and '21? And then I just got a follow-up.

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

Yes. So the price increase was around 9%. The way that will kind of flow through the P&L because of a number of different dynamics. Think of it almost like a third, a third, a third over the next couple of years. So when I think about PARAGARD's growth, I'd say, there's been underlying 3% from price. And then we've been running in that kind of 3% unit growth range. So you combine those 2 and you get about 6%. The IUD market, itself, from a unit perspective is going 2% to 3%. And then price, it's a little hard to tell when you look at some of the hormonal options out there, but probably similar. So we're growing kind of a little bit faster than the IUD market overall. But that's kind of how to think about price, that the easiest way. When you look at PARAGARD and buy-in activities, that's always a little challenging to get in terms of like defining, okay, exactly how much was buy-in activity versus normal activity and so forth. I would have said that we were probably looking at a quarter where I thought Q4, we would have declined. So maybe there was $5 million or something of buy-in activity between Q4 going into Q1. And if Q1 hard quarter to grow on when you look at last year was a decent Q1 also, but somewhere in that kind of range.

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

Okay, got it. Very helpful. And then just to shift gears, in those out-year MiSight numbers you referenced, I'm just curious, are those because of -- I mean, they're certainly very impressive. But is it because of a cap, arguably, from a manufacturing perspective? I guess, what I'm trying to go with this is if MiSight were to really begin to inflect, call it, 18 months from now, somehow China and/or Japan came on board, would you guys be able to take advantage of that and fill demand? Or were you alluding to some of those numbers Al because of potential constraints from a manufacturing standpoint?

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

Yes. One of the exciting things about MiSight is that it is a Proclear lens. So we have capacity to be able to produce that lens. And what makes it probably extra nice is as we see the entire market shifting in silicone hydrogel lenses from our older traditional hydrogel lenses, that puts constant pressure on us. Brian kind of touched on it a little bit with some of our products in that space. So we're getting increasing capacity within our Proclear lines as everyone shifts over to silicone hydrogel. That's fantastic because we can allocate that new capacity to MiSight. So if we do get a situation where some of those markets come on faster, we'll be able to meet that demand. We're in good shape from a production perspective on my side.

Operator

And our next question comes from the line of Chris Cooley with Stephens.

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

Just a couple from me, Al, if I may. Just thinking about the incremental spend from the investments in fiscal '20, you called out about $25 million there, obviously, with MiSight. So about $0.40 to $0.45, depending upon the tax rate. And then an incremental $5 million in investment on the incremental PARAGARD spend. Are those the only 2 one-time items there or was there additional -- I apologize, came on the call a bit late, additional investment in fiscal '20, to be somewhat of a unique or one-time in nature? Then I have just a quick follow-up.

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

Those are the 2 clear ones to point out, no question. I mean, we're doing some expansion activity within vision geographically and within the marketing side, where we're hiring some more salespeople, so forth. Same thing within CooperSurgical. Within CooperSurgical, as an example, we do most of our international business through distributors. We're really excited that we just hired a really talented individual to come on and lead our international medical device efforts there. So I think we have some pretty good opportunities to drive better growth internationally on our core CooperSurgical medical device products. So there's some of that kind of activity. But I would call that kind of more normal activity, if you will, normal growth activity, the 2 that stand out, certainly, are MiSight, no question, and then PARAGARD to some degree.

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

Understood. I appreciate that color. And then just lastly for me. How to say this, but any commentary that you would say just regarding recent competitive launches in the dailies marketplace at the SiHy space? Just broadly, if it's pricing, where you expected adoption curves are ramping up? I'm just curious if there's any change in your views on how some of the newer silicone hydrogel dailies are or will be adopted here in the U.S.?

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

No real change there. I haven't seen anything recently that would change my mind about the marketplace or our positioning in terms of any new products that are entering the market.

Operator

Our next question comes from the line of Chris Pasquale with Guggenheim.

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

One quick one on the device tax and one on surgical. So the device tax only hits a portion of the business. Do you have an estimate for -- if that suspension is not extended, what the likely impact would be? And is there a contingency plan in place to offset that or would you just let that drop through to earnings?

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

Yes, I'll take that, Chris. If the excise tax were to be reinstituted in January, we would expect an impact to SG&A of roughly $5 million to $5.5 million in total. CooperVision's products are exempt from that tax. And only the sale of U.S. products sold by CooperSurgical, excluding PARAGARD, are included in that tax. So if that were to happen, it would be something we would try to hurdle just like tariffs and any of those other anything else like that.

