

REFINITIV

DELTA REPORT

10-Q

COO - COOPER COMPANIES, INC.

10-Q - JANUARY 31, 2024 COMPARED TO 10-Q - JULY 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 695

█ CHANGES 99

█ DELETIONS 331

█ ADDITIONS 265

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

FORM 10-Q

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

For the quarterly period ended **July 31, 2023** **January 31, 2024**

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

For the transition period from _____ to _____
Commission File Number 1-8597

The Cooper Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	94-2657368
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6101 Bollinger Canyon Road, Suite 500, San Ramon, California 94583 (Address of principal executive offices) (Zip Code)	
(925) 460-3600 (Registrant's telephone number, including area code (925) 460-3600 code)	

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

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

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

On **August 25, 2023** **February 23, 2024**, **49,524,149** **198,756,284** shares of Common Stock, \$0.10 par value, were outstanding.

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

Consolidated Condensed Statements of Income and Comprehensive Income

Periods Ended July Three months ended January 31,

(In millions, except for earnings per share)

(Unaudited)

	Net sales	Three Months		Nine Months	
		2023	2022	2023	2022
Net sales	Net sales	\$ 930.2	\$ 843.4	\$ 2,666.1	\$ 2,460.3
Net sales					
Net sales					
Cost of sales					
Cost of sales					
Cost of sales	Cost of sales	320.2	291.3	914.7	857.3
Gross profit	Gross profit	610.0	552.1	1,751.4	1,603.0
Gross profit					
Gross profit					
Selling, general and administrative expense					
Selling, general and administrative expense					

Selling, general and administrative expense	Selling, general and administrative expense	375.2	342.7	1,113.6	984.2
Research and development expense	Research and development expense	36.5	28.7	100.7	81.2
Research and development expense					
Research and development expense					
Amortization of intangibles	Amortization of intangibles	46.7	40.1	139.7	133.5
Amortization of intangibles	Amortization of intangibles	46.7	40.1	139.7	133.5
Operating income	Operating income	151.6	140.6	397.4	404.1
Operating income					
Operating income					
Interest expense	Interest expense	26.8	17.1	79.0	34.5
Other expense (income), net		6.0	6.2	11.9	(33.3)
Other expense, net					
Other expense, net					
Other expense, net					
Income before income taxes	Income before income taxes	118.8	117.3	306.5	402.9
Provision for income taxes (Note 6)	Provision for income taxes (Note 6)	33.5	18.9	96.8	82.7
Provision for income taxes (Note 6)					
Provision for income taxes (Note 6)					
Net income					
Net income	Net income	\$ 85.3	\$ 98.4	\$ 209.7	\$ 320.2
Earnings per share (Note 7):					
Earnings per share (Note 7)*:					
Earnings per share (Note 7)*:					
Earnings per share (Note 7)*:					
Basic	Basic	\$ 1.72	\$ 1.99	\$ 4.24	\$ 6.49
Basic	Basic	\$ 1.72	\$ 1.99	\$ 4.24	\$ 6.49
Diluted	Diluted	\$ 1.71	\$ 1.98	\$ 4.21	\$ 6.44
Number of shares used to compute earnings per share:					
Diluted					
Diluted					
Number of shares used to compute earnings per share*:					
Number of shares used to compute earnings per share*:					
Number of shares used to compute earnings per share*:					
Basic	Basic				
Basic	Basic				
Basic	Basic	49.5	49.3	49.5	49.3
Diluted	Diluted	49.9	49.6	49.8	49.7
Diluted					
Diluted					
Other comprehensive income, net of tax:					
Other comprehensive income, net of tax:					
Other comprehensive income, net of tax:	Other comprehensive income, net of tax:				
Cash flow hedges	Cash flow hedges	\$ 14.6	\$ (10.5)	\$ (11.9)	\$ 42.1
Cash flow hedges					
Cash flow hedges					

Foreign currency translation adjustment						
Foreign currency translation adjustment						
Foreign currency translation adjustment	Foreign currency translation adjustment			34.4	(32.3)	103.9
Comprehensive income	Comprehensive income			\$ 134.3	\$ 55.6	\$ 301.7
Comprehensive income	Comprehensive income					\$ 184.2

* All periods presented have been adjusted to reflect the four-for-one stock split effected on February 16, 2024. Refer to Note 1, General for further information.

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

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Condensed Balance Sheets (In millions, unaudited)

		July 31, 2023	October 31, 2022		January 31, 2024	January 31, 2024	October 31, 2023
ASSETS	ASSETS						
Current assets:	Current assets:						
Current assets:	Current assets:						
Cash and cash equivalents	Cash and cash equivalents	\$ 117.3	\$ 138.2				
Trade accounts receivable, net of allowance for credit losses of \$27.6 at July 31, 2023, and \$20.7 at October 31, 2022		629.9	557.8				
Cash and cash equivalents							
Cash and cash equivalents							
Trade accounts receivable, net of allowance for credit losses of \$34.7 at January 31, 2024, and \$31.3 at October 31, 2023							
Inventories (Note 3)	Inventories (Note 3)	723.6	628.7				
Prepaid expense and other current assets	Prepaid expense and other current assets	240.2	208.9				
Total current assets							
Total current assets							
Total current assets	Total current assets	1,711.0	1,533.6				
Property, plant and equipment, net	Property, plant and equipment, net	1,535.0	1,432.9				
Goodwill	Goodwill	3,683.1	3,609.7				
Other intangibles, net (Note 4)	Other intangibles, net (Note 4)	1,770.6	1,885.1				
Deferred tax assets	Deferred tax assets	2,369.4	2,443.1				

Other assets	Other assets	628.2	587.9		
Total assets	Total assets	\$11,697.3	\$11,492.3		
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Current liabilities:					
Short-term debt (Note 5)					
Short-term debt (Note 5)					
Short-term debt (Note 5)	Short-term debt (Note 5)	\$ 79.6	\$ 412.6		
Accounts payable	Accounts payable	226.7	248.8		
Employee compensation and benefits	Employee compensation and benefits	154.6	152.1		
Deferred revenue	Deferred revenue	122.8	93.6		
Other current liabilities	Other current liabilities	409.9	373.1		
Total current liabilities	Total current liabilities	993.6	1,280.2		
Total current liabilities					
Total current liabilities					
Long-term debt (Note 5)	Long-term debt (Note 5)	2,514.7	2,350.8		
Deferred tax liabilities	Deferred tax liabilities	137.6	149.9		
Long-term tax payable	Long-term tax payable	90.5	113.2		
Deferred revenue	Deferred revenue	185.5	198.3		
Accrued pension liability and other					
Other liabilities					
Total liabilities	Total liabilities	\$ 4,168.8	\$ 4,317.6		
Contingencies (Note 10)	Contingencies (Note 10)	Contingencies (Note 10)			
Stockholders' equity:					
Stockholders' equity*:					
Preferred stock, \$10 cents par value, 1.0 shares authorized, zero shares issued or outstanding	Preferred stock, \$10 cents par value, 1.0 shares authorized, zero shares issued or outstanding	—	—		
Common stock, \$10 cents par value, 120.0 shares authorized, 53.9 issued and 49.5 outstanding at July 31, 2023, and 53.8 issued and 49.3 outstanding at October 31, 2022		5.4	5.4		
Preferred stock, \$10 cents par value, 1.0 shares authorized, zero shares issued or outstanding					
Preferred stock, \$10 cents par value, 1.0 shares authorized, zero shares issued or outstanding					

Common stock, \$10 cents par value, 480.0 shares authorized, 216.4 issued and 198.7 outstanding at January 31, 2024, and 215.8 issued and 198.1 outstanding at October 31, 2023				
Additional paid-in capital	Additional paid-in capital	1,817.4	1,765.5	
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(374.8)	(466.8)	
Retained earnings	Retained earnings	6,791.6	6,584.9	
Treasury stock at cost: 4.4 shares at July 31, 2023, and 4.5 shares at October 31, 2022		(711.3)	(714.5)	
Treasury stock at cost: 17.7 shares at January 31, 2024, and 17.7 shares at October 31, 2023				
Total Cooper stockholders' equity	Total Cooper stockholders' equity	7,528.3	7,174.5	
Noncontrolling interests	Noncontrolling interests	0.2	0.2	
Stockholders' equity (Note 9)	Stockholders' equity (Note 9)	7,528.5	7,174.7	
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$11,697.3	\$11,492.3	

* All periods presented have been adjusted to reflect the four-for-one stock split effected on February 16, 2024. Refer to Note 1. General for further information.

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

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

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

	Accumulated										Total Stockholders' Equity
	Common Shares		Treasury Stock		Additional Paid-In Capital		Other Comprehensive Loss		Retained Earnings	Treasury Stock	
	Shares	Amount	Shares	Amount							
Balance at November 1, 2021	49.3	\$ 5.0	4.4	\$ 0.4	\$ 1,715.2	\$ (341.3)	\$ 6,202.1	\$ (639.6)	0.2	\$	6,942.0
Net income	—	—	—	—	—	—	95.3	—	—	—	95.3
Other comprehensive income (loss), net of tax	—	—	—	—	—	(35.9)	—	—	—	—	(35.9)
Issuance of common stock for stock plans, net and employee stock purchase plan	0.1	—	—	—	(8.8)	—	—	0.7	—	—	(8.1)

Dividends on common stock (\$0.03 per share)	—	—	—	—	—	—	(1.5)	—	—	—	(1.5)
Share-based compensation expense	—	—	—	—	12.8	—	—	—	—	—	12.8
Stock repurchase	(0.2)	—	0.2	—	—	—	—	—	(78.5)	—	(78.5)
Balance at January 31, 2022	49.2	\$ 5.0	4.6	\$ 0.4	\$ 1,719.2	\$ (377.2)	\$ 6,295.9	\$ (717.4)	\$ 0.2	\$ 6,926.1	
Net income	—	—	—	—	—	—	126.6	—	—	—	126.6
Other comprehensive income (loss), net of tax	—	—	—	—	—	(57.3)	—	—	—	—	(57.3)
Issuance of common stock for stock plans, net and employee stock purchase plan	0.1	—	—	—	4.9	—	—	0.8	—	—	5.7
Share-based compensation expense	—	—	—	—	12.7	—	—	—	—	—	12.7
Balance at April 30, 2022	49.3	\$ 5.0	4.6	\$ 0.4	\$ 1,736.8	\$ (434.5)	\$ 6,422.5	\$ (716.6)	\$ 0.2	\$ 7,013.8	
Net Income	—	—	—	—	—	—	98.4	—	—	—	98.4
Other comprehensive income (loss), net of tax	—	—	—	—	—	(42.8)	—	—	—	—	(42.8)
Issuance of common stock for stock plans, net and employee stock purchase plan	—	—	—	—	0.8	—	—	1.0	—	—	1.8
Dividends on common stock (0.03 per share)	—	—	—	—	—	—	(1.5)	—	—	—	(1.5)
Share-based compensation expense	—	—	—	—	13.4	—	—	—	—	—	13.4
Balance at July 31, 2022	49.3	\$ 5.0	4.6	\$ 0.4	\$ 1,751.0	\$ (477.3)	\$ 6,519.4	\$ (715.6)	\$ 0.2	\$ 7,083.1	

	Accumulated										Total Stockholders' Equity
	Common Shares		Treasury Stock		Additional Paid-In Capital		Other Comprehensive Loss		Retained Earnings	Treasury Stock	
	Shares	Amount	Shares	Amount							
Balance at November 1, 2022*	197.4	\$ 19.7	17.8	\$ 1.8	\$ 1,749.4	\$ (466.8)	\$ 6,584.9	\$ (714.5)	\$ 0.2	\$ 7,174.7	
Net income	—	—	—	—	—	—	84.6	—	—	—	84.6
Other comprehensive income, net of tax	—	—	—	—	—	63.0	—	—	—	—	63.0
Issuance of common stock for stock plans, net and employee stock purchase plan	0.4	—	—	—	(2.5)	—	—	—	1.2	—	(1.3)
Dividends on common stock (\$0.03 per share)	—	—	—	—	—	—	(1.5)	—	—	—	(1.5)
Share-based compensation expense	—	—	—	—	16.2	—	—	—	—	—	16.2
Balance at January 31, 2023*	197.8	\$ 19.7	17.8	\$ 1.8	\$ 1,763.1	\$ (403.8)	\$ 6,668.0	\$ (713.3)	\$ 0.2	\$ 7,335.7	

