

News Release

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Corning Reports Third-Quarter Results Highlighted by Optical Communications and Solar Sales Growth

Core sales increased 1% year over year as secular growth initiatives and “More Corning” approach offset lower Display Technologies volume

Panel maker utilization declined further to a level that management believes to be the correction low point; display glass price remained consistent

Free cash flow of \$866 million for the first nine months of 2022 keeps Corning on pace for another year of healthy cash generation

CORNING, N.Y. — [Corning Incorporated](#) (NYSE: GLW) today announced third-quarter 2022 results and provided its outlook for fourth-quarter 2022.

“In the third quarter, our core sales were up slightly year over year, reaching \$3.7 billion, with core EPS of \$0.51 – all while display panel maker utilization reached its lowest level since 2008; smartphone, tablet, and notebook retail unit sales declined significantly; and automotive production remained constrained. We offset the effects of these factors by delivering 16% year-over-year growth in Optical Communications and by capturing ongoing demand in the solar market that contributed to 33% year-over-year growth in Hemlock and Emerging Growth Businesses,” said Wendell P. Weeks, chairman and chief executive officer.

“While three of our key demand drivers are down, our cohesive and focused portfolio is providing strategic resilience in the current environment. We remain well positioned to deliver profitable multiyear growth. We’ll continue to execute with discipline, invest where we see strength, and pace to demand,” Weeks continued.

Financial Highlights:

- GAAP sales were \$3.5 billion. Core sales were \$3.7 billion, up slightly from a strong third-quarter 2021.
 - Optical Communications, Environmental Technologies, Life Sciences, and Hemlock and Emerging Growth Businesses delivered year-over-year growth; sales in Specialty Materials increased sequentially and declined year over year.
 - Display Technologies’ sales declined 22% sequentially and 28% year over year, as volume declined in line with the market; glass price was consistent sequentially.
- GAAP EPS was \$0.24; core EPS was \$0.51.
 - The primary difference between GAAP and core EPS was from non-cash charges associated with capacity optimization and non-cash, mark-to-market adjustments associated with the company’s currency-hedging contracts.

- Core gross margin and core operating margin of 36.1% and 16.9%, respectively, were impacted by low volume in Display Technologies.
- Free cash flow was \$255 million for the quarter and \$866 million for the first nine months of 2022, keeping the company on pace for another year of healthy cash generation.
- For the fourth quarter, Corning expects \$3.45 billion to \$3.65 billion in core sales with core EPS of \$0.41 to \$0.47.

“As we told investors in early September, panel makers reduced their production levels below our already low expectations. Our lower glass volume resulted in a 28% year-over-year decline in Display Technologies’ sales and caused a drag on the company’s overall profitability. Our participation in important secular trends and general outperformance across our markets helped offset this impact,” said Ed Schlesinger, executive vice president and chief financial officer.

“Looking ahead to the fourth quarter, we expect \$3.45 billion to \$3.65 billion in core sales with core EPS of \$0.41 to \$0.47. Although we believe that panel maker utilization reached the bottom in September, we would like to see more evidence before we guide a significant recovery in glass demand. When glass demand does increase, we expect our volume to return and company profitability to improve. We also expect Optical Communications’ sales to be down sequentially due to customer project timing. We expect to continue outperforming our markets and will maintain strong financial stewardship,” Schlesinger continued.

Strategy in Action

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

Recent highlights include:

- **Investing in Optical Communications to meet committed customer demand** and address surging industry growth. AT&T CEO John Stankey and U.S. Secretary of Commerce Gina M. Raimondo – whose leadership helped pass infrastructure legislation dedicated to the idea of “Internet for All” – joined Corning to announce a [new optical cable manufacturing facility in Arizona](#). Corning also opened a new [optical fiber manufacturing plant in Poland](#). Additionally, [CNBC featured](#) Corning’s North Carolina fiber and cable factories, highlighting how fiber optic technology is key to the future of connectivity.

- **Strengthening the United States' leadership position in the semiconductor industry by supporting state initiatives.** Sen. Charles Schumer and New York Gov. Kathy Hochul joined Corning [to announce a government-backed expansion](#) of its Advanced Optics facility in Fairport, which makes equipment and systems vital to semiconductor manufacturing. In Michigan, [government funding is expected](#) to allow Hemlock Semiconductor to modernize and expand operations to meet the increasing global demand for hyperpure polysilicon in the semiconductor industry and address growing solar demand.
- **Driving more content into the mobile devices that people are buying.** Industry-leading customers further adopted premium and new-to-the-world cover materials, such as Corning® Gorilla® Glass Victus® and Ceramic Shield, for major product launches.
- **Continuing to help the global health care industry** address current and future public health challenges. Corning was awarded nearly [\\$104 million in additional funding](#) from the U.S. federal government to support the company's planned capacity expansion for advanced, high-quality pharmaceutical glass tubing and vials, which will strengthen the domestic pharmaceutical supply chain.
- **Supporting every phase of broadband deployment** through [additions to Corning's Evolv™ connectivity portfolio](#). These innovations help operators streamline permitting, accelerate field installation, and optimize network testing.
- **Deepening Corning's role in the global automotive ecosystem** by advancing the trend toward connectivity, which enhances the interaction among the car, the driver, and the outside world. During the quarter, CarUX, a leading car display company owned by Innolux, [announced its use of Corning® ColdForm™ Technology](#) to enable the future of automotive interior displays.
- **Continuing its dedication to all its stakeholders** by receiving a [100% score on the Disability Equality Index®](#) and being named a 2022 Best Place to Work for Disability Inclusion. Corning also announced a three-year corporate partnership with Disability:IN focused on further integrating disability inclusion best practices into employee recruiting.