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

Okay, that's helpful. And then, Al, just on CooperSurgical and the growth forecast for 2020. I mean, it seems like the fertility business and the core office business are both exiting the year here with pretty good momentum. You're coming off a year where you grew 5%, 5.5% or so. Why shouldn't growth stay at more that mid-single-digit level? Why 3% to 6% as we look at 2020?

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

Yes. I think that surgical is similar division, is kind of the way we finished the year here, is the way that both the businesses are operating right now. I think you'll see them operating more along those lines in Q2, 3 and 4 going forward. I think it's a Q1 thing with respect to PARAGARD at the end of the day. So I think fertility, should do fine, the base biz. And so forth, I think it's just a matter of how PARAGARD will do. We get the ups and downs there with channel inventory or more than would be ideal with PARAGARD. So depending on how that does, I think we end up with a softer Q1, but then you're right back to normal. I would not read anything negative into the guidance in terms of saying that, hey, there's a fundamental issue or anything else because there's not. This is just a matter of Q1 impacting the full year. Once we get past Q1, we'll be back in pretty good shape.

Operator

Our next question comes from the line of Robbie Marcus with JPMorgan.

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

I was wondering, after a year of investing in these key accounts throughout 2019, how can you measure the success here? And any kind of qualitative or quantitative benefits or impacts you could pass on?

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

Yes. Well, our key accounts are growing faster than our overall business. That's probably the easiest way to define it. We put investments in place, put in infrastructure in there to drive global key accounts, and that team has done a really, really nice job kind of throughout that team, and really, really done a nice job. So at the end of the day, that's grown faster than our overall business. We continue to expect key accounts to grow faster than our overall business. I touched on earlier that there are some opportunities out there that we think we're going to be capitalizing on as we move forward here. So at the end of the day, that's turned out to be a positive strategy and the future certainly looks bright from our key account perspective to continue to drive our overall top line growth.

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

And on the MyDay manufacturing, I guess, a capacity issue. How much did that impact growth exactly? So it's 18% for the dailies silicon lenses overall. What would that have been if you had full capacity?

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

If we had full capacity, it would have been quite a bit higher. Well, can't really throw a number out there, but there was a lot of demand for that product. There is a lot of demand for that product right now. So that's where I do feel good about. We were bringing a lot of capacity online here, and we are heavily focused on selling that as we move forward. But we'll be using that capacity as it comes on. So other than to kind of say, it made an easy of difference. I won't go into specific numbers on.

Operator

And our next question comes from the line of Steve Willoughby with Cleveland Research. .

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

I have two. I guess, first, following up on the last question. Al, it sounds like you're continuing to add more manufacturing capacity. Can you just provide a little bit more color on how long these capacity additions will take to come on? And I guess, with that, if you could quantify it all, how much of a capacity increase you're hoping to eventually get? Or how much can capacity increase in 2020? And then I have a follow-up as well.

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

Yes, Steve, that's a great question. And really a great point that I didn't touch on there. And it's especially relevant for anyone who's new on this story. It can take 12 months to 24 months, and I'm sure some of our competitors are dealing with this right now, in order to get a new line up and running. And I mean that from the time you order that line, to it's actually producing product that you could ship to your warehouses and ultimately sell. So it could take a decent amount of time. And you can't just kind of snap your fingers and order these manufacturing lines and get them in the next month. I'd say it takes, on average, 18 months or something to get those lines. So we ordered them quite a while ago. I mean we saw a bunch of this coming. We ordered these lines. We have them coming in, as I mentioned. Rolando, who runs our manufacturing group, has done just an insane good job. But he's almost got the team going at this point 24/7 working on getting those lines up and running and accelerating the start dates on them. It takes time, and that's part of the problem. That's part of the moat, if you will, the barriers to entry into this industry are pretty significant because of that type of thing. So anyway, long story short, number of lines coming on. I'm not going to get in how much that increases our capacity and the dollar amounts associated with that, other than there's numerous lines that are coming out in just that one last week, many more to come, this year and into next year because it's just the timing it takes to get those lines.

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

And so, I guess, with that, Al, do you think you'll still be capacity constrained at the end of 2020?

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

I think that as we move into 2021, we'll still be capacity constrained. I do think so. But having said that, we'll be in 10x better position than we are today.

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

Sure. Okay. And then my follow-up question, Al. Kind of take a little bit longer-term view here. Over the last, let's say, decade, the company has outgrown the contact lens market by 200, 300, maybe even 400 basis points pretty consistently. During a lot of that, much of the last decade, you've had a favorable competitive position with your product portfolio, particularly having MyDay, but especially clariti being sort of unique in the marketplace. The 200 or 300 or 400 basis points you've outperformed the market that have you put any thought to how much of that outperformance has come from your ability to trade up to more expensive silicone hydrogel dailies lenses versus gaining shares from competitors? I'm just wondering if you've ever looked at it that way in terms of the breakdown from how you've outperformed the market?