Balance at November 1, 2023*	198.1	\$ 19.8	17.7	\$ 1.8	\$ 1,817.2	\$ (453.8)	\$ 6,876.1	\$ (710.3)	\$ 0.2	\$ 7,551.0	
Net income	—	—	—	—	—	—	81.2	—	—	—	81.2
Other comprehensive income, net of tax	—	—	—	—	—	31.8	—	—	—	—	31.8
Issuance of common stock for stock plans, net and employee stock purchase plan	0.6	—	—	—	6.6	—	—	—	1.1	—	7.7
Share-based compensation expense	—	—	—	—	23.6	—	—	—	—	—	23.6
Balance at January 31, 2024*	198.7	\$ 19.8	17.7	\$ 1.8	\$ 1,847.4	\$ (422.0)	\$ 6,957.3	\$ (709.2)	\$ 0.2	\$ 7,695.3	

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

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Condensed Statements of Stockholders' Equity

(In millions, unaudited)

	Accumulated										Total Stockholders' Equity
	Common Shares		Treasury Stock		Additional Paid-In Capital		Other Comprehensive Loss		Retained Earnings	Treasury Stock	
	Shares	Amount	Shares	Amount							
Balance at November 1, 2023*	198.1	\$ 19.8	17.7	\$ 1.8	\$ 1,817.2	\$ (453.8)	\$ 6,876.1	\$ (710.3)	\$ 0.2	\$ 7,551.0	
Net income	—	—	—	—	—	—	81.2	—	—	—	81.2
Other comprehensive income, net of tax	—	—	—	—	—	31.8	—	—	—	—	31.8
Issuance of common stock for stock plans, net and employee stock purchase plan	0.6	—	—	—	6.6	—	—	—	1.1	—	7.7
Share-based compensation expense	—	—	—	—	23.6	—	—	—	—	—	23.6
Balance at January 31, 2024*	198.7	\$ 19.8	17.7	\$ 1.8	\$ 1,847.4	\$ (422.0)	\$ 6,957.3	\$ (709.2)	\$ 0.2	\$ 7,695.3	

Balance at November 1, 2022	49.3	\$ 5.0	4.5	\$ 0.4	\$ 1,765.5	\$ (466.8)	\$ 6,584.9	\$ (714.5)	\$ 0.2	\$ 7,174.7
Net income	—	—	—	—	—	—	84.6	—	—	84.6
Other comprehensive income (loss), net of tax	—	—	—	—	—	63.0	—	—	—	63.0
Issuance of common stock for stock plans, net and employee stock purchase plan	0.1	—	—	—	(2.5)	—	—	1.2	—	(1.3)
Dividends on common stock (\$0.03 per share)	—	—	—	—	—	—	(1.5)	—	—	(1.5)
Share-based compensation expense	—	—	—	—	16.2	—	—	—	—	16.2
Balance at January 31, 2023	49.4	\$ 5.0	4.5	\$ 0.4	\$ 1,779.2	\$ (403.8)	\$ 6,668.0	\$ (713.3)	\$ 0.2	\$ 7,335.7
Net income	—	—	—	—	—	—	39.8	—	—	39.8
Other comprehensive income (loss), net of tax	—	—	—	—	—	(20.0)	—	—	—	(20.0)
Issuance of common stock for stock plans, net and employee stock purchase plan	0.1	—	(0.1)	—	6.8	—	—	1.0	—	7.8
Share-based compensation expense	—	—	—	—	14.7	—	—	—	—	14.7
Balance at April 30, 2023	49.5	\$ 5.0	4.4	\$ 0.4	\$ 1,800.7	\$ (423.8)	\$ 6,707.8	\$ (712.3)	\$ 0.2	\$ 7,378.0
Net income	—	—	—	—	—	—	85.3	—	—	85.3
Other comprehensive income (loss), net of tax	—	—	—	—	—	49.0	—	—	—	49.0
Issuance of common stock for stock plans, net and employee stock purchase plan	—	—	—	—	1.5	—	—	1.0	—	2.5
Dividends on common stock (\$0.03 per share)	—	—	—	—	—	—	(1.5)	—	—	(1.5)
Share-based compensation expense	—	—	—	—	15.2	—	—	—	—	15.2
Balance at July 31, 2023	49.5	\$ 5.0	4.4	\$ 0.4	\$ 1,817.4	\$ (374.8)	\$ 6,791.6	\$ (711.3)	\$ 0.2	\$ 7,528.5

* All periods presented have been adjusted to reflect the four-for-one stock split effected on February 16, 2024. Refer to Note 1. General for further information.

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

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Condensed Statements of Cash Flows

Nine Three Months Ended July January 31,

(In millions, unaudited)

	2023	2022		2024	2024	2023
Cash flows from operating activities:	Cash flows from operating activities:					
Net income	Net income	\$ 209.7	\$ 320.2			
Net income						
Net income						
Depreciation and amortization	Depreciation and amortization	275.0	257.1			
Settlement of contingent consideration		—	(40.7)			
Change in fair value of contingent consideration	Change in fair value of contingent consideration	(31.8)	(10.7)			

Accrual for acquisition termination fee	45.0	—
Change in fair value of contingent consideration		
Change in fair value of contingent consideration		
Net changes in operating capital	Net changes in operating capital	(188.8) (8.7)
Other non-cash items		
Other non-cash items	Other non-cash items	124.2 44.5
Net cash provided by operating activities	Net cash provided by operating activities	433.3 561.7
Cash flows from investing activities:	Cash flows from investing activities:	
Purchases of property, plant and equipment	Purchases of property, plant and equipment	(247.5) (147.1)
Purchases of property, plant and equipment		
Purchases of property, plant and equipment		
Acquisitions of businesses and assets, net of cash acquired, and other	Acquisitions of businesses and assets, net of cash acquired, and other	(40.7) (1,636.5)
Proceeds from sale of interest in a subsidiary		— 52.1
Net cash used in investing activities		
Net cash used in investing activities		
Net cash used in investing activities	Net cash used in investing activities	(288.2) (1,731.5)
Cash flows from financing activities:	Cash flows from financing activities:	
Proceeds from long-term debt, net of issuance costs	Proceeds from long-term debt, net of issuance costs	1,652.0 1,499.5
Proceeds from long-term debt, net of issuance costs		
Proceeds from long-term debt, net of issuance costs		
Repayments of long-term debt	Repayments of long-term debt	(1,490.4) (549.6)
Net (repayments of) proceeds from short-term debt		(335.5) 462.7

Net proceeds from (repayments of) short-term debt		
Net proceeds (payments) related to share-based compensation awards	Net proceeds (payments) related to share-based compensation awards	2.2 (8.0)
Dividends on common stock		(1.5) (1.5)
Repurchase of common stock		— (78.5)
Issuance of common stock for employee stock purchase plan	Issuance of common stock for employee stock purchase plan	5.8 5.4
Settlement of contingent consideration		— (2.2)
Net cash (used in) provided by financing activities		(167.4) 1,327.8
Issuance of common stock for employee stock purchase plan		
Issuance of common stock for employee stock purchase plan		
Net cash provided by (used in) financing activities		
Net cash provided by (used in) financing activities		
Net cash provided by (used in) financing activities		
Effect of exchange rate changes on cash, cash equivalents and restricted cash	Effect of exchange rate changes on cash, cash equivalents and restricted cash	1.2 (8.0)
Net (decrease) increase in cash, cash equivalents, and restricted cash		(21.1) 150.0
Net increase (decrease) in cash, cash equivalents, and restricted cash		
Cash, cash equivalents, and restricted cash at beginning of period	Cash, cash equivalents, and restricted cash at beginning of period	138.6 96.6
Cash, cash equivalents, and restricted cash at end of period	Cash, cash equivalents, and restricted cash at end of period	\$ 117.5 \$ 246.6
Reconciliation of cash flow information:	Reconciliation of cash flow information:	

Cash and cash equivalents	Cash and cash equivalents	\$ 117.3	\$ 246.3
Cash and cash equivalents			
Cash and cash equivalents			
Restricted cash included in other current assets	Restricted cash included in other current assets	0.2	0.3
Total cash, cash equivalents, and restricted cash	Total cash, cash equivalents, and restricted cash	<u>\$ 117.5</u>	<u>\$ 246.6</u>
Total cash, cash equivalents, and restricted cash			
Total cash, cash equivalents, and restricted cash			

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

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements
(Uaudited)

Note 1. General

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

The accompanying Consolidated Condensed Financial Statements and related notes are unaudited and should be read in conjunction with the audited Consolidated Financial Statements of the Company and related notes as contained in the Company's Annual Report on Form 10-K for the fiscal year ended **October 31, 2022** **October 31, 2023**. The Consolidated Condensed Financial Statements include all adjustments (consisting only of normal recurring adjustments) and accruals necessary in the judgment of management for a fair presentation of the results for the interim periods presented.

Accounting Policies

There have been no material changes to our significant accounting policies described in our Annual Report on Form 10-K for the fiscal year ended **October 31, 2022** **October 31, 2023**.

Estimates

The preparation of Consolidated Condensed Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of net sales and expenses during the reporting period. Actual results could differ from those estimates. The Company continually monitors and evaluates the estimates used as additional information becomes available. Adjustments will be made to these provisions periodically to reflect new facts and circumstances that may indicate that historical experience may not be indicative of current and/or future results.

Stock Split

On February 16, 2024, the Company effected a four-for-one stock split of its outstanding shares of common stock. The par value of the common stock remains at \$0.10 cents per share. Accordingly, an amount equal to the par value of the increased shares resulting from the stock split was reclassified from "Additional paid-in capital" to "Common stock". All share and per share information has been retroactively adjusted to reflect the stock split for all periods presented.

Accounting Pronouncements Recently Issued But Not Yet Adopted

In November 2021, December 2023, the FASB Financial Accounting Standards Board (FASB) issued ASU 2021-10, 2023-09, **Government Assistance Income Taxes (Topic 832) 740: Disclosures by Business Entities about Government Assistance Improvements to Income Tax Disclosures**. This update ASU requires annual disclosures about transactions with public entities to disclose specific categories in the effective tax rate reconciliation and additional information for reconciling items that exceed a government that are accounted quantitative threshold. The guidance also requires all disaggregated information pertaining to taxes paid, net of refunds received, for by applying a grant or contribution accounting model by analogy. This standard federal, state and foreign income taxes. The new guidance is effective for fiscal years beginning after **December 15, 2021** December 15, 2024, and should be applied either with the option to apply prospectively or retrospectively. Early adoption is permitted. The Company adopted We are currently evaluating the impact that the adoption of this guidance prospectively will have on November 1, 2022, our consolidated financial statements and it did not have a material impact on the Consolidated Condensed Financial Statements, disclosures.

In March 2020, November 2023, the FASB issued ASU 2020-04, 2023-07, **Reference Segment Reporting (Topic 280): Improvements to Reportable Segment DisclosuresRateReform (Topic 848): Facilitation of, which enhances the Effects of Reference Rate Reform disclosures required for operating segments in our annual and interim consolidated financial statements**. The ASU is effective for us beginning on **Financial Reporting** and subsequent amendment to the initial guidance: ASU 2021-01, **Reference Rate Reform (Topic 848): Scope (collectively, "Topic 848")**. Topic 848 provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. In December 2022, the FASB issued ASU 2022-06, **Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848**. ASU 2022-06 defers the sunset

date of Topic 848 from December 31, 2022, to December 31, 2024. Effective February 1, 2023, the Company transitioned its credit agreements from LIBOR to the Secured Overnight Financing Rate ("SOFR"). The Company adopted this guidance prospectively on February 1, 2023 November 1, 2024, and it did not have a material will be applied retrospectively. Early adoption is permitted. We are currently evaluating the impact of adopting this ASU on the Consolidated Condensed Financial Statements, our consolidated financial statements and disclosures.

