

THIRD-QUARTER 2023 EARNINGS REPORT

Corning Reports Third-Quarter 2023 Financial Results with Continued Improvement in Profitability and Cash Flow

“Our third-quarter results show continued progress on our priorities to improve profitability and cash flow, even with weak demand across our markets. We increased third-quarter core gross margin to 37%, a 340 basis-point improvement from the fourth quarter of 2022. We grew free cash flow to \$466 million. We also extended our market leadership and executed on ‘More Corning’ content opportunities. For example, we once again worked with Apple to advance the state of the art for smartphones, delivering durable color-infused glass – a first for any smartphone – for the iPhone 15 and iPhone 15 Plus. Our markets continue to reflect demand below trend lines, but our sales will recover, and we will return to growth. In the meantime, we will continue to improve our profitability and cash flow, even in this current muted sales environment. As a result, as our markets recover to trend, we can serve them with our existing capacity and capabilities on an improved price and cost platform. This will allow us to grow profitability faster than sales and generate significant incremental cash flow.”

– Wendell P. Weeks, chairman and CEO



KEY HIGHLIGHTS



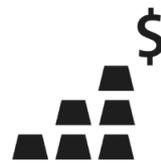
\$3.5B

Q3 core sales



\$0.45

Q3 core EPS



37%

Q3 core gross margin



\$466M

Q3 free cash flow



“Sales in the third quarter were consistent sequentially, as expected. Our strong execution on our plan to improve profitability and cash flow is evident in our numbers. Specifically, we expanded core gross margin to 37%, primarily as a result of Display Technologies’ pricing actions. Additionally, we grew free cash flow to \$466 million for the quarter, driven by strong operating cash flow – including inventory reductions – and lower capital expenditures. For the fourth quarter, we expect core sales to be approximately \$3.25 billion. We will continue our focus on profitability and cash flow. Despite lower sequential fourth-quarter sales, we expect to deliver a gross margin percentage similar to the third quarter and another quarter of strong free cash flow. Longer term, we remain confident in our ability to outperform our markets as they recover – and we expect to grow beyond prior-peak sales run rates. Importantly, we are already well positioned to capture that growth and drive strong operating leverage without substantial cash investments.”

– Ed Schlesinger, executive vice president and CFO