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

Yes. So we have. Some of the competitors coming out with products right now, they'll trade up their existing wearer base and get a 20%, 30% kind of premium on those trade-ups. That's a fantastic for them, and it will drive solid growth for them for a number of years. As you know, we don't have quite that base of trade up because we don't have as big a daily hydrogel base. So when you look at our growth over the years here, that growth, or a lot of that growth, especially more recently, has been coming from winning new wearers. And I'm happy when I look at the New Fit Data that we get, that we're continuing to win new wearers, New Fits with new wearers in the daily silicone hydrogel space. So that's one of the keys for us. So I think at the end of the day, it's a little interesting that you're going to get good market growth because you're going to see some competitors trading up existing wearers, and again, getting that 20%, 30% trade up. We're going to get growth because we are going to continue to get some of that trade up. We're going to see growth from the conversion of FRP wearers over to daily wearers. We're going to get growth from winning new wearers. And then some of the new products we roll out will drive growth. When you look at MyDay, you asked about constraints as we enter into 2021, one of the things I'm excited about is ultimately getting the MyDay multifocal out into the marketplace. That's coming at some point in the future. But we just have to get the capacity to be able to do that. So we are doing a good job right now. I will say, in winning new wearers. And I can see that in the New Fit Data. And that, ultimately, will translate itself into revenues. This is just a matter of how long that takes.

Operator

And our last question comes from the line of Steven Lichtman with Oppenheimer. .

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

Al, just a question on the regulatory and clinical work around MiSight that you mentioned. Can you provide a little more color on what that includes? Is that reflective of investment in the geographic expansion or in the post-market study as well? And can you talk a little bit about the post-market study design in terms of number of patients, and when we might see data?

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

Yes. So it's a number of things, to your point it's clinical data in terms of expanded tests. One of the things that we want to look at and say, some children don't react as well as other children do to MiSight. Why is that? So doing clinical work on that. When you look at late onset myopia, how can we tackle that? What's the best way to tackle that? So we're not talking 8 to 12-year olds or older kids that are getting myopia. When we look at going to a silicone hydrogel MiSight product, that kind of work, then you also roll in the regulatory work that I mentioned, China and Japan and a number of other countries, going through the regulatory process to get approvals. There's investment activity associated with that. If you look at the post-market study, that's another one. That's a great one. That's an expensive one that we're kicking off right now. I'm not going to go into much detail on that at this point in time. There will be information that will come out on that here in the coming months. So I'll kind of wait to give more color on that. But that is another thing that's expensive as part of those investment dollars. So a lot of that activity, as you can imagine, it's upfront activity. You do it, you get approvals. And when you're done, you do the clinical work. You get those clinicals behind you, you ultimately get approval on the expanded product offerings or new products that fit in the space and so forth that you're done. That's where you start seeing that real leverage like out in the future that I was talking about. But those investment dollars are going through a multitude of different areas.

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

Got it. And then lastly, on the increased sales, marketing and educational support, you mentioned from MiSight. Is some of that around expanding the sales force? And will you have a targeted sales force around MiSight or no?

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

We may. Right now, most of that is professional sales, if you will, kind of that clinical side of it, where you're going out and talking to optometrist and individuals who really want to understand the lens, fit the lens as a treatment, drive the product forward. So right now because it's early stage, it's more along those lines. Ultimately, you move to the point of saying, "Hey, can my existing sales force sell this lens also? " No surprise to anyone. They're getting tons of questions about it right now, and they're just referring it over to some of the specialists. So we'll see how it plays out over time. I think that you will probably get some dedicated sales professionals. And as it becomes more mainstream and less clinically based on the sale, you'll move yourself more in that direction.

Operator

Thank you. And that's all the time we have today for questions.

I will now turn the call back over to President and CEO, Al White, for closing remarks. .

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

Well, thank you, everybody. We covered a lot of good topics today and as you can tell, I'm pretty excited about where we are, where our business is, what the future holds. We have to work our way through Q1 here, and roll through the rest of the year, but things are looking pretty good. I'm pretty excited. So I hope everyone had a good Thanksgiving and happy holidays coming up, and look for to seeing everyone out on the road here in the coming weeks and months. So thank you.

Operator

Ladies and gentlemen, this concludes today's conference call. Thank you for participating, and you may now disconnect.