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

Note 2. Acquisitions and Joint Venture

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

On November 1, 2022 November 1, 2023, CooperVision CooperSurgical completed the acquisition of a privately-held U.S.-based company that provides a broad portfolio of technologically advanced contact lens products, including scleral select Cook Medical assets focused primarily on the obstetrics, doppler monitoring, and hybrid lenses, gynecology surgery markets. The purchase price of the acquisition was \$33.0 million, \$300.0 million, with \$200.0 million paid at closing and two cash payments of \$50.0 million each to be paid on November 1, 2024 and November 1, 2025. The present value of the acquisition purchase price was \$291.6 million, which is included in the Company's balance sheet. Based upon preliminary valuations, assets acquired primarily comprised \$12.6 of \$157.9 million of technologies, \$26.6 million of

1 To further clarify the policy detailed in our Annual Report on Form 10-K for the fiscal year ended October 31, 2023, the current portion of the deferred revenue balances at the beginning of each period presented were generally fully recognized in a ratable manner in the subsequent 12-month period. We recognized revenue of approximately \$31.0 million and \$23.0 million for the three months ended January 31, 2024, and 2023, respectively, that was included in the deferred revenue balance at October 31, 2023 and October 31, 2022.

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customer relationship related intangibles, \$7.6 million of technology, \$5.1 million of net assets and \$7.7 \$107.2 million of goodwill. The goodwill is not deductible for tax purposes. The purchase price allocation is preliminary, and the Company is in the process of finalizing information primarily related to the effect on taxes and the corresponding impact on goodwill.

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On April 6, 2022, CooperSurgical entered into an asset purchase agreement to acquire Cook Medical's Reproductive Health business, a manufacturer of minimally invasive medical devices focused on the fertility, obstetrics and gynecology markets. The aggregate consideration payable under the agreement was \$875.0 million in cash, with \$675.0 million payable at the closing and the remaining \$200.0 million payable in \$50.0 million installments following each of the first, second, third and fourth anniversaries of the closing. During the second quarter of fiscal 2023, CooperSurgical determined that the fulfillment of certain closing conditions related to regulatory approvals was no longer probable and accrued \$45.0 million in expenses for a termination fee under the asset purchase agreement. The termination fee is recorded in "selling, general and administrative expense" on the Consolidated Condensed Statements of Income and Comprehensive Income and was paid on August 9, 2023, accounting information.

Joint Venture

On January 19, 2021, CooperVision acquired all of the remaining equity interests of SightGlass Vision, Inc. (SGV), a privately-held medical device company that developed spectacle lenses for myopia management. The transaction included potential payments of future consideration that were contingent upon the achievement of the regulatory approval milestone (the regulatory approval payment) and the acquired business reaching certain revenue thresholds over a specified period (the revenue payments). The undiscounted range of the contingent consideration was zero to \$139.1 million payable to the other former equity interest owners.

In March 2022, the entities amended the terms of the contingent consideration, which resulted in CooperVision paying \$42.9 million to the former equity interest owners in exchange for the elimination of the revenue payments to such former equity interest owners. CooperVision recognized a net gain of \$12.2 million during fiscal 2022.

Further, CooperVision and Essilor International SAS (Essilor) executed a Contribution Agreement and a Stock Purchase Agreement (the "Agreements") in March 2022. 2022 to form a joint venture in SightGlass Vision, Inc. (SGV), which is a medical device company developing spectacle lenses for myopia management. Essilor paid CooperVision \$52.1 million in exchange for a 50% interest in SGV and their proportionate share of the revenue payments. As part of the Agreements, each party contributed their interest in SGV and \$10 million in cash. Prior to form a new joint venture. March 2022, CooperVision then remeasured the fair value owned 100% of its retained equity investment in the joint venture at \$90.0 million which resulted in a \$56.9 million gain in Other (income) expense on deconsolidation of SGV in fiscal 2022.

During the nine months ended July 31, 2023, CooperVision determined that approval would not be achieved within the timeline set forth in the contractual terms of the regulatory approval payment and released the remaining \$31.8 million contingent consideration liability, SGV.

Further information regarding the joint venture is included in our the notes to our consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended October 31, 2022 October 31, 2023.

Note 3. Inventories

	July			
(In millions)	(In millions)	31, October 2023	31, 2022 (In millions)	January 31, 2024
				October 31, 2023

Raw materials	Raw materials	\$212.2	\$ 173.7
Work-in-process	Work-in-process	21.4	15.2
Finished goods	Finished goods	490.0	439.8
Total inventories	Total inventories	<u>\$723.6</u>	<u>\$ 628.7</u>

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Note 4. Intangible Assets

Intangible assets consisted of the following:

		July 31, 2023	October 31, 2022	Weighted Average Amortization Period (in years)				
		Gross Carrying Amount	Gross Carrying Amount		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	
(In millions)	(In millions)	(In millions)	(In millions)		(In millions)	(In millions)	(In millions)	
(In millions)	(In millions)	(In millions)	(In millions)		(In millions)	(In millions)	(In millions)	
Intangible assets with definite lives:	Intangible assets with definite lives:							
Intangible assets with definite lives:								
Intangible assets with definite lives:								
Customer relationships	Customer relationships	\$1,107.3	\$ 332.0	\$1,092.7	\$ 287.0	19	\$ 1,125.6	\$ 358.3
Composite intangible asset	Composite intangible asset	1,061.9	407.1	1,061.9	354.0	15	1,061.9	442.5
Technology	Technology	495.9	328.1	504.1	317.5	12	652.7	348.3
Trademarks	Trademarks	210.8	73.9	209.6	62.4	15	204.5	79.8
License and distribution rights and other	License and distribution rights and other	51.6	25.2	50.7	23.8	11	47.8	24.8
		2,927.5	\$ 1,166.3	2,919.0	\$ 1,044.7	16		
		3,092.5					3,092.5	\$ 1,253.7
Less: accumulated amortization and translation	Less: accumulated amortization and translation							
		1,166.3		1,044.7				
								2,916.1

Intangible assets with definite lives, net	Intangible assets with definite lives, net	1,761.2	1,874.3
Intangible assets with definite lives, net			
Intangible assets with definite lives, net			
Intangible assets with indefinite lives, net ⁽¹⁾			
Intangible assets with indefinite lives, net ⁽¹⁾			
Intangible assets with indefinite lives, net ⁽¹⁾	Intangible assets with indefinite lives, net ⁽¹⁾	9.4	10.8
Total other intangibles, net	Total other intangibles, net	<u>\$1,770.6</u>	<u>\$1,885.1</u>
Total other intangibles, net			
Total other intangibles, net			

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

Balances include foreign currency translation adjustments.

As of July 31, 2023, the estimate of future amortization expenses for intangible assets with definite lives is as follows:

Fiscal Years:		(In millions)
Remainder of 2023		\$ 46.6
2024		181.3
2025		171.4
2026		163.8
2027		148.9
Thereafter		1,049.2
Total remaining amortization for intangible assets with definite lives		<u>\$ 1,761.2</u>

The Company performed its annual impairment assessment in the third quarter of fiscal 2023 and there was no impairment of goodwill or intangible assets recorded in the nine months ended July 31, 2023. Further information regarding our annual impairment assessment is included in our notes to our consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended October 31, 2022.

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As of January 31, 2024, the estimate of future amortization expenses for intangible assets with definite lives is as follows:

Fiscal Years:		(In millions)
Remainder of 2024		\$ 147.7
2025		187.9
2026		180.3
2027		165.9
2028		161.4
Thereafter		995.6
Total remaining amortization for intangible assets with definite lives		<u>\$ 1,838.8</u>

There was no impairment of goodwill or intangible assets recorded in the three months ended January 31, 2024.

Note 5. Financing Arrangements

The Company had outstanding debt as follows:

(In millions)	(In millions)	July 31, 2023	October 31, 2022	(In millions)	January 31, 2024	October 31, 2023
Overdraft and other credit facilities		\$ 63.3	\$ 57.7			
Term loans		—	338.0			
Short-term debt, excluding financing leases						
Short-term debt, excluding financing leases						
Short-term debt, excluding financing leases	Short-term debt, excluding financing leases	63.3	395.7			
Financing lease liabilities	Financing lease liabilities	16.3	16.9			
Short-term debt	Short-term debt	\$ 79.6	\$ 412.6			
Revolving credit						
Revolving credit						
Revolving credit	Revolving credit	\$ 163.5	\$ —			
Term loans	Term loans	2,350.0	2,350.0			
Other	Other	0.1	0.2			
Less: unamortized debt issuance cost	Less: unamortized debt issuance cost	(2.5)	(3.1)			
Long-term debt, excluding financing leases	Long-term debt, excluding financing leases	2,511.1	2,347.1			
Financing lease liabilities	Financing lease liabilities	3.6	3.7			
Long-term debt	Long-term debt	\$2,514.7	\$2,350.8			
Total debt	Total debt	\$2,594.3	\$2,763.4			

Additional information regarding our indebtedness is included in our notes to our consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended **October 31, 2022** **October 31, 2023**, which was filed with the Securities and Exchange Commission on **December 9, 2022** **December 8, 2023**. The carrying value of the Company's revolving credit facility and term loans approximates fair value based on current market rates (Level 2). As of **July 31, 2023** **January 31, 2024**, the Company was in compliance with all debt covenants. On **February 1, 2023**, the Company amended its credit agreements to transition the interest rates applicable to the loans denominated in U.S. Dollars from LIBOR to SOFR, as defined in the credit agreements.

2021 Term Loan Agreement on December 17, 2021

On December 17, 2021, the Company entered into a Term Loan Agreement (the 2021 Credit Agreement) by and among the Company, the lenders from time to time party thereto, and PNC Bank, National Association, as administrative agent. The 2021 Credit Agreement provides for a term loan facility (the 2021 Term Loan Facility) in an aggregate principal amount of \$1.5 billion, which, unless terminated earlier, matures on December 17, 2026.

On **July 31, 2023** **January 31, 2024**, the Company had \$1.5 billion outstanding under the 2021 Term Loan Facility and the weighted average interest rate was **6.21%** **6.45%**.

2021 364-Day Term Loan Agreement

On November 2, 2021, the Company entered into a 364-day, \$840.0 million, term loan agreement by and among the Company, the lenders party thereto and The Bank of Nova Scotia, as administrative agent, which matured on November 1, 2022. The Company used part of the funds to partially repay outstanding borrowings under the 2020 Revolving Credit Facility and for general corporate purposes. The loan was fully repaid by the maturity date.

2020 Revolving Credit and Term Loan Agreement on April 1, 2020

On April 1, 2020, the Company entered into a Revolving Credit and Term Loan Agreement (the 2020 Credit Agreement), among the Company, CooperVision International Holding Company, LP, CooperSurgical Netherlands B.V., CooperVision Holding Kft, the lenders from time to time party thereto, and KeyBank National Association, as administrative agent. The 2020 Credit Agreement provides for (a) a multicurrency revolving credit facility (the 2020 Revolving Credit Facility) in an aggregate principal amount of \$1.29 billion and (b) a term loan facility (the 2020 Term Loan Facility) in an aggregate principal amount of \$850.0 million, \$850.0

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million, each of which, unless terminated earlier, mature on April 1, 2025. The Company has an uncommitted option to increase the revolving credit facility or establish a new term loan in an aggregate amount up to \$1.605 billion.

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On July 31, 2023 January 31, 2024, the Company had \$850.0 million outstanding under the 2020 Term Loan Facility and \$163.5 \$375.0 million outstanding under the 2020 Revolving Credit Facility. The interest rate on the 2020 Term Loan Facility and the weighted average weighted-average interest rate on the 2020 Revolving Credit Facility was 6.21% 6.45% at July 31, 2023 January 31, 2024.

