

# News Release

FOR RELEASE – **July 27, 2021**

## Corning Reports Outstanding Second-Quarter 2021 Results, Expects Continued Growth in Third Quarter

*Second-quarter core sales of \$3.5 billion grew 35% from Q2 2020 and 17% from Q2 2019*

*Core EPS grew 112% year over year to \$0.53 on higher sales and expanded margins*

*Free cash flow of \$471 million grew \$186 million, or 65%, year over year*

CORNING, N.Y. — [Corning Incorporated](#) (NYSE: GLW) today announced results for the second quarter ended June 30, 2021, and provided an outlook for the third quarter of 2021.

- GAAP and core sales were \$3.5 billion; core sales grew 35% year over year and 17% versus second-quarter 2019.
- GAAP net income was \$449 million and core net income was \$459 million.
- GAAP EPS was (\$0.42) and core EPS was \$0.53, up 112% year over year and 18% versus second-quarter 2019.
  - The difference between GAAP and core EPS was primarily due to a one-time accounting treatment resulting from the [Samsung Display Co., Ltd.](#) preferred share transaction, which reduced fully diluted share count by 35 million.
- Gross margin expanded 200 basis points sequentially to 37.8%, and operating margin expanded 120 basis points sequentially to 18.3%.
- Free cash flow of \$471 million grew \$186 million year over year; first-half free cash flow generation was \$843 million.
- Looking ahead to the third quarter, the company expects core sales to be in the range of \$3.5 billion to \$3.7 billion and core EPS in the range of \$0.54 to \$0.59.

“Corning had an outstanding second quarter. We are growing faster than our underlying markets and achieved a revenue milestone of \$3.5 billion, establishing a strong sales run rate. We are performing well as we continue to build a stronger, more agile company that’s consistently delivering meaningful and important contributions,” said Wendell P. Weeks, chairman and chief executive officer. “Corning’s deep commitment to life-changing innovation and our people’s unwavering dedication continue to drive us forward.”

Tony Tripeny, executive vice president and chief financial officer, said, “Corning is on track to deliver an outstanding year. In the second quarter we added almost \$1 billion in sales year over year and a half billion in sales over pre-pandemic levels; we improved margins year over year and sequentially, contributing to strong EPS; and we generated significant operating and free cash flow. We are confident this momentum will continue.”

Tripeny continued, “Our value creation model is working. We pursue opportunities that utilize capabilities from our focused and cohesive portfolio to drive growth. By repurposing and reapplying capabilities, we’re increasing our probability of success, lowering our cost of innovation, and becoming more capital efficient.”

### Market-Access Platform Highlights

Corning continues to advance important growth initiatives across its Market-Access Platforms. Highlights include:

- **Automotive** – Corning is addressing a combined \$100-per-car content opportunity across emissions, precision glass products, and auto-glass solutions, driven by the company’s More Corning growth strategy. During the quarter, the company entered a new product category with its Corning® Curved Mirror Solutions. The innovation is being adopted in Hyundai Mobis’ head-up display system, featured in the Hyundai IONIQ 5, to deliver an enhanced digital user experience.
- **Mobile Consumer Electronics** – Corning advanced its More Corning strategy by entering the mobile device camera optics category. Corning® Gorilla® Glass with DX and Corning® Gorilla® Glass with DX+ composites enable high-quality image capture through a unique combination of advanced optical performance, superior scratch resistance, and durability. Samsung is the first adopter. Also, during the quarter, Apple awarded Corning an additional \$45 million from its Advanced Manufacturing Fund – recognizing the two companies’ strong history of collaboration. Throughout the quarter, more than 20 devices – including smartphones, wearables, and laptops – launched featuring Corning® Gorilla® Glass.
- **Optical Communications** – Optical Communications has returned to growth as 5G, fiber-to-the-home, and cloud computing drive greater demand for Corning’s content. Corning is outperforming the market and addressing its customers’ toughest challenges. During the quarter, the company introduced Corning® SMF-28® Contour fiber, which offers an industry-first combination of superior bendability, compatibility with other fibers, and low signal loss. Corning also launched EDGE™ Rapid Connect solutions that increase fiber density and reduce customer installation time by up to 70%.
- **Life Sciences** – Life Sciences saw strength across its underlying lab research, bioprocessing, and diagnostics markets. Cell- and gene-based therapies and advances in research are creating opportunities for Corning to capture more value with its innovations. The company is successfully building its Corning Valor® Glass franchise. During the quarter, Corning collaborated with Thermo Fisher Scientific and OPTIMA pharma to demonstrate how Valor Glass contributes to a 67% increase in vaccine packaging filling speed.
- **Display** – Corning continues to experience the most favorable pricing environment in more than a decade and during the quarter announced its second increase to display glass substrate prices this year. The company also hosted an official opening of its Gen 10.5

facility in Wuhan, China, co-located with a BOE Technology Group plant. Corning's Wuhan plant further positions the company to capture demand for large-size TVs.

## Second-Quarter 2021 Results and Comparisons

(In millions, except per-share amounts)

	Q2 2021	Q1 2021	% change	Q2 2020	% change
GAAP Net Sales	\$ 3,501	\$ 3,290	6%	\$ 2,561	37%
GAAP Net Income (Loss)	\$ 449	\$ 599	(25%)	\$ (71)	***
GAAP EPS**	\$ (0.42)	\$ 0.67	***	\$ (0.13)	***
Core Sales*	\$ 3,504	\$ 3,263	7%	\$ 2,588	35%
Core Net Income*	\$ 459	\$ 402	14%	\$ 218	111%
Core EPS*	\$ 0.53	\$ 0.45	18%	\$ 0.25	112%

\*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.

