

News Release

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Corning Reports Strong Second-Quarter Results Highlighted by Continued Growth and Improved Profitability

*Core sales grew 7% year over year to \$3.8 billion and
core EPS increased 8% year over year to \$0.57*

Optical Communications sales grew 22% year over year

*Second-quarter free cash flow was \$440 million, keeping the company on
pace for another year of strong cash generation*

Management now expects full-year core sales to slightly exceed \$15 billion, growing 6% to 8%

CORNING, N.Y. — [Corning Incorporated](https://www.corning.com) (NYSE: GLW) today announced second-quarter 2022 results and provided its outlook for third-quarter and full-year 2022.

“Corning executed very well in a challenging external environment and delivered outstanding second-quarter results, with year-over-year sales and EPS growth of 7% and 8%, respectively. We also delivered \$440 million of free cash flow in the quarter and improved profitability sequentially,” said Wendell P. Weeks, chairman and chief executive officer.

Weeks continued, “Although three of our significant demand drivers – panel maker utilization, automotive production, and smartphone sales – were down, we achieved high-single digit growth through ‘More Corning’ content opportunities and by capitalizing on secular trends in optical and solar. This resilience demonstrates the balance created by our focused and cohesive portfolio. Looking ahead, we are well positioned to drive durable, profitable long-term growth as our distinctive capabilities remain vital to solving tough technology challenges for our customers and to shaping new industries.”

Financial Highlights:

- GAAP sales were \$3.62 billion and core sales were \$3.76 billion; core sales grew 7% year over year.
 - Sales growth was driven primarily by Optical Communications as well as solar sales in Hemlock and Emerging Growth Businesses.
 - Display Technologies sales declined 8% sequentially as volume declined in line with the market and lower panel maker utilization; glass price was up slightly sequentially.
- GAAP EPS was \$0.66; core EPS was \$0.57, an increase of 8% year over year.
 - The primary difference between GAAP and core EPS stemmed from non-cash, mark-to-market gains associated with the company’s currency-hedging contracts.

- Core gross margin and core operating margin expanded 90 basis points and 120 basis points, respectively, from the first quarter of 2022. The improvements were primarily driven by the benefits of previously announced companywide pricing actions.
- Free cash flow was \$440 million for the quarter; total first-half free cash flow was \$611 million, keeping the company on pace for another year of strong cash generation.
- For the third quarter, Corning expects \$3.65 billion to \$3.85 billion in core sales with core EPS of \$0.51 to \$0.55.
 - Management expects Display Technologies volume to be down sequentially by a mid-teen percentage, in line with the market and lower panel maker utilization.
- Management now expects full-year core sales to slightly exceed \$15 billion, growing in a range of 6% to 8%, with core EPS growing in line with sales.

“We’re pleased with our results for the quarter and first half of the year. In the second quarter, we delivered sales of \$3.8 billion and EPS of \$0.57. Our companywide pricing actions and operational focus drove margin improvement. We’re executing well, and our financial priorities remain the same: a strong balance sheet, solid free cash flow generation, and a highly disciplined approach to investment decisions,” said Ed Schlesinger, executive vice president and chief financial officer.

“In the third quarter, we expect the challenges we’re seeing in three of our largest markets to continue, and this is reflected in our guidance. Based on the opportunities and initiatives we have underway for the second half, we now expect sales to slightly exceed \$15 billion this year, growing in a range of 6% to 8%, with EPS growing in line with sales,” Schlesinger continued.

Strategy in Action

Corning takes a long-view approach, striving to be a catalyst for positive change and to help move the world forward. The company drives durable, profitable multiyear growth by inventing, making, and selling life-changing products while cultivating advantaged relationships with industry leaders and ultimately incorporating more content into customers’ offerings. To do so, Corning invests in a set of vital capabilities that are becoming increasingly relevant to profound transformations touching many facets of daily life. Today, Corning’s markets include optical communications, mobile consumer electronics, display, automotive, solar, semiconductors, and life sciences.