Note 6. Income Taxes

The effective tax rates for the three months ended July 31, 2023 January 31, 2024, and July 31, 2022 January 31, 2023, were 28.2% 32.4% and 16.1% 30.7%, respectively. The effective tax rates for the nine months ended July 31, 2023, and July 31, 2022, were 31.6% and 20.5%, respectively. The increases were increase was primarily due to changes in the geographic composition of pre-tax earnings and an increase in the UK statutory tax rate from 19% to 25%, capitalization of research and experimental expenditures for fiscal 2023 as required partially offset by the 2017 Tax Cuts and Jobs Act, and changes an increase in unrecognized excess tax benefits, benefits from share-based compensation.

Note 7. Earnings Per Share

Periods Ended July 31,		Three Months		Nine Months	
Period Ended January 31,					
Period Ended January 31,					
Period Ended January 31,					
(In millions, except per share amounts)					
(In millions, except per share amounts)					
(In millions, except per share amounts)	(In millions, except per share amounts)	2023	2022	2023	2022
Net income	Net income	\$ 85.3	\$ 98.4	\$ 209.7	\$ 320.2
Net income					
Basic:	Basic:				
Weighted average common shares		49.5	49.3	49.5	49.3
Basic:					
Weighted-average common shares					
Weighted-average common shares					
Weighted-average common shares					
Basic earnings per share					
Basic earnings per share					
Basic earnings per share	Basic earnings per share	\$ 1.72	\$ 1.99	\$ 4.24	\$ 6.49
Diluted:	Diluted:				

Weighted average common shares	49.5	49.3	49.5	49.3
<i>Diluted:</i>				
<i>Diluted:</i>				
Weighted-average common shares				
Weighted-average common shares				
Weighted-average common shares				
Effect of dilutive stock plans	Effect of dilutive stock plans	0.4	0.3	0.3
Diluted weighted average common shares		49.9	49.6	49.8
Effect of dilutive stock plans				49.7
Effect of dilutive stock plans				
Diluted weighted-average common shares				
Diluted weighted-average common shares				
Diluted weighted-average common shares				
Diluted earnings per share	Diluted earnings per share	\$ 1.71	\$ 1.98	\$ 4.21
Diluted earnings per share				\$ 6.44
Diluted earnings per share				
Diluted earnings per share				

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

Periods Ended July 31,		Three Months		Nine Months
Period Ended January 31,				
Period Ended January 31,				
Period Ended January 31,				
(In thousands, except exercise prices)				
(In thousands, except exercise prices)				
(In thousands, except exercise prices)	(In thousands, except exercise prices)			
Stock option shares excluded	Stock option shares excluded	205	425	311
Stock option shares excluded				224
Stock option shares excluded				
Exercise prices	Exercise prices	\$329.83 - \$406.17	\$304.54 - \$406.17	\$300.12 - \$406.17
Exercise prices				\$304.54 - \$406.17
Restricted stock units excluded	Restricted stock units excluded	2	121	16
Restricted stock units excluded				8
Restricted stock units excluded				

Note 8. Share-Based Compensation

The Company has several stock plans that are described in the Company's Annual Report on Form 10-K for the fiscal year ended **October 31, 2022** **October 31, 2023**. The compensation expense and related income tax benefit recognized in our Consolidated Condensed Statements of Income and Comprehensive Income for share-based awards, including the Employee Stock Purchase Plan, were as follows:

Periods Ended July 31,		Three Months		Nine Months
Period Ended January 31,				
Period Ended January 31,				
Period Ended January 31,				
(In millions)				

(In millions)		2023		2022		2023		2022	
(In millions)	(In millions)								
Selling, general and administrative expense	Selling, general and administrative expense	\$	13.7	\$	11.8	\$	41.5	\$	34.6
Selling, general and administrative expense									
Cost of sales	Cost of sales								
Cost of sales	Cost of sales		1.1		1.1		3.1		3.4
Research and development expense	Research and development expense								
Research and development expense	Research and development expense		0.7		0.8		2.3		2.3
Total share-based compensation expense	Total share-based compensation expense								
Total share-based compensation expense	Total share-based compensation expense								
Total share-based compensation expense	Total share-based compensation expense	\$	15.5	\$	13.7	\$	46.9	\$	40.3
Related income tax benefit	Related income tax benefit	\$	1.3	\$	1.3	\$	4.6	\$	4.0
Related income tax benefit	Related income tax benefit								

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2023 Long-Term Incentive Plan (2023 Plan)

In March 2023, we received stockholder approval of the 2023 Plan, which replaces the 2007 Long-Term Incentive Plan (2007 Plan). The 2023 Plan authorizes either our Board of Directors, or a designated committee thereof composed of two or more Non-Employee Directors, to grant to eligible individuals up to 1,365,000 shares in the form of specified equity awards including stock options, restricted stock units (RSUs) and performance share units (PSUs), subject to adjustment for future stock splits, stock dividends, expirations, forfeitures, and similar events. In addition, the 2023 Plan includes any shares which were available for issuance under the 2007 Plan at the time of stockholder approval of this plan and shares which become available as a result of the forfeiture or expiration of awards made under the 2007 Plan. The 2023 Plan provides for awards of stock options, RSUs and PSUs on substantially the same terms as the 2007 Plan, described in our Annual Report on Form 10-K for the fiscal year ended October 31, 2022.

As of July 31, 2023, 1,372,724 shares remained available under the 2023 Plan for future grants. The amount of available shares includes shares which may be distributed under performance shares.

Note 9. Stockholders' Equity

Analysis of Changes in Accumulated Other Comprehensive Loss:

(In millions)	(In millions)	Foreign Currency Adjustment	Translation Liability	Pension Instruments	Derivative	Total	(In millions)	Foreign Currency Adjustment	Translation Adjustment	Minimum Pension Liability	Derivative Instruments	Total
Balance at October 31, 2021	\$ (320.3)	\$ (34.1)	\$ 13.1	\$ (341.3)								
Gross change in value	(178.3)	0.2	55.7	(122.4)								
Tax effect	—	—	(13.6)	(13.6)								
Balance at July 31, 2022	\$ (498.6)	\$ (33.9)	\$ 55.2	\$ (477.3)								
Balance at October 31, 2022	\$ (555.0)	\$ (6.2)	\$ 94.4	\$ (466.8)								

Gross change in value	Gross change in value	103.9	—	(15.7)	88.2
Tax effect	Tax effect	—	—	3.8	3.8
Balance at July 31, 2023		\$ (451.1)	\$ (6.2)	\$ 82.5	\$ (374.8)
Balance at January 31, 2023					
Balance at October 31, 2023					
Balance at October 31, 2023					
Balance at October 31, 2023					
Gross change in value					
Tax effect					
Balance at January 31, 2024					

Share Repurchases

In March 2017, the authorization under the 2012 Share Repurchase Program was increased to \$1.0 billion by the Company's Board of Directors. As of January 31, 2024, \$256.4 million remains authorized for repurchase.

During the three months ended January 31, 2024, and 2023, there were no share repurchases.

Dividends

In December 2011, 2023, the Company's Board of Directors authorized decided to end the 2012 Share Repurchase Program (2012 Program) and through subsequent amendments, the most recent being in March 2017, the total repurchase authorization was increased from \$500.0 million to \$1.0 billion declaration of the Company's common stock. As of July 31, 2023, \$256.4 million remains authorized for repurchase under the 2012 Program.

During the three and nine months ended July 31, 2023, there were no share repurchases under the 2012 Program.

During the three months ended July 31, 2022, there were no share repurchases under the 2012 Program. During the nine months ended July 31, 2022, the Company repurchased 191.2 thousand shares of its common stock for \$78.5 million, at an average purchase price of \$410.41 per share.

Dividends semiannual dividend.

The Company paid a semiannual dividend of approximately \$1.5 million or 3 cents per share, on February 10, 2023, to stockholders of record on January 23, 2023, and approximately \$1.5 million or 3 cents per share, on August 11, 2023, to stockholders of record on July 27, 2023. The Company paid a semiannual dividend of approximately \$1.5 million or 3 cents per share, on February 9, 2022, to stockholders of record on January 21, 2022 and approximately \$1.5 million or 3 cents per share, on August 11, 2022, to stockholders of record on July 27, 2022.

Note 10. Contingencies and Commitments

The Company is involved in various lawsuits, claims and other legal matters from time to time that arise in the ordinary course of conducting business, including matters involving our products, intellectual property, supplier relationships, distributors, competitor

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relationships, employees and other matters. The Company does not believe that the ultimate resolution of these proceedings or claims pending against it could have a material adverse effect on its financial condition or results of operations. At each reporting period, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC 450, *Contingencies*. Legal fees are expensed as incurred.

As of January 31, 2024, the Company entered into an additional lease that has not yet commenced in order to expand capacity. The undiscounted lease payments are estimated at \$73.0 million for a lease that will commence beginning in fiscal 2025 for a term of 25 years.

Note 11. Business Segment Information

The following tables present revenue and other financial information by reportable segment:

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Segment information:

Periods Ended July 31,		Three Months		Nine Months	
Period Ended January 31,	Period Ended January 31,	2023	2022	2023	2022
(In millions)	(In millions)				
(In millions)	(In millions)				
CooperVision net sales by category:	CooperVision net sales by category:				
Toric lens		\$ 215.7	\$ 185.9	\$ 611.8	\$ 553.7
Multifocal lens		80.8	67.6	226.7	199.8
Single-use sphere lens		187.5	163.8	521.2	491.9
Non single-use sphere, other		146.2	149.0	441.1	436.1
CooperVision net sales by category:					
CooperVision net sales by category:					
Toric and multifocal					
Toric and multifocal					
Toric and multifocal					
Sphere, other					
Sphere, other					
Sphere, other					
Total CooperVision net sales					
Total CooperVision net sales					
Total CooperVision net sales	Total CooperVision net sales	\$ 630.2	\$ 566.3	\$ 1,800.8	\$ 1,681.5
CooperSurgical net sales by category:	CooperSurgical net sales by category:				
CooperSurgical net sales by category:					
Office and surgical					
Office and surgical					
Office and surgical	Office and surgical	\$ 178.4	\$ 165.4	\$ 506.6	\$ 455.9
Fertility	Fertility	121.6	111.7	358.7	322.9
Fertility					
Fertility					
CooperSurgical net sales					
CooperSurgical net sales					
CooperSurgical net sales	CooperSurgical net sales	\$ 300.0	\$ 277.1	\$ 865.3	\$ 778.8
Total net sales	Total net sales	\$ 930.2	\$ 843.4	\$ 2,666.1	\$ 2,460.3
Total net sales					
Total net sales					
Operating income (loss):					

Operating income (loss):									
Operating income (loss):	Operating income (loss):								
CooperVision	CooperVision	\$	151.7	\$	124.5	\$	449.7	\$	387.3
CooperVision									
CooperVision									
CooperSurgical									
CooperSurgical									
CooperSurgical	CooperSurgical		18.8		30.4		0.3		56.9
Corporate	Corporate		(18.9)		(14.3)		(52.6)		(40.1)
Corporate									
Corporate									
Total operating income	Total operating income		151.6		140.6		397.4		404.1
Total operating income									
Total operating income									
Interest expense									
Interest expense									
Interest expense	Interest expense		26.8		17.1		79.0		34.5
Other expense, net	Other expense, net		6.0		6.2		11.9		(33.3)
Other expense, net									
Other expense, net									
Income before income taxes	Income before income taxes	\$	118.8	\$	117.3	\$	306.5	\$	402.9
Income before income taxes									
Income before income taxes									