\*\*The difference between GAAP and core EPS was primarily due to a one-time accounting treatment resulting from the Samsung Display Co., Ltd. preferred share transaction, which reduced fully diluted share count by 35 million.

\*\*\*Not Meaningful

## Second-Quarter 2021 Segment Results

### Display Technologies

	Q2 2021	Q1 2021	% change	Q2 2020	% change
Net Sales	\$ 939	\$ 863	9%	\$ 753	25%
Net Income Before Tax	\$ 312	\$ 269	16%	\$ 193	62%
Net Income	\$ 248	\$ 213	16%	\$ 152	63%

In Display Technologies, second-quarter sales were \$939 million, up 9% sequentially and 25% year over year. Corning increased glass substrate prices in the second quarter and implemented an additional moderate price increase for the third quarter.

## Optical Communications

	Q2 2021	Q1 2021	% change	Q2 2020	% change
Net Sales	\$ 1,075	\$ 937	15%	\$ 887	21%
Net Income Before Tax	\$ 188	\$ 142	32%	\$ 104	81%
Net Income	\$ 148	\$ 111	33%	\$ 81	83%

In Optical Communications, second-quarter sales were \$1.08 billion, up 21% year over year. Sales increased in both enterprise and carrier networks. 5G, fiber-to-the-home, and cloud computing continue to drive strong growth across this segment.

## Specialty Materials

	Q2 2021	Q1 2021	% change	Q2 2020	% change
Net Sales	\$ 483	\$ 451	7%	\$ 417	16%
Net Income Before Tax	\$ 103	\$ 115	(10%)	\$ 114	(10%)
Net Income	\$ 81	\$ 91	(11%)	\$ 90	(10%)

In Specialty Materials, second-quarter sales of \$483 million increased 16% year over year due to strong demand for premium cover materials, strength in the IT market, and greater optical content in semiconductor manufacturing. Net income declined sequentially and year over year, driven by increased investments in innovation programs that are moving toward commercialization.

## Environmental Technologies

	Q2 2021	Q1 2021	% change	Q2 2020	% change
Net Sales	\$ 407	\$ 441	(8%)	\$ 226	80%
Net Income Before Tax	\$ 102	\$ 94	9%	\$ 0	*
Net Income	\$ 81	\$ 74	9%	\$ 0	*

*\*Not Meaningful*

In Environmental Technologies, second-quarter sales of \$407 million increased 80% year over year, driven by improving markets and More Corning content. Automotive sales were up 68% year over year as vehicle production improved from pandemic lows and gasoline particulate filter adoption continued in Europe and China. Diesel sales grew 101% year over year, driven by adoption of more advanced exhaust aftertreatment systems in preparation for China VI implementation as well as continued strength in the North America heavy-duty truck market.

## Life Sciences

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	Q2 2021	Q1 2021	% change	Q2 2020	% change
Net Sales	\$ 312	\$ 300	4%	\$ 243	28%
Net Income Before Tax	\$ 66	\$ 61	8%	\$ 39	69%
Net Income	\$ 52	\$ 48	8%	\$ 31	68%

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In Life Sciences, second-quarter sales were \$312 million, up 28% year over year. Performance was driven by ongoing recovery in academic and pharmaceutical research labs and continued strong demand for bioproduction products and diagnostic-related consumables.

## Upcoming Investor Events

On Sept. 1, Corning will attend the Jefferies Semiconductor, IT Hardware & Communications Infrastructure Summit. And, on Sept. 14, Corning will attend the Citi 2021 Global Technology Virtual Conference.

## Second-Quarter Conference Call Information

The company will host its second-quarter conference call on Tuesday, July 27, at 8:30 a.m. EDT. To participate, please call toll-free (877) 710-0209 or for international access, call (315) 625-3068 approximately 10 to 15 minutes prior to the start of the call. The access code is 133 0605. To listen to a live audio webcast of the call, go to Corning's website at [http://www.corning.com/investor\\_relations](http://www.corning.com/investor_relations), click "Events," 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. The company does not undertake to update forward-looking statements. 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, operations and our global supply chains; the effects of acquisitions, dispositions and other similar transactions; global business, financial, economic and political conditions; tariffs and import duties; currency fluctuations between the U.S. dollar and other currencies, primarily the Japanese yen, new Taiwan dollar, euro, Chinese yuan and South Korean won; product demand and industry capacity; competitive products and pricing; availability and costs of critical components and materials; 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; possible disruption in commercial activities due to terrorist activity, cyber-attack, armed conflict, political or financial instability, natural disasters, or major health concerns; loss of intellectual property due to theft, cyber-attack, or disruption to our information technology infrastructure; unanticipated disruption to our supply chain, equipment, facilities, IT systems or operations; effect of regulatory and legal developments; ability to pace capital spending to anticipated levels

of customer demand; rate of technology change; ability to enforce patents and protect intellectual property and trade secrets; adverse litigation; product and components performance issues; 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 and regulations; 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](http://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 our customers capture new opportunities in dynamic industries. Today, Corning's markets include optical communications, mobile consumer electronics, display, automotive, and life sciences.

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