Third-Quarter 2022 Results and Comparisons

(In millions, except per-share amounts)

	Q3 2022	Q2 2022	% change	Q3 2021	% change
GAAP Net Sales	\$ 3,488	\$ 3,615	(4%)	\$ 3,615	(4%)
GAAP Net Income ⁽¹⁾	\$ 208	\$ 563	(63%)	\$ 371	(44%)
GAAP EPS	\$ 0.24	\$ 0.66	(64%)	\$ 0.43	(44%)
Core Sales ⁽²⁾	\$ 3,666	\$ 3,762	(3%)	\$ 3,639	1%
Core Net Income ⁽²⁾	\$ 438	\$ 489	(10%)	\$ 485	(10%)
Core EPS ⁽²⁾	\$ 0.51	\$ 0.57	(11%)	\$ 0.56	(9%)

(1) Represents GAAP 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.

Optical Communications

	Q3 2022	Q2 2022	% change	Q3 2021	% change
Net Sales	\$ 1,317	\$ 1,313	—	\$ 1,131	16%
Net Income Before Tax	\$ 233	\$ 233	—	\$ 177	32%
Net Income	\$ 183	\$ 182	1%	\$ 139	32%

In Optical Communications, sales reached \$1.3 billion, growing 16% year over year, driven by 5G, broadband, and the cloud. Net income was \$183 million, up 32% year over year, driven by leverage from strong incremental volume.

Display Technologies

	Q3 2022	Q2 2022	% change	Q3 2021	% change
Net Sales	\$ 686	\$ 878	(22%)	\$ 956	(28%)
Net Income Before Tax	\$ 169	\$ 287	(41%)	\$ 311	(46%)
Net Income	\$ 134	\$ 228	(41%)	\$ 247	(46%)

In Display Technologies, sales were \$686 million, down 28% year over year and 22% sequentially, as volume declined in line with the market and lower panel maker production. Glass price was consistent sequentially.

Specialty Materials

	Q3 2022	Q2 2022	% change	Q3 2021	% change
Net Sales	\$ 519	\$ 485	7%	\$ 556	(7%)
Net Income Before Tax	\$ 122	\$ 115	6%	\$ 135	(10%)
Net Income	\$ 96	\$ 91	5%	\$ 107	(10%)

In Specialty Materials, sales were \$519 million, up 7% sequentially, driven by new product launches utilizing Corning's premium cover materials and strength in semiconductor products. Sales were down 7% year over year, driven by continued softening demand in the smartphone, tablet, and notebook markets.

Environmental Technologies

	Q3 2022	Q2 2022	% change	Q3 2021	% change
Net Sales	\$ 425	\$ 356	19%	\$ 385	10%
Net Income Before Tax	\$ 110	\$ 78	41%	\$ 76	45%
Net Income	\$ 87	\$ 62	40%	\$ 60	45%

In Environmental Technologies, sales were \$425 million, up 10% year over year and 19% sequentially. Net income was \$87 million, up 45% year over year and 40% sequentially, growing faster than sales, driven by increased volume and strong operating performance.

Life Sciences

	Q3 2022	Q2 2022	% change	Q3 2021	% change
Net Sales	\$ 312	\$ 312	—	\$ 305	2%
Net Income Before Tax	\$ 54	\$ 47	15%	\$ 57	(5%)
Net Income	\$ 43	\$ 37	16%	\$ 45	(4%)

In Life Sciences, sales were \$312 million, remaining consistent sequentially and growing 2% year over year. Net income was \$43 million, growing 16% sequentially. Continued lower demand for COVID-related diagnostic products was offset by growth in research.

Hemlock and Emerging Growth Businesses

	Q3 2022	Q2 2022	% change	Q3 2021	% change
Net Sales	\$ 407	\$ 418	(3%)	\$ 306	33%
Net Income Before Tax	\$ 26	\$ 35	(26%)	\$ (4)	*
Net Income (Loss)	\$ 18	\$ 25	(28%)	\$ (5)	*

**Not meaningful*

In Hemlock and Emerging Growth Businesses, sales were \$407 million, down 3% sequentially and up 33% year over year. Strong performance was largely driven by continued growth in demand for semiconductor- and solar-grade polysilicon. Automotive Glass Solutions and Corning Pharmaceutical Technologies also contributed to year-over-year growth.

Upcoming Investor Events

On Nov. 29, Corning will attend the Credit Suisse 26th Annual Technology Conference. On Dec. 8, Corning will attend the Barclays Global Technology, Media and Telecommunications Conference. Corning will also host management visits to investor offices in select cities. Visit the company's [Investor Relations' website](#) for up-to-date conference information.

Third-Quarter Conference Call Information

The company will host its third-quarter conference call on Tuesday, Oct. 25, 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 will be 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 the company's [Investor Relations' 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 and related comments by management 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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