Recent highlights include:

- **Increasing the resilience of the U.S. semiconductor supply chain** by expanding capacity in New York state. [Gov. Kathy Hochul announced](#) how Corning’s advanced optics expertise will support the growing semiconductor industry.
- **Driving more content into the mobile devices that people are buying** through Corning’s premium cover materials, which are on the front and back of the Samsung Galaxy S22 devices released earlier this year. Corning’s DX products are featured on all five rear cameras of the Samsung Galaxy S22 Ultra.

- **Supporting the extended reach of broadband**, as network access is increasingly viewed as a fundamental human right, by [joining forces with AT&T](#) to launch a training program focused on equipping thousands of technicians across the industry with the skills critical to engineer a growing fiber broadband network. Additionally, [Corning collaborated with Safety NetAccess](#) to create a highly connected infrastructure for remote locations.
- **Applying industry-leading solutions to enable the world’s deepest look into the universe** by [engineering and manufacturing key optical instruments](#) for NASA’s James Webb Space Telescope.
- **Continuing to advance global health care** by collaborating with West Pharmaceutical Services to enable advanced injectable-drug packaging and delivery systems for the pharmaceutical industry. This partnership is designed to help speed commercialization for biologic drug developers.
- **Extending its expertise in mobile consumer electronics** to advance the automotive industry. Continental recognized Corning’s Automotive Glass Solutions business as a [“Supplier of the Year”](#) for its AutoGrade™ Corning Gorilla Glass technology.
- **Continuing its dedication to all its stakeholders** by earning the Environmental Protection Agency’s [ENERGY STAR® Partner of the Year](#) award for the ninth consecutive time.

Second-Quarter 2022 Results and Comparisons

(In millions, except per-share amounts)

	Q2 2022	Q1 2022	% change	Q2 2021	% change
GAAP Net Sales	\$ 3,615	\$ 3,680	(2%)	\$ 3,501	3%
GAAP Net Income ⁽¹⁾	\$ 563	\$ 581	(3%)	\$ 449	25%
GAAP EPS	\$ 0.66	\$ 0.68	(3%)	\$ (0.42)	*
Core Sales ⁽²⁾	\$ 3,762	\$ 3,744	—	\$ 3,504	7%
Core Net Income ⁽¹⁾⁽²⁾	\$ 489	\$ 465	5%	\$ 459	7%
Core EPS ⁽²⁾	\$ 0.57	\$ 0.54	6%	\$ 0.53	8%

(1) Represents net income attributable to Corning Incorporated.

(2) Core performance measures are non-GAAP financial measures. The reconciliation between GAAP and non-GAAP measures is provided in the tables following this news release, as well as on the company’s website.

* Not meaningful

Optical Communications

	Q2 2022	Q1 2022	% change	Q2 2021	% change
Net Sales	\$ 1,313	\$ 1,198	10%	\$ 1,075	22%
Net Income Before Tax	\$ 233	\$ 211	10%	\$ 188	24%
Net Income	\$ 182	\$ 166	10%	\$ 148	23%

In Optical Communications, sales grew 22% year over year and 10% sequentially, reaching \$1.3 billion. Year-over-year sales growth was driven by 5G, broadband, and the cloud. Net income was \$182 million, up 23% year over year, primarily driven by strong volume and price increases.

Display Technologies

	Q2 2022	Q1 2022	% change	Q2 2021	% change
Net Sales	\$ 878	\$ 959	(8%)	\$ 939	(6%)
Net Income Before Tax	\$ 287	\$ 299	(4%)	\$ 312	(8%)
Net Income	\$ 228	\$ 236	(3%)	\$ 248	(8%)

In Display Technologies, sales were \$878 million, down 6% year over year and 8% sequentially, as volume declined in line with the market and lower panel maker utilization. As expected, glass price was up slightly sequentially.