(In millions)	(In millions)	July 31, October		(In millions)	January 31, 2024		October 31, 2023
		2023	31, 2022				
Total identifiable assets:	Total identifiable assets:						
CooperVision	CooperVision	\$ 7,042.4	\$ 6,778.9				
CooperVision							
CooperVision							
CooperSurgical	CooperSurgical	4,392.9	4,407.8				
Corporate	Corporate	262.0	305.6				
Total	Total	\$11,697.3	\$11,492.3				

Geographic information:

Periods Ended July 31,		Three Months		Nine Months	
Period Ended January 31,					
(In millions)					
(In millions)					
Net sales to unaffiliated customers by country of domicile:	Net sales to unaffiliated customers by country of domicile:				
Net sales to unaffiliated customers by country of domicile:	Net sales to unaffiliated customers by country of domicile:				
United States	United States				
United States	United States				
United States	United States	\$ 462.5	\$ 418.0	\$ 1,340.4	\$ 1,202.1

Europe	Europe	279.7	256.3	777.4	749.9
Europe					
Europe					
Rest of world					
Rest of world					
Rest of world	Rest of world	188.0	169.1	548.3	508.3
Total	Total	\$ 930.2	\$ 843.4	\$ 2,666.1	\$ 2,460.3
Total					
Total					

(In millions)	January 31, 2024	October 31, 2023
Net property, plant and equipment by country of domicile:		
United States	\$ 1,049.4	\$ 1,027.6
Europe	353.6	325.9
Rest of world	279.2	279.1
Total	\$ 1,682.2	\$ 1,632.6

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(Uaudited)

(In millions)	July 31, 2023	October 31, 2022
Net property, plant and equipment by country of domicile:		
United States	\$ 926.6	\$ 856.1
Europe	335.8	310.8
Rest of world	272.6	266.0
Total	\$ 1,535.0	\$ 1,432.9

Note 12. Financial Derivatives and Hedging

As of January 31, 2024, the notional amount of outstanding foreign currency forward contracts was \$59.3 million. The resulting impact on our Consolidated Financial Statements from currency hedging activities was not significant for the three months ended January 31, 2024, and January 31, 2023.

As of **July 31, 2023** January 31, 2024, the Company has **six** 8 interest rate swap contracts that have a total notional amount of **\$1.3 billion** \$1.6 billion and remaining maturities of four years or less. The interest rate swap contracts are fair valued by netting discounted future fixed cash payments and the discounted expected variable cash receipts, which are estimated based on observable market interest rate curves (Level 2). The fair value of the interest rate swap contracts are classified in "Other assets" on our Consolidated Condensed Balance Sheets.

From time to time, the Company enters into foreign currency forward contracts to minimize the short-term impact of foreign currency exchange rate fluctuations on certain trade and intercompany receivables and payables. These foreign currency forward contracts are not designated as hedging instruments, and therefore the net change in their fair value is reported as a gain or loss in the Consolidated Condensed Statements of Income and Comprehensive Income. As of July 31, 2023, the notional amount of outstanding foreign currency forward contracts was \$97.5 million. The resulting impact on our consolidated financial statement from currency hedging activities was not significant for the three and nine months ended July 31, 2023, and July 31, 2022.

The following table summarizes the amounts recognized with respect to our derivative instruments within the accompanying Consolidated Condensed Statements of Income and Comprehensive Income:

Periods Ended July 31,	Three Months	Nine Months
Period Ended January 31,		
Period Ended January 31,		
Period Ended January 31,		
(In millions)		
(In millions)		
(In millions)	(In millions)	
<u>Derivatives</u>	<u>Derivatives</u>	<u>Location of</u>
<u>designated as</u>	<u>designated as</u>	<u>(Gain)/Loss</u>
<u>cash flow</u>	<u>cash flow</u>	<u>Recognized on</u>
<u>hedges</u>	<u>hedges</u>	<u>Derivatives</u>

Derivatives designated as cash flow hedges**Derivatives designated as cash flow hedges**

Interest rate swap contracts

Interest rate swap contracts

Interest rate swap contracts	Interest rate swap contracts	Interest expense	\$ (12.1)	\$ (0.9)	\$ (30.3)	\$ 2.4
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The cumulative pre-tax impact of the gain on derivatives designated for hedge accounting is recognized in "Accumulated other comprehensive loss". The following table details the changes in the cumulative pre-tax impact of the gain on derivatives designated for hedge accounting:

Periods Ended July 31,		Three Months		Nine Months	
Period Ended January 31,					
Period Ended January 31,					
Period Ended January 31,					
(In millions)					
(In millions)					
(In millions)	(In millions)	2023	2022	2023	2022
Beginning balance gain	Beginning balance gain	\$ 89.5	\$ 86.8	\$ 124.5	\$ 17.2
Amount recognized in accumulated other comprehensive loss on interest rate swap contracts, gross		31.4	(13.0)	14.6	53.3
Amount reclassified from accumulated other comprehensive loss into earnings, gross		(12.1)	(0.9)	(30.3)	2.4
Beginning balance gain					
Beginning balance gain					
Amount recognized in accumulated other comprehensive income on interest rate swap contracts, gross					
Amount recognized in accumulated other comprehensive income on interest rate swap contracts, gross					
Amount recognized in accumulated other comprehensive income on interest rate swap contracts, gross					
Amount reclassified from accumulated other comprehensive income into earnings, gross					
Amount reclassified from accumulated other comprehensive income into earnings, gross					
Amount reclassified from accumulated other comprehensive income into earnings, gross					
Ending balance gain	Ending balance gain	\$ 108.8	\$ 72.9	\$ 108.8	\$ 72.9
Ending balance gain					
Ending balance gain					

The amount recognized in other comprehensive income on interest rate swap contracts was \$23.8 million and \$11.1 million, net of tax, for the three and nine months ended July 31, 2023, respectively, and \$(9.8) \$(18.0) million and \$40.4 \$(14.8) million, net of tax, for the three and nine months ended July 31, 2022 January 31, 2024, and 2023, respectively.

The amount reclassified from other comprehensive income into earnings was \$(9.2) \$(10.0) million and \$(23.0) \$(6.2) million, net of tax, for the three and nine months ended July 31, 2023 January 31, 2024, respectively, and \$(0.7) million and \$1.8 million, 2023, respectively.

Refer to Note 9. Stockholders' Equity for amounts presented net of the related tax for the three and nine months ended July 31, 2022, respectively, impact in "Accumulated other comprehensive loss."

The Company expects that a\$47.9 t \$(42.7) million recorded recorded as a component of "Accumulated other comprehensive loss" will be realized in the Consolidated Condensed Statements of Income and Comprehensive Income over the next twelve months and the amount will vary depending on prevailing interest rates.

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

Forward-Looking Statements

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

- Adverse changes in the global or regional general business, political and economic conditions, including the impact of continuing uncertainty and instability of certain countries, man-made or natural disasters and pandemic conditions, that could adversely affect our global markets, and the potential adverse economic impact and related uncertainty caused by these items.
- The impact of international conflicts, such as Russia's invasion of Ukraine, and the global response to this invasion international conflicts on the global economy, European economy, financial markets, energy markets, currency rates and our ability to supply product to, or through, affected countries.
- Our substantial and expanding international operations and the challenges of managing an organization spread throughout multiple countries and complying with a variety of legal, compliance and regulatory requirements.
- Foreign currency exchange rate and interest rate fluctuations including the risk of fluctuations in the value of foreign currencies or interest rates that would decrease our net sales and earnings.
- Our existing and future variable rate indebtedness and associated interest expense is impacted by rate increases, which could adversely affect our financial health or limit our ability to borrow additional funds.
- Changes in tax laws, examinations by tax authorities, and changes in our geographic composition of income.
- Acquisition-related adverse effects including the failure to successfully achieve the anticipated net sales, margins and earnings benefits of acquisitions, integration delays or costs and the requirement to record significant adjustments to the preliminary fair value of assets acquired and liabilities assumed within the measurement period, required regulatory approvals for an acquisition not being obtained or being delayed or subject to conditions that are not anticipated, adverse impacts of changes to accounting controls and reporting procedures, contingent liabilities or indemnification obligations, increased leverage and lack of access to available financing (including financing for the acquisition or refinancing of debt owed by us on a timely basis and on reasonable terms).
- Compliance costs and potential liability in connection with U.S. and foreign laws and health care regulations pertaining to privacy and security of personal information, such as HIPAA and the California Consumer Privacy Act (CCPA) in the U.S. and the General Data Protection Regulation (GDPR) requirements in Europe, including but not limited to those resulting from data security breaches.
- A major disruption in the operations of our manufacturing, accounting and financial reporting, research and development, distribution facilities or raw material supply chain due to challenges associated with integration of acquisitions, man-made or natural disasters, pandemic conditions, cybersecurity incidents or other causes.
- A major disruption in the operations of our manufacturing, accounting and financial reporting, research and development or distribution facilities due to technological problems, including any related to our information systems maintenance, enhancements or new system deployments, integrations or upgrades.
- Market consolidation of large customers globally through mergers or acquisitions resulting in a larger proportion or concentration of our business being derived from fewer customers.
- Disruptions in supplies of raw materials, particularly components used to manufacture our silicone hydrogel lenses.
- New U.S. and foreign government laws and regulations, and changes in existing laws, regulations and enforcement guidance, which affect areas of our operations including, but not limited to, those affecting the health care industry, including the contact lens industry specifically and the medical device or pharmaceutical industries generally, including

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but not limited to the EU Medical Devices Regulation (MDR) and the EU In Vitro Diagnostic Medical Devices Regulation (IVDR).

- Legal costs, insurance expenses, settlement costs and the risk of an adverse decision, prohibitive injunction or settlement related to product liability, patent infringement, contractual disputes, or other litigation.
- Limitations on sales following product introductions due to poor market acceptance.

- New competitors, product innovations or technologies, including but not limited to, technological advances by competitors, new products and patents attained by competitors, and competitors' expansion through acquisitions.
- Reduced sales, loss of customers and costs and expenses related to product recalls and warning letters.
- Failure to receive, or delays in receiving, regulatory approvals or certifications for products.
- Failure of our customers and end users to obtain adequate coverage and reimbursement from third-party payers for our products and services.
- The requirement to provide for a significant liability or to write off, or accelerate depreciation on, a significant asset, including goodwill, other intangible assets and idle manufacturing facilities and equipment.
- The success of our research and development activities and other start-up projects.
- Dilution to earnings per share from acquisitions or issuing stock.
- Impact and costs incurred from changes in accounting standards and policies.
- Risks related to environmental laws and requirements applicable to our facilities, and products or manufacturing processes, including evolving regulations regarding the use of hazardous substances or chemicals in our products.
- Risks related to environmental, social and corporate governance (ESG) issues, including those related to climate change and sustainability.
- Other events described in our Securities and Exchange Commission filings, including the "Business" and "Risk Factors" sections in our Annual Report on Form 10-K for the fiscal year ended **October 31, 2022** **October 31, 2023**, as such Risk Factors may be updated in quarterly filings including updates made in this filing.

We caution investors that forward-looking statements reflect our analysis only on their stated date. We disclaim any intent to update them except as required by law.

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Results of Operations

In this section, we discuss the results of our operations for the **third** **first** quarter of fiscal **2023** **2024** ended **July 31, 2023** **January 31, 2024**, and compare them compared with the same period of fiscal **2022**, **2023**. We also discuss our cash flows and current financial condition under "Capital Resources and Liquidity." Within the tables presented, percentages are calculated based on the underlying whole-dollar amounts and, therefore, may not recalculate exactly from the rounded numbers used for disclosure purposes.

Outlook

We are optimistic about the long-term prospects for the worldwide contact lens and general health care markets, and the resilience of and growth prospects for our businesses and products. However, we face significant risks and uncertainties in our global operating environment as further described in the Part II, Item 1A "Risk Factors" herein. These risks include uncertain global and regional business, political and economic conditions, including but not limited to those associated with man-made or natural disasters, pandemic conditions, inflation, foreign exchange rate fluctuations, regulatory developments, supply chain disruptions, and escalating global trade barriers. For more information on the risks associated with our global operating environment, refer to Part II, Item 1A "Risk Factors" herein. These risks and uncertainties have adversely affected our sales, cash flow and performance in the past and could further adversely affect our future sales, cash flow and performance.

