



The Cooper Companies, Inc.

Investment Brief · COO · April 29, 2026

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COO · Healthcare · Medical - Instruments & Supplies

Data as of April 29, 2026

Company Overview

The Cooper Companies, Inc., together with its subsidiaries, develops, manufactures, and markets contact lens wearers. The company operates in two segments, CooperVision and CooperSurgical. The CooperVision segment offers spherical lenses, including lenses that correct near and farsightedness; and toric and multifocal lenses comprising lenses correcting vision challenges, such as astigmatism, presbyopia, myopia, ocular dryness and eye fatigues in the Americas, Europe, Middle East, Africa, and Asia Pacific. The CooperSurgical segment focuses on family and women's health care, which provides medical devices, fertility, genomics, diagnostics, and contraception to health care professionals and patients worldwide. It offers surgical and office products, including PARAGARD, uterine manipulators, retractors, closure products, point of care products, LEEP products, endosee, and illuminate and fetal pillows; fertility products and services, such as fertility consumables and equipment, and embryo options and preimplantation genetic testing. The Cooper Companies, Inc. was founded in 1958 and is headquartered in San Ramon, California.

1. What Are These Assets?

The Cooper Companies, Inc. (COO) operates as a global medical device company, primarily focused on two distinct and complementary business segments: CooperVision (CVI) and CooperSurgical (CSI). CooperVision is a leading manufacturer of soft contact lenses, offering a comprehensive portfolio including daily disposables, two-week, and monthly lenses, as well as specialty lenses for astigmatism and presbyopia. This segment generates revenue through direct sales to eye care professionals and distributors worldwide. CooperSurgical, on the other hand, provides a diverse range of products and services for women's health, fertility, and diagnostics. Its offerings span fertility solutions (e.g., IVF products, genetic testing), office and surgical products (e.g., IUDs, hysteroscopes), and diagnostics. This dual-segment structure allows COO to tap into distinct, yet related, healthcare markets, diversifying its revenue streams and reducing reliance on a single product category or market dynamic.

COO's competitive advantages are rooted in its strong brand recognition, extensive global distribution networks, and a robust pipeline of innovative products. In the contact lens market, CooperVision benefits from its technological expertise in developing advanced materials and designs, such as its MyDay and Biofinity lines, which cater to a broad spectrum of vision correction needs. The company's focus on specialty lenses, particularly for myopia management, positions it well in a growing market segment. Within CooperSurgical, the company has established itself as a key partner for fertility clinics and women's health practitioners, leveraging its comprehensive product portfolio and clinical support. These advantages are further bolstered by significant R&D investments, which are crucial for maintaining leadership in rapidly evolving medical technology sectors.

The key assets of The Cooper Companies extend beyond its tangible manufacturing facilities and intellectual property to include its highly specialized human capital and established relationships within the global healthcare ecosystem. Its global sales and marketing infrastructure, particularly in the contact lens division, allows for efficient market penetration and customer retention. The company's intellectual property, encompassing patents for lens materials, designs, and fertility technologies, provides a significant barrier to entry for competitors. While management tone analysis was unavailable for the most recent quarter, the company's consistent operational performance and strategic M&A activity in both segments underscore a disciplined approach to growth. The current macro backdrop, characterized by a positively sloped yield curve and a 10-year Treasury yield of 4.

35%, suggests a more normalized interest rate environment, which could influence future capital allocation decisions, though the company's strong free cash flow generation (FCF: \$434M) provides substantial internal funding capacity.

2. What Do We Think Is Going to Happen?

The Cooper Companies (COO) operates within the generally resilient Medical Instruments & Supplies sector, characterized by consistent demand for its contact lens (CooperVision) and fertility (CooperSurgical) products. Despite a current market capitalization of \$12.3 billion, implying a forward P/E of 14.3x against a street price target of \$91 (representing ~44% upside), the company's growth trajectory will be influenced by several factors. CooperVision is expected to benefit from ongoing demographic trends, including an aging global population and increasing prevalence of myopia, particularly in emerging markets. CooperSurgical, while smaller, addresses critical and growing areas of women's health and fertility, offering a more specialized and potentially higher-margin growth vector. The company's robust operating cash flow (\$796M) and free cash flow (\$434M) provide financial flexibility for R&D investments, potential bolt-on acquisitions, and debt reduction, supporting organic and inorganic growth.