Specialty Materials

	Q2 2022	Q1 2022	% change	Q2 2021	% change
Net Sales	\$ 485	\$ 493	(2%)	\$ 483	—
Net Income Before Tax	\$ 115	\$ 95	21%	\$ 103	12%
Net Income	\$ 91	\$ 75	21%	\$ 81	12%

In Specialty Materials, sales of \$485 million were consistent with a strong second-quarter 2021. Net income was \$91 million, up 12% year over year, driven by adoption of premium cover materials.

Environmental Technologies

	Q2 2022	Q1 2022	% change	Q2 2021	% change
Net Sales	\$ 356	\$ 409	(13%)	\$ 407	(13%)
Net Income Before Tax	\$ 78	\$ 94	(17%)	\$ 102	(24%)
Net Income	\$ 62	\$ 74	(16%)	\$ 81	(23%)

In Environmental Technologies, second-quarter sales were \$356 million, down 13% year over year and sequentially. The automotive industry continued to experience constraints in the second quarter due to prolonged semiconductor chip shortages, the Russia-Ukraine war, and COVID-19 lockdowns in China. The company is prepared to serve global demand as automotive production increases.

Life Sciences

	Q2 2022	Q1 2022	% change	Q2 2021	% change
Net Sales	\$ 312	\$ 310	1%	\$ 312	—
Net Income Before Tax	\$ 47	\$ 53	(11%)	\$ 66	(29%)
Net Income	\$ 37	\$ 42	(12%)	\$ 52	(29%)

In Life Sciences, sales reached \$312 million, consistent year over year and up slightly sequentially. Net income was \$37 million. Lower demand for COVID-related products was offset by growth in research and bioproduction. Additionally, COVID-19 lockdowns in China impacted sales and profitability.

Hemlock and Emerging Growth Businesses

	Q2 2022	Q1 2022	% change	Q2 2021	% change
Net Sales	\$ 418	\$ 375	11%	\$ 288	45%
Net Income Before Tax	\$ 35	\$ (7)	*	\$ (18)	*
Net Income (Loss)	\$ 25	\$ (8)	*	\$ (15)	*

* Not meaningful

In Hemlock and Emerging Growth Businesses, sales reached \$418 million, a 45% increase year over year and an 11% increase sequentially. Strong performance was largely driven by continued growth in Hemlock as the company continues to see increased demand for solar materials. Automotive Glass Solutions and Corning Pharmaceutical Technologies also contributed to year-over-year growth.

Upcoming Investor Events

On Sept. 8, Corning will attend Citi's 2022 Global Technology Conference. On Sept. 13, Corning will attend the Goldman Sachs 2022 Communacopia + Technology Conference. Corning will also host management visits to investor offices in select cities.

Second-Quarter Conference Call Information

The company will host its second-quarter conference call on Tuesday, July 26, at 8:30 a.m. EDT. To participate, individuals may [pre-register here](#) prior to the start of the call. Once the required fields are completed, click "Register." A telephone number and personal PIN are auto generated and will pop up on screen. Participants will have the choice to "Dial In" or have the system "Call Me." A confirmation email will also be sent with specific dial-in information. To listen to a live audio webcast of the call, go to Corning's [events page](#) and follow the instructions.

Presentation of Information in this News Release

This news release includes non-GAAP financial measures. Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP. Corning's non-GAAP financial measures exclude the impact of items that are driven by general economic conditions and events that do not reflect the underlying fundamentals and trends in the company's operations. The company believes presenting non-GAAP financial measures assists in analyzing financial performance without the impact of items that may obscure trends in the company's underlying performance. Definitions of these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found on the company's website by going to the Investor Relations page and clicking "Quarterly Results" under the "Financials and Filings" tab. These reconciliations also accompany this news release.

Caution Concerning Forward-Looking Statements

The statements contained in this release that are not historical facts or information and contain words such as "will," "believe," "anticipate," "expect," "intend," "plan," "seek," "see," "would," and "target" and similar expressions are forward-looking statements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and include estimates and assumptions related to economic, competitive and legislative developments. Such statements relate to future events that by their nature address

matters that are, to different degrees, uncertain. These estimates are subject to change and uncertainty which are, in many instances, beyond our control. There can be no assurance that future developments will be in accordance with management's expectations. Actual results could differ materially from those expected by us, depending on the outcome of various factors. We do not undertake to update forward-looking statements.