Global Market and Economic Conditions - Over the last few years in the U.S. and globally, market and economic conditions have been challenging, particularly in light of the COVID-19 pandemic. Foreign countries, in particular the Euro zone, have experienced recessionary pressures and face continued concerns about the systemic impacts of adverse economic conditions and geopolitical issues. In addition, changes in economic conditions, supply chain constraints, logistics challenges, labor shortages, the war in Ukraine, and steps taken by governments and central banks, particularly in response to the COVID-19 pandemic, as well as other stimulus and spending programs, have led to higher inflation, which is likely to lead to an increase in costs and may cause changes in fiscal and monetary policy, including increased interest rates. In a higher inflationary environment, we may be unable to raise the prices of our products and services sufficiently to keep up with the increase in our costs. These market and economic conditions could have a material adverse effect on our results of operations and financial condition.

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

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

CooperSurgical - Our CooperSurgical business competes in the general fertility and women's health care market with a commitment to advancing the health of women, babies and families through its diversified portfolio of products and services, including fertility products and services, medical devices, fertility, genomics, diagnostics, cryogenic storage, contraception cryostorage (such as cord blood and healthcare technology services, cord tissue storage) and contraception. CooperSurgical has established its market presence and distribution system by developing products and acquiring companies, products and services that complement its business model.

1Indications for use of MiSight® 1 day (omafilcon A) soft (hydrophilic) contact lenses for daily wear are indicated for the correction of myopic ametropia and for slowing the progression of myopia in children with non-diseased eyes, who at the initiation of treatment are 8-12 years of age and have a refraction of -0.75 to -4.00 diopters (spherical equivalent) with ≤ 0.75 diopters of astigmatism. The lens is to be discarded after each removal.

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Competitive factors in the segments in which CooperSurgical competes include technological and scientific advances, product quality and availability, price and customer service (including response time and effective communication of product information to physicians, consumers, fertility clinics and hospitals).

We protect our products through patents and trademark registrations, both in the United States and in international markets. We monitor competitive products trademark use worldwide and, when determined appropriate, we have enforced and plan to continue to enforce and defend our patent and trademark rights. We also rely upon trade secrets, licenses, technical know-how and continuing technological innovation to develop and maintain our competitive position.

We rely on trademarks to establish a market identity for our products. CooperVision, CooperSurgical, and other trade names, trademarks or service marks of CooperCompanies Cooper and its subsidiaries appearing in this report are the property of CooperCompanies Cooper and its subsidiaries. Trade names, trademarks and service marks of the other companies appearing in this report are the property of their respective holders.

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Net Sales



CooperVision Net Sales

The contact lens market has two major product categories:

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

CooperVision Net Sales by Category



Single-use spheres – This includes Biomedics 1 day, clariti 1 day, MiSight, MyDay, and Proclear 1 day

Toric – This includes Avaira Vitality toric, Biofinity toric, Biomedics toric, clariti 1 day toric, MyDay toric and Proclear toric

Three Months Ended January 31, (\$ in millions)	2024		2024 vs 2023	
	2024	2023	% Change	
Toric and multifocal	\$ 297.3	\$ 261.6		14 %
Sphere, other	324.2	319.7		1 %
	\$ 621.5	\$ 581.3		7 %

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Multifocal – This includes Biofinity multifocal, Biofinity toric multifocal, clariti 1 day multifocal, MyDay multifocal and Proclear 1 day multifocal

Non single-use sphere, other – This includes our frequent replacement product (FRP) lens portfolio (Avaira Vitality spheres, Biofinity spheres, Biofinity Energys spheres, Biomedics spheres, clariti spheres, Proclear spheres), specialty lenses (custom, ortho-k, and scleral lenses) and other.

Three Months Ended July 31,	2023 vs 2022	
	% Change	

(\$ in millions)	2023	2022	
Toric	\$ 215.7	\$ 185.9	16 %
Multifocal	80.8	67.6	20 %
Single-use spheres	187.5	163.8	14 %
Non single-use sphere, other	146.2	149.0	(2)%
	<hr/> \$ 630.2	<hr/> \$ 566.3	<hr/> 11 %

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(\$ in millions)	2023		2022		2023 vs 2022 % Change
	2023	2022	2022	% Change	
Toric	\$ 611.8	\$ 553.7			10 %
Multifocal	226.7	199.8			14 %
Single-use spheres	521.2	491.9			6 %
Non single-use sphere, other	441.1	436.1			1 %
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,800.8	\$ 1,681.5			7 %

In the three and nine months ended **July 31, 2023** January 31, 2024, the growth experienced across most categories was partially offset by unfavorable foreign exchange rate fluctuations which approximated \$4.7 million and \$69.3 million, respectively, of approximately \$4.4 million.

- Toric and multifocal lenses grew primarily through the success of MyDay and Biofinity.
- Single-use sphere lenses Sphere, other grew primarily through MyDay MiSight, and clariti lenses.
- Non single-use sphere lenses grew primarily through specialty MiSight lenses.
- "Other" products represented approximately 1% of net sales in the three and nine months ended July 31, 2022, January 31, 2023, and 2% and 1% of net sales in the three and nine months ended July 31, 2022, 2023, respectively.

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CooperVision Net Sales by Geography

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

Periods Ended July 31,	Three Months				Nine Months			
Period Ended January 31,								
Period Ended January 31,								
Period Ended January 31,								
(\$ in millions)								
(\$ in millions)								
(\$ in millions)	(\$ in millions)	2023	2022	2023 vs 2022 % Change	2023	2022	2023 vs 2022 % Change	2023 vs 2022 % Change
Americas	Americas	\$ 248.6	\$ 220.1	13 %	\$ 733.3	\$ 659.1	11 %	11 %
Americas								
Americas								
EMEA	EMEA	242.2	220.2	10 %	666.6	639.5	4 %	4 %
EMEA								
EMEA								
Asia Pacific	Asia Pacific	139.4	126.0	11 %	400.9	382.9	5 %	5 %
Asia Pacific								
Asia Pacific								
		\$ 630.2	\$ 566.3	11 %	\$ 1,800.8	\$ 1,681.5	7 %	7 %
Asia Pacific								
Asia Pacific								
		\$						
		=====						
		\$						
		=====						

CooperVision's growth in net sales **in** across all regions was primarily attributable to market gains of silicone hydrogel contact lenses. Refer to CooperVision Net Sales by Category above for further discussion.

CooperSurgical Net Sales by Category

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

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



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Office/Surgical Office and surgical – This includes **Endosee** endometrial imaging products, **Fetal Pillow** cephalic elevation **medical** devices, **for use in Cesarean sections, illuminated speculum products, Lone Star retractor systems, loop electrosurgical excision procedure (LEEP) products, Mara water ablation systems, newborn stem cell storage, Paragard contraceptive IUDs, point-of-care products cryostorage (such as cord blood and uterine positioning products, cord tissue storage), and contraception.**

Fertility – Our significant fertility products and services include cryostorage, donor gamete services. This includes fertility consumables and equipment, donor gamete services, and genomic services (including genetic testing).

Three Months Ended January 31, (\$ in millions)	2024		2023		2024 vs 2023 % Change
	2024	2023	2023	2024	
Office and surgical	\$ 191.1	\$ 165.2			16 %
Fertility	119.0	112.0			6 %
	\$ 310.1	\$ 277.2			12 %

In the three months ended January 31, 2024, office and surgical net sales increased primarily due to the addition of Cook Medical on November 1, 2023, and an increase in revenue from products such as Uterine Manipulators and Paragard. Fertility net sales increased due to an increase in revenue from consumable products and genomic services.

The above growth experienced across all categories was partially offset by unfavorable foreign exchange rate fluctuations of approximately \$2.7 million for the three months ended January 31, 2024.

Gross Margin

Consolidated gross margin increased in the three months ended January 31, 2024, to 67% compared to 65% in the three months ended January 31, 2023, primarily driven by efficiency gains and price.

Selling, General and Administrative (SGA) Expenses

Three Months Ended January 31, (\$ in millions)	2024			2023			2024 vs 2023 % Change
		% Net Sales		% Net Sales		% Change	
CooperVision	\$ 220.8	36 %	\$ 187.3	32 %			18 %
CooperSurgical	134.4	43 %	127.2	46 %			6 %
Corporate	25.7	—	16.4	—			57 %
	\$ 380.9	41 %	\$ 330.9	39 %			15 %

CooperVision's SGA expenses increased in the three months ended January 31, 2024, compared to the three months ended January 31, 2023, primarily due to \$31.8 million release of contingent consideration liability associated with SightGlass Vision's regulatory approval milestone in the three months ended January 31, 2023.

CooperSurgical's SGA expenses increased in the three months ended January 31, 2024, compared to the three months ended January 31, 2023, primarily due to acquisition and integration expenses.

Corporate SGA expenses increased in the three months ended January 31, 2024, compared to the three months ended January 31, 2023, primarily due to share-based compensation related expenses.

Research and Development (R&D) Expenses

Three Months Ended January 31,	2024 vs 2023
--------------------------------	--------------

(\$ in millions)	2024	% Net Sales	2023	% Net Sales	% Change
CooperVision	\$ 20.7	3 %	\$ 16.7	3 %	24 %
CooperSurgical	18.8	6 %	14.9	5 %	27 %
	\$ 39.5	4 %	\$ 31.6	4 %	26 %

CooperVision's R&D expenses increased in the three months ended January 31, 2024, compared to the three months ended January 31, 2023, primarily due to myopia management programs and timing of R&D projects. CooperVision's R&D activities are primarily focused on the development of contact lenses, manufacturing technology and process enhancements.

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Three Months Ended July 31,	2023 vs 2022		
(\$ in millions)	2023	2022	% Change
Office and surgical	\$ 178.4	\$ 165.4	8 %
Fertility	121.6	111.7	9 %
	\$ 300.0	\$ 277.1	8 %



Nine Months Ended July 31,	2023 vs 2022		
(\$ in millions)	2023	2022	% Change
Office and surgical	\$ 506.6	\$ 455.9	11 %
Fertility	358.7	322.9	11 %
	\$ 865.3	\$ 778.8	11 %

In CooperSurgical's R&D expenses increased in the three months ended July 31, 2023 January 31, 2024, office compared to the three months ended January 31, 2023, mainly due to project spend and European Medical Device Regulation costs. CooperSurgical's R&D activities are focused on developing and refining diagnostic and therapeutic products including medical interventions, surgical devices and fertility solutions.

Amortization Expense

Three Months Ended January 31,	2024 vs 2023		
(\$ in millions)	2024	% Net Sales	2023
CooperVision	\$ 7.7	1 %	\$ 8.4
CooperSurgical	42.6	14 %	38.1
	\$ 50.3	5 %	\$ 46.5

CooperVision's amortization expense for the three months ended January 31, 2024, remained relatively flat year over year. CooperSurgical's amortization expense increased in the three months ended January 31, 2024, compared to the three months ended January 31, 2023, primarily due to the amortization of intangible assets recently acquired through acquisitions.

Operating Income

Three Months Ended January 31,	2024 vs 2023		
(\$ in millions)	2024	% Net Sales	2023
CooperVision	\$ 154.8	25 %	\$ 160.1
CooperSurgical	24.0	8 %	5.8
Corporate	(25.7)	—	(16.4)
	\$ 153.1	16 %	\$ 149.5

CooperVision's operating income decreased in the three months ended January 31, 2024, compared to the three months ended January 31, 2023, primarily due to a net sales increase in operating expenses, partially offset by an increase in net sales.

CooperSurgical's operating income increased in the three months ended January 31, 2024, compared to the three months ended January 31, 2023, primarily due to an increase in net sales, from products such as Paragard, Uterine Manipulators, Fetal Pillow, and Point-of-Care, as well as an partially offset by a net increase in revenue from stem cell storage. Fertility net sales operating expenses.