Key industry trends, such as the increasing adoption of daily disposable contact lenses and advancements in fertility technologies, are tailwinds for COO. However, the macro backdrop presents both opportunities and challenges. The Federal Reserve's benchmark rate at 3.64% and the 10-year Treasury yield at 4.35% (our risk-free rate) signal a higher cost of capital environment, which could impact future M&A valuations or the cost of financing growth initiatives. While the positively sloped yield curve (10Y-2Y spread: +0.52bps) suggests some economic stability, sustained high interest rates could pressure consumer discretionary spending on vision care in certain segments, though essential medical devices tend to be less elastic. Potential catalysts for COO include successful new product launches within both divisions, expansion into underserved geographies, and continued market share gains driven by product innovation and strong distribution channels.

Conversely, potential risks include increased competition in the contact lens market, particularly from private label brands or new entrants, and regulatory hurdles or reimbursement changes impacting CooperSurgical's offerings. Supply chain disruptions, although less pronounced than in prior years, remain a consideration for medical device manufacturers. Furthermore, while the current valuation appears attractive relative to the Street's price target, any deceleration in growth rates or significant margin compression could temper investor enthusiasm. Given the absence of management tone analysis from the most recent earnings call, investors will be closely monitoring future guidance for insights into specific growth initiatives, capital allocation priorities, and management's outlook on navigating the current macroeconomic environment.

3. Why Is There a Mispricing?

The Cooper Companies, Inc. (COO) presents a compelling case for potential mispricing, primarily driven by a significant divergence between its current market valuation and Street consensus, alongside robust underlying fundamentals. The stock currently trades at \$63.09, implying a substantial discount to the average Street Price Target of \$91.07, suggesting an upside potential of approximately 44%. This discrepancy is further highlighted by the forward P/E multiple of 14.3x, which appears undemanding for a company operating in the stable and growing medical instruments and supplies sector, particularly one with a strong track record of cash generation (OCF of \$796M, FCF of \$434M). This valuation gap could indicate that the market is either underappreciating COO's long-term growth prospects, its resilient business model, or the sustainability of its free cash flow generation.

One potential source of inefficiency could stem from a lack of clarity or market uncertainty regarding specific growth drivers or recent operational performance, especially given the inability to analyze management's Q4 2025 tone. In the absence of direct management commentary, the market might be extrapolating past trends or applying a higher discount rate due to perceived information asymmetry. However, the company's strong financial health, evidenced by a solid balance sheet (Equity \$8.2B vs. Assets \$12.

4B) and healthy profitability metrics (Operating Income \$683M, Net Income \$375M), suggests a fundamentally sound enterprise. If the market is indeed underestimating the company's ability to maintain or accelerate growth in its core contact lens and women's healthcare segments, or if it's overlooking operational efficiencies that could drive future earnings, then the current valuation could be a significant undervaluation.

Furthermore, the overall positive Street sentiment, with 18 "Buy" ratings and a high average price target, indicates that sell-side analysts who have deeper access to company information and industry trends see substantial value beyond the current trading price. This collective analyst conviction, when juxtaposed with the current market price, often signals a market inefficiency where broader investor sentiment or technical factors might be temporarily overshadowing fundamental strength. Should upcoming disclosures or management commentary provide renewed clarity or positive catalysts, the market could rapidly re-rate COO closer to its intrinsic value and Street consensus, thereby closing the observed valuation gap.