Although the Company believes that these forward-looking statements are based upon reasonable assumptions regarding, among other things, current estimates and forecasts, general economic conditions, its knowledge of its business, and key performance indicators that impact the Company, actual results could differ materially. Some of the risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements include, but are not limited to: the duration and severity of the COVID-19 pandemic, and its impact across our businesses on demand, personnel, operations, our global supply chains and stock price; global economic trends, competition and geopolitical risks, or an escalation of sanctions, tariffs or other trade tensions, and related impacts on our businesses' global supply chains and strategies; changes in macroeconomic and market conditions, market volatility, interest rates, capital markets, the value of securities and other financial assets, precious metals, oil, natural gas and other commodities and exchange rates (particularly between the U.S. dollar and the Japanese yen, new Taiwan dollar, euro, Chinese yuan and South Korean won), consumer demand, and the impact of such changes and volatility on our financial position and businesses; product demand and industry capacity; competitive products and pricing; availability and costs of critical components, materials, equipment, natural resources and utilities; new product development and commercialization; order activity and demand from major customers; the amount and timing of our cash flows and earnings and other conditions, which may affect our ability to pay our quarterly dividend at the planned level or to repurchase shares at planned levels; disruption to Corning's, our suppliers' and manufacturers' supply chain, logistics, equipment, facilities, IT systems, operations or commercial activities due to terrorist activity, cyber-attack, armed conflict, political or financial instability, natural disasters, international trade disputes or major health concerns; loss of intellectual property due to theft, cyber-attack, or disruption to our information technology infrastructure; effects of acquisitions, dispositions and other similar transactions; effect of regulatory and legal developments; ability to pace capital spending to anticipated levels of customer demand; our ability to increase margins through implementation of operational changes, pricing actions and cost reduction measures without impacting revenues; rate of technology change; ability to enforce patents and protect intellectual property and trade secrets; adverse litigation; product and components performance issues; attraction and retention of key personnel; customer ability to maintain profitable operations and obtain financing to fund ongoing operations and manufacturing expansions and pay receivables when due; loss of significant customers; changes in tax laws, regulations and international tax standards; the impacts of audits by taxing authorities; the potential impact of legislation, government regulations, and other government action and investigations; and other risks detailed in Corning's SEC filings.

For a complete listing of risks and other factors, please reference the risk factors and forward-looking statements described in our annual reports on Form 10-K and quarterly reports on Form 10-Q.

Web Disclosure

In accordance with guidance provided by the SEC regarding the use of company websites and social media channels to disclose material information, Corning Incorporated (“Corning”) wishes to notify investors, media, and other interested parties that it uses its website (<https://www.corning.com/worldwide/en/about-us/news-events.html>) to publish important information about the company, including information that may be deemed material to investors, or supplemental to information contained in this or other press releases. The list of websites and social media channels that the company uses may be updated on Corning’s media and website from time to time. Corning encourages investors, media, and other interested parties to review the information Corning may publish through its website and social media channels as described above, in addition to the company’s SEC filings, press releases, conference calls, and webcasts.

About Corning Incorporated

Corning (www.corning.com) is one of the world's leading innovators in materials science, with a 170-year track record of life-changing inventions. Corning applies its unparalleled expertise in glass science, ceramic science, and optical physics along with its deep manufacturing and engineering capabilities to develop category-defining products that transform industries and enhance people's lives. Corning succeeds through sustained investment in RD&E, a unique combination of material and process innovation, and deep, trust-based relationships with customers who are global leaders in their industries. Corning's capabilities are versatile and synergistic, which allows the company to evolve to meet changing market needs, while also helping its customers capture new opportunities in dynamic industries. Today, Corning's markets include optical communications, mobile consumer electronics, display, automotive, solar, semiconductors, and life sciences.

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