Corporate operating loss increased in the three months ended January 31, 2024, compared to the prior year mainly due to an increase in revenue from consumable products, genetic testing, and Embryo Options.

In the nine three months ended July 31, 2023 January 31, 2023, the net sales increase in both categories was primarily due to the addition of Generate Life Sciences (Generate) on December 17, 2021. Additionally, fertility net sales higher share-based compensation expenses.

Interest Expense

Three Months Ended January 31,

(\$ in millions)	2024		2023		2024 vs 2023	
		% Net Sales		% Net Sales		% Change
Interest expense	\$ 29.9	3 %	\$ 26.1	3 %		15 %

Interest expense increased due to an increase in revenue from consumable products and genetic testing.

The above growth experienced across all categories was partially offset by unfavorable foreign exchange rate fluctuations, which approximated \$2.5 million and \$14.1 million for during the three and nine months ended July 31, 2023, respectively.

Gross Margin

Consolidated gross margin was relatively flat at 66% in the three and nine months ended July 31, 2023 January 31, 2024, compared to 65% in the three and nine months ended July 31, 2022. January 31, 2023, primarily due to higher interest rates.

Other Expense, Net

Period Ended January 31,

(\$ in millions)	Three Months	
	2024	2023
Foreign exchange loss (gain)	\$ 1.2	\$ (1.0)
Other expense, net	2.0	2.3
	\$ 3.2	\$ 1.3

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Selling, General and Administrative (SGA) Expenses

Three Months Ended July 31,

(\$ in millions)	2023		2022		2023 vs 2022	
		% Net Sales		% Net Sales		% Change
CooperVision	\$ 228.2	36 %	\$ 212.2	37 %		8 %
CooperSurgical	128.1	43 %	116.2	42 %		10 %
Corporate	18.9	—	14.3	—		32 %
	\$ 375.2	40 %	\$ 342.7	41 %		9 %

Nine Months Ended July 31,

(\$ in millions)	2023		2022		2023 vs 2022	
		% Net Sales		% Net Sales		% Change
CooperVision	\$ 637.3	35 %	\$ 611.8	36 %		4 %
CooperSurgical	423.7	49 %	332.3	43 %		28 %
Corporate	52.6	—	40.1	—		31 %
	\$ 1,113.6	42 %	\$ 984.2	40 %		13 %

CooperVision's SGA expenses increased in the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, primarily due to increases in selling and marketing activities, and distribution costs. The increase in the nine months ended July 31, 2023, was partially offset by \$31.8 million release of contingent consideration liability associated with SightGlass Vision's regulatory approval milestone.

CooperSurgical's SGA expenses increased in the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, primarily due to an increase in selling and marketing activities supporting increased sales. The increase in the nine months ended July 31, 2023, was also due to the accrual of a \$45.0 million termination fee under an asset purchase agreement related to Cook Medical's reproductive health business. See Note 2. Acquisitions and Joint Venture of the Consolidated Condensed Financial Statements for further information on the termination fee.

Corporate SGA expenses increased in the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, primarily due to share-based compensation related expenses.

Research and Development (R&D) Expenses

Three Months Ended July 31,						2023 vs 2022
(\$ in millions)	2023	% Net Sales	2022	% Net Sales	% Change	
CooperVision	\$ 19.4	3 %	\$ 16.0	3 %	21 %	
CooperSurgical	17.1	6 %	12.7	5 %	34 %	
	<u><u>\$ 36.5</u></u>	<u><u>4 %</u></u>	<u><u>\$ 28.7</u></u>	<u><u>3 %</u></u>	<u><u>27 %</u></u>	

Nine Months Ended July 31,						2023 vs 2022
(\$ in millions)	2023	% Net Sales	2022	% Net Sales	% Change	
CooperVision	\$ 53.0	3 %	\$ 46.5	3 %	14 %	
CooperSurgical	47.7	6 %	34.7	4 %	38 %	
	<u><u>\$ 100.7</u></u>	<u><u>4 %</u></u>	<u><u>\$ 81.2</u></u>	<u><u>3 %</u></u>	<u><u>24 %</u></u>	

CooperVision's R&D expenses increased in the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, primarily due to myopia management programs and the timing of R&D projects. CooperVision's R&D activities are primarily focused on the development of contact lenses, manufacturing technology and process enhancements.

CooperSurgical's R&D expenses increased in the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, mainly due to European Medical Device Regulation costs. CooperSurgical's R&D activities are

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focused on developing and refining diagnostic and therapeutic products including medical interventions, surgical devices and fertility solutions.

Amortization Expense

Three Months Ended July 31,						2023 vs 2022
(\$ in millions)	2023	% Net Sales	2022	% Net Sales	% Change	
CooperVision	\$ 8.3	1 %	\$ 8.0	1 %	4 %	
CooperSurgical	38.4	13 %	32.1	12 %	19 %	
	<u><u>\$ 46.7</u></u>	<u><u>5 %</u></u>	<u><u>\$ 40.1</u></u>	<u><u>5 %</u></u>	<u><u>16 %</u></u>	

Nine Months Ended July 31,						2023 vs 2022
(\$ in millions)	2023	% Net Sales	2022	% Net Sales	% Change	
CooperVision	\$ 25.0	1 %	\$ 24.2	1 %	3 %	
CooperSurgical	114.7	13 %	109.3	14 %	5 %	
	<u><u>\$ 139.7</u></u>	<u><u>5 %</u></u>	<u><u>\$ 133.5</u></u>	<u><u>5 %</u></u>	<u><u>5 %</u></u>	

CooperVision's amortization expense for the three and nine months ended July 31, 2023, remained relatively flat year over year. CooperSurgical's amortization expense increased in the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, primarily due to the amortization of intangible assets recently acquired through acquisitions.

Operating Income

Three Months Ended July 31,						2023 vs 2022
(\$ in millions)	2023	% Net Sales	2022	% Net Sales	% Change	
CooperVision	\$ 151.7	24 %	\$ 124.5	22 %	22 %	
CooperSurgical	18.8	6 %	30.4	11 %	(38)%	
Corporate	(18.9)	—	(14.3)	—	32 %	
	<u><u>\$ 151.6</u></u>	<u><u>16 %</u></u>	<u><u>\$ 140.6</u></u>	<u><u>17 %</u></u>	<u><u>8 %</u></u>	

Nine Months Ended July 31,						2023 vs 2022
(\$ in millions)	2023	% Net Sales	2022	% Net Sales	% Change	
CooperVision	\$ 449.7	25 %	\$ 387.3	23 %	16 %	

CooperSurgical	0.3	— %	56.9	7 %	(99)%
Corporate	(52.6)	—	(40.1)	—	31 %
	<u>\$ 397.4</u>	<u>15 %</u>	<u>\$ 404.1</u>	<u>16 %</u>	<u>(2)%</u>

CooperVision's operating income increased in the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, primarily due to an increase in net sales partially offset by net changes in operating expenses.

CooperSurgical's operating income decreased in the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, primarily due to an increase in SGA expenses, partially offset by an increase in net sales.

Corporate operating loss increased in the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, primarily due to higher share-based compensation expenses.

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Interest Expense

Three Months Ended July 31,			2023 vs 2022		
(\$ in millions)	2023	% Net Sales	2022	% Net Sales	% Change
Interest expense	<u>\$ 26.8</u>	<u>3 %</u>	<u>\$ 17.1</u>	<u>2 %</u>	<u>57 %</u>
Nine Months Ended July 31,					
(\$ in millions)	2023	% Net Sales	2022	% Net Sales	% Change
Interest expense	<u>\$ 79.0</u>	<u>3 %</u>	<u>\$ 34.5</u>	<u>1 %</u>	<u>129 %</u>

Interest expense increased during the three and nine months ended July 31, 2023, compared to the three and nine months ended July 31, 2022, primarily due to higher interest rates.

Other Expenses (Income), Net

Periods Ended July 31,	Three Months		Nine Months	
	2023	2022	2023	2022
Investment loss (gain)	\$ —	\$ 0.7	\$ —	\$ (47.7)
Foreign exchange loss	4.3	4.2	6.1	\$ 14.5
Other expense (income), net	1.7	1.3	5.8	\$ (0.1)
	<u>\$ 6.0</u>	<u>\$ 6.2</u>	<u>\$ 11.9</u>	<u>\$ (33.3)</u>

Investment gain during the nine months ended July 31, 2022, primarily consisted of a gain on remeasurement of the fair value of retained equity investment in SightGlass Vision, Inc. (SGV) as a result of deconsolidation. Foreign exchange loss is primarily associated with the weakening of the US dollar against foreign currencies and the effect on intercompany receivables. receivables during the three months ended January 31, 2024.

Other expenses (income), expense, net increased was relatively flat in the three and nine months ended July 31, 2023 January 31, 2024, compared to the three and nine months ended July 31, 2022, primarily due to loss on minority investments, partially offset by defined benefit plan related income. January 31, 2023.

Provision for Income Taxes

The effective tax rates for the three months ended July 31, 2023 January 31, 2024, and July 31, 2022 January 31, 2023, were 28.2% 32.4% and 16.1% 30.7%, respectively. The effective tax rates for the nine months ended July 31, 2023, and July 31, 2022, were 31.6% and 20.5%, respectively. The increases were increase was primarily due to changes in the geographic composition of pre-tax earnings and an increase in the UK statutory tax rate from 19% to 25%, capitalization of research and experimental expenditures for fiscal 2023 as required partially offset by the 2017 Tax Cuts and Jobs Act, and changes an increase in unrecognized excess tax benefits. benefits from share-based compensation.

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Capital Resources and Liquidity

Working capital on July 31, 2023 January 31, 2024, and October 31, 2022 October 31, 2023, was \$717.4 \$829.0 million and \$253.4 \$735.9 million, respectively. The increase in working capital was primarily due to repayment an increase in trade accounts receivable mainly due to higher sales and timing of the 364-day term loan during the first nine months of fiscal 2023. See

Note 5. Financing Arrangements for further information, collections, and an increase in prepaid expenses and other current assets.

Cash Flow

(\$ in millions)	(\$ in millions)	July		(\$ in millions)	January 31, 2024	January 31, 2023
		31, 2023	July 31, 2022			
Operating activities	Operating activities	\$433.3	\$ 561.7			
Investing activities	Investing activities	(288.2)	(1,731.5)			
Financing activities	Financing activities	(167.4)	1,327.8			
Effect of exchange rate changes on cash, cash equivalents, restricted cash	Effect of exchange rate changes on cash, cash equivalents, restricted cash	1.2	(8.0)			
Net (decrease) increase in cash, cash equivalents, restricted cash		<u>\$ (21.1)</u>	<u>\$ 150.0</u>			
Net increase (decrease) in cash, cash equivalents, restricted cash						

Operating Cash Flow

Cash provided by operating activities in the first **nine three** months of fiscal **2023** **2024** decreased compared to the first **nine three** months of fiscal **2022**, **2023**, primarily due to net changes in operating capital, including a decrease in accounts payable, partially offset by net changes in other non-cash items.

The \$45.0 million termination fee accrued the \$31.8 million release of contingent consideration liability associated with SightGlass Vision's regulatory approval milestone in the first **nine three** months of fiscal 2023 under an asset purchase agreement related to Cook Medical's reproductive health business was paid on August 9, 2023. See Note 2. Acquisitions and Joint Venture of the Consolidated Condensed Financial Statements for further information on the termination fee. **2023**.

Investing Cash Flow

Cash used in investing activities in the first **nine three** months of fiscal 2024 increased compared to the first **three** months of fiscal 2023, was lower than cash used in the first **nine months** of fiscal 2022, primarily attributable to **\$1.6 billion** \$200.0 million cash paid net of cash acquired, for the **Generate** Cook Medical acquisition in the first **nine three** months of fiscal 2022. The decrease in cash used for acquisitions was partially offset by **2024** and an increase in purchases of property, plant and equipment.