Income Statement (3-Year)

Metric (\$M)	2025	2024	2023
Revenue	4092	3895	3593
Gross Profit	2483	2596	2358
Operating Income	683	706	533
Net Income	375	392	294
EPS (\$)	1.88	1.97	1.49

Revenue Trend



Balance Sheet Snapshot

Total Assets	\$12395M	Total Equity	\$8239M
Total Liabilities	\$4156M	Cash & Equiv.	\$111M
Op. Cash Flow	\$796M	Free Cash Flow	\$434M

Valuation Snapshot

Market Cap	\$12310M	Current Price	\$63.09
P/E Ratio	37.3	P/B Ratio	1.7
EV/EBITDA	N/A	Net Margin	9.2%

Street Consensus

Buy (3.8/5 · 18 analysts)

Metric	Value
Strong Buy / Buy	5 / 6
Hold	6
Sell / Strong Sell	1 / 0
Mean Price Target	\$91.07
Upside to Mean Target	N/A
Forward P/E	14.3x
Forward EPS	N/A
EPS Growth (YoY)	% ² 26.9%

Technical Picture

The stock is trading below its 200-day moving average (\$74.39) with a death cross (bearish) in the 50/200-day MA relationship, RSI(14) reads 27.5 (oversold), 23.7% below its 52-week high of \$84.32, daily volatility (ATR) of 2.7% of price (moderate).

Indicator	Value	Signal
Current Price	\$64.34	—
52-Week High	\$84.32	-23.7% from high
52-Week Low	\$64.32	—
50-Day MA	\$74.02	% ¹ 13.1%
200-Day MA	\$74.39	% ¹ 13.5%
MA Cross	Death Cross % ¹	—
RSI (14)	27.5	Oversold
ATR (14) % of Price	2.7%	Moderate
Volume Trend	20d vs 50d avg	Neutral

Macro Backdrop (FRED)

The Federal Reserve's benchmark rate stands at 3.64%, with the 10-year Treasury yielding 4.35% (the risk-free rate used in our DCF), a positively sloped yield curve (10Y-2Y spread: +0.52bps), consistent with expansion, CPI inflation is running at 330.3% (latest FRED reading), unemployment at 4.3%, and WTI crude oil at \$91.06/bbl. This macro backdrop informs our cost-of-capital assumptions and scenario analysis.

Indicator	Latest Value	Date
Fed Funds Rate	3.64%	2026-03-01
10Y Treasury Yield	4.35%	2026-04-27
10Y-2Y Spread	0.52bps	2026-04-28
CPI	330.3%	2026-03-01
Unemployment Rate	4.3%	2026-03-01
WTI Crude Oil	\$91.06	2026-04-20

Sector Macro Overlay — Healthcare

Sector macro data for Healthcare is temporarily unavailable.

Management Tone — Q4 2025

Management tone analysis could not be completed for this earnings call.

Guidance Highlights

Guidance highlights could not be extracted.

Recent Developments

1 notable article covering The Cooper Companies, Inc. on 2026-02-25 via The Guardian. Key themes: "Top US body-camera maker reports record revenue amid Trump immigration crackdown".

Top US body-camera maker reports record revenue amid Trump immigration crackdown

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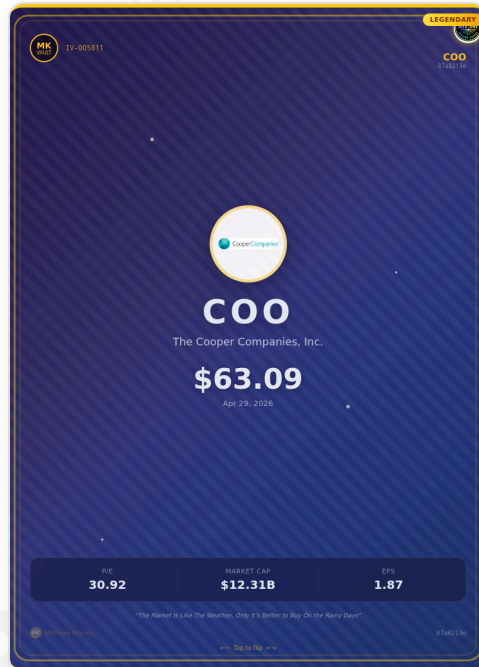
Axon sees 'major opportunities' as Congress proposes \$20m for ICE body cameras but data privacy experts warn of risks

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