Financing Cash Flow

Cash provided by financing activities in the first **three** months of fiscal 2024 was primarily attributable to \$200.0 million drawn on the revolving credit to pay for the Cook Medical acquisition.

Cash used in financing activities in the first **nine three** months of fiscal 2023 was primarily due to repayments of \$338.0 million \$338.0 million on the 2021 364-day term loan, partially offset by \$163.5 million \$276.5 million of funds drawn on the 2020 revolving credit.

Cash provided by financing activities in the first **nine months** of fiscal 2022 was primarily due to funds received from the 2021 term loan facility (\$1.5 billion) and the 2021 364-day term loan facility (\$840.0 million), partially offset by \$549.0 million repayments of the 2021 revolving credit, \$380.0 million repayments of the 2021 364-day term loan facility, and \$78.5 million repurchases of common stock.

Refer to Note 5. Financing Arrangements for further information.

The following is a summary of the maximum commitments and the net amounts available to us under different credit facilities as of **July 31, 2023** **January 31, 2024**:

(In millions)	Facility Limit	Outstanding Borrowings	Outstanding Letters of Credit	Total Amount Available	Maturity Date
Revolving Credit:					
2020 Revolving Credit	\$ 1,290.0	\$ 163.5	\$ 2.2	\$ 1,124.3	April 1, 2025

Term loan:						
2020 Term Loan	850.0	850.0	n/a	—	—	April 1, 2025
2021 Term Loan	1,500.0	1,500.0	n/a	—	—	December 17, 2026
Total	\$ 3,640.0	\$ 2,513.5	\$ 2.2	\$ 1,124.3		

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(In millions)	Facility Limit	Outstanding Borrowings	Outstanding Letters of Credit	Total Amount Available	Maturity Date
Revolving Credit:					
2020 Revolving Credit	\$ 1,290.0	\$ 375.0	\$ 2.4	\$ 912.6	April 1, 2025
Term loan:					
2020 Term Loan	850.0	850.0	n/a	—	April 1, 2025
2021 Term Loan	1,500.0	1,500.0	n/a	—	December 17, 2026
Total	\$ 3,640.0	\$ 2,725.0	\$ 2.4	\$ 912.6	

As of **July 31, 2023** January 31, 2024, the Company was in compliance with all debt covenants. See Note 5. Financing Arrangements of the Consolidated Condensed Financial Statements for further information.

Considering recent market conditions, we have re-evaluated our operating cash flows and cash requirements and continue to believe that current cash, cash equivalents, future cash flow from operating activities and cash available under our 2020 Credit Agreement will be sufficient to meet our anticipated cash needs, including working capital needs, capital expenditures and contractual obligations for at least 12 months from the issuance date of the Consolidated Condensed Financial Statements included

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in this quarterly report. To the extent additional funds are necessary to meet our liquidity needs such as **that** for acquisitions, share repurchases **cash dividends** or other activities as we execute our business strategy, we anticipate that additional funds could be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds; however, such financing may not be available on favorable terms, or at all.

Share Repurchase

In December 2011, our Board of Directors authorized the 2012 Program and through subsequent amendments, the most recent in March 2017, the **total repurchase authorization** was increased from \$500.0 million to \$1.0 billion of the Company's common stock. The program has no expiration date and may be discontinued at any time. Purchases under the 2012 Share Repurchase Program are subject to a review \$1.0 billion by the Company's Board of the circumstances in place at the time and may be made from time to time as permitted by securities laws and other legal requirements. Directors. As of **July 31, 2023** January 31, 2024, \$256.4 million remains authorized for repurchase under the 2012 Program. repurchase.

During the **nine three** months ended **July 31, 2023** January 31, 2024, and 2023, there were no share repurchases under repurchases.

Dividends

In December 2023, the **2012 Program**. During Company's Board of Directors decided to end the **nine months ended July 31, 2022** declaration of the semiannual dividend.

Stock Split

On February 16, 2024, the Company **repurchased 191.2 thousand** effected a four-for-one stock split of its outstanding shares of **its** common stock. All share and per share information has been retroactively adjusted to reflect the stock split for all periods presented. The par value of the common stock for \$78.5 million, at an average purchase price of \$410.41 remains \$0.10 cents per share.

Dividends

We paid a semiannual dividend of approximately \$1.5 million or 3 cents per share, on February 10, 2023, to stockholders of record on January 23, 2023. We paid another semiannual dividend of approximately \$1.5 million or 3 cents per share, on August 11, 2023, to stockholders of record on July 27, 2023.

Transition from LIBOR

The UK's Financial Conduct Authority (FCA), which regulates the London Interbank Offered Rate (LIBOR), announced in July 2017 that it will no longer persuade or require banks to submit rates for LIBOR after 2021. In March 2021, the FCA confirmed its intention to stop requiring banks to submit rates required to calculate LIBOR after 2021. However, for U.S. dollar-denominated (USD) LIBOR, only one-week and two-month USD LIBOR will cease to be published after 2021, and all remaining USD LIBOR tenors will continue being published until June 2023. Further, in March 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-04, **Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate**

Reform on Financial Reporting. This guidance provides optional expedites and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. Effective February 1, 2023, the Company transitioned its credit agreements from LIBOR to the Secured Overnight Financing Rate ("SOFR").

Estimates and Critical Accounting Policies

Information regarding estimates and critical accounting policies is included in Management's Discussion and Analysis in our Form 10-K for the fiscal year ended **October 31, 2022** **October 31, 2023**. There have been no material changes in our policies from those previously discussed in our Form 10-K for the fiscal year ended **October 31, 2022** **October 31, 2023**.

Accounting Pronouncements

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

2To further clarify the policy detailed in our Annual Report on Form 10-K for the fiscal year ended October 31, 2023, the current portion of the deferred revenue balances at the beginning of each period presented were generally fully recognized in a ratable manner in the subsequent 12-month period. We recognized revenue of approximately \$31.0 million and \$23.0 million for the three months ended January 31, 2024, and 2023, respectively, that was included in the deferred revenue balance at October 31, 2023 and October 31, 2022.

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Item 3. Quantitative and Qualitative Disclosure About Market Risk

We are exposed to market risks that relate principally to changes in interest rates and foreign currency fluctuations. We do not enter into derivative financial instrument transactions for speculative purposes.

Foreign Currency Exchange Risk

We operate multiple foreign subsidiaries that manufacture and market our products worldwide. As a result, our earnings, cash flow and financial position are exposed to foreign currency risk from foreign currency denominated receivables and payables, sales transactions, capital expenditures and net investment in certain foreign operations. Most of our operations outside the United States have their local currency as their functional currency. We are exposed have exposure to risks caused by changes in multiple foreign exchange, principally our currencies, including, among others, the British pound, sterling, euro Euro and Japanese yen denominated debt and receivables denominated in currencies other than the United States dollar, and from operations in other foreign currencies.

yen. We have taken steps to minimize our balance sheet exposure by entering into foreign currency forward contracts to minimize the short-term impact of foreign currency exchange rate fluctuations on certain trade and intercompany receivables and payables. These forward contracts are not designated as hedging instruments. The instruments are marked

At January 31, 2024, a uniform hypothetical 10% increase or decrease in the foreign currency exchange rates in comparison to market through earnings each period. the value of the U.S. dollar would have resulted in a corresponding increase or decrease of approximately \$29.9 million in operating income for the fiscal quarter ended January 31, 2024. See Note 12. Financial Derivatives and Hedging of the Consolidated Condensed Financial Statements for further information.

Interest Rate Risk

We are exposed to risks associated with changes in interest rates, as the interest rates on our revolving lines of credit and term loans may vary with the federal funds rate and SOFR (and, previously, LIBOR). SOFR. As of **July 31, 2023** **January 31, 2024**, we had outstanding debt for an aggregate carrying amount of **\$2.6 billion** **\$2.8 billion**. We have entered, and in the future may enter, into interest rate swaps to manage interest rate risk. Effective February 1, 2023, the base interest rate on our credit agreements was converted from LIBOR to SOFR.

Our ultimate realized gain or loss with respect to interest rate fluctuations will depend on interest rates, the exposures that arise during the period and our hedging strategies at that time. As an example, if interest rates were to increase or decrease by 1% or 100 basis points, the quarterly interest expense would not have a material impact, based on average debt outstanding, after consideration of our interest rate swap contracts, during the **third** **first** quarter of fiscal **2023, 2024**. See Note 5. Financing Arrangements of the Consolidated Condensed Financial Statements for further information.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during our **third** **first** quarter of fiscal **2023, 2024**, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding legal proceedings is included in Note 10. Contingencies of the Consolidated Condensed Financial Statements of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

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

Risk factors describing the major risks to our business can be found under Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended **October 31, 2022** **October 31, 2023**. There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended October 31, **2022** **2023**.

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

Issuer Purchases of Equity Securities

The share repurchase program in March 2017, the authorization under the 2012 Stock Repurchase Program was **approved** increased to \$1.0 billion by the Company's Board of Directors in December 2011 (2012 Program). The program as amended in December 2012, December 2013 and March 2017 provides authorization to repurchase up to a total of \$1.0 billion of the Company's common stock. As of **July 31, 2023** **January 31, 2024**, \$256.4 million remains authorized for repurchase under the 2012 Program. repurchase.

During the three and nine months ended July 31, 2023, there were no share repurchases under the 2012 Program.

During the three months ended **July 31, 2022** **January 31, 2024**, and 2023, there were no share repurchases under the 2012 Program. During the nine months ended July 31, 2022, the Company repurchased 191.2 thousand shares of its common stock for \$78.5 million, at an average purchase price of \$410.41 per share. repurchases.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended **July 31, 2023** **January 31, 2024**, no director or officer of the Company adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

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Item 6. Exhibits

Exhibit Number	<u>Description of Document</u>	Incorporated by Reference	
		Description Form	Exhibit
		Filing Date/ Period End	Date
3.1	Amendment to Second Restated Certificate of Incorporation		
31.1	Certification of the Chief Executive Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934		
31.2	Certification of the Chief Financial Officer, pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934		
32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350		
32.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350		
101.1	The following materials from the Company's Quarterly Report on Form 10-Q for the three and nine months period ended July 31, 2023 January 31, 2024 formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Condensed Statements of Income and Comprehensive Income, (ii) Consolidated Condensed Balance Sheets, (iii) Consolidated Condensed Statements of Stockholders' Equity, (iv) Consolidated Condensed Statements of Cash Flows and (v) related Notes to Consolidated Condensed Financial Statements.		
104.1	Cover Page Interactive Data File (embedded within the Inline XBRL document)		

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SIGNATURES

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

The Cooper Companies, Inc.

(Registrant)

Date: **August 31, 2023** March 1, 2024

/s/ Brian G. Andrews

Brian G. Andrews

Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: **August 31, 2023** March 1, 2024

/s/ Agostino Ricupati

Agostino Ricupati

Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)

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Exhibit 31.1

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

I, Albert G. White III, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **August 31, 2023** **March 1, 2024**

/s/ Albert G. White III

Albert G. White III

President and Chief Executive Officer

Exhibit 31.2

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

I, Brian G. Andrews, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Cooper Companies, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **August 31, 2023** **March 1, 2024**

/s/ Brian G. Andrews

Brian G. Andrews

Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

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

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

- the Quarterly Report on Form 10-Q of The Cooper Companies, Inc. (the "Company") for the quarterly period ended **July 31, 2023** **January 31, 2024**, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **August 31, 2023** **March 1, 2024**

/s/ Albert G. White III

Albert G. White III

President and Chief Executive Officer

Exhibit 32.2

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

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

- the Quarterly Report on Form 10-Q of The Cooper Companies, Inc. (the "Company") for the quarterly period ended **July 31, 2023** **January 31, 2024**, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **August 31, 2023** **March 1, 2024**

/s/ Brian G. Andrews

Brian G. Andrews

Executive Vice President, Chief Financial Officer and Treasurer

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