

News Release

FOR RELEASE – October 26, 2021

Corning Reports Third-Quarter 2021 Results as Sales Reach All-Time High

*Core sales and EPS grew 21% and 30% year over year, respectively, with
free cash flow of \$0.5 billion*

*Announcements with AT&T, Jeep, PPG, and Samsung highlight
Corning's contributions to significant industry advancements*

Company on track to reach \$14 billion in sales and over \$2 in EPS for 2021

Sales and EPS growth with strong cash generation expected to continue in 2022

CORNING, N.Y. — [Corning Incorporated](https://www.corning.com) (NYSE: GLW) today announced results for the third quarter ended Sept. 30, 2021, and provided its outlook for the fourth quarter.

- GAAP and core sales were \$3.6 billion; core sales grew 4% sequentially and 21% year over year, driven by strong growth in Optical Communications; GAAP net income was \$371 million, and core net income was \$485 million.
- GAAP EPS was \$0.43 and core EPS was \$0.56; core EPS increased 6% sequentially and 30% year over year.
- Lower production levels in the automotive industry due to the semiconductor chip shortage reduced sales by approximately \$40 million and EPS by \$0.02.
- Gross margin expanded 50 basis points sequentially and 70 basis points year over year to 38.3% despite a net impact of 150 basis points from supply chain challenges and inflationary headwinds.
- Free cash flow was \$497 million for the quarter and \$1.3 billion for the first nine months of 2021.
- For the fourth quarter, Corning expects core sales to be in the range of \$3.5 billion to \$3.7 billion with core EPS in the range of \$0.50 to \$0.55. Profitability is expected to decline slightly on a sequential basis due to further reductions in automotive industry-related sales and lower Corning® Gorilla® Glass sales following large product launches by customers.

Wendell P. Weeks, chairman and chief executive officer, said, “Strong execution resulted in another outstanding quarter as sales reached an all-time high. For the full year, we are on pace to reach \$14 billion in sales and over \$2 in EPS. We are successfully capturing a compelling set of long-term growth opportunities by innovating, extending commercial relationships, and scaling operations to meet robust demand. We are advancing our market leadership and expect to grow again in 2022.”

Weeks continued, “Corning has become increasingly vital to multiple industry transformations that are moving the world forward. Key trends continue to converge around our capabilities – and we believe this is just the beginning. Corning’s strong position reflects the contributions of our dedicated people as we navigate this period of global disruption.”

Tony Tripeny, executive vice president and chief financial officer, said, “In the third quarter, we continued to execute well in a complex environment. A key driver of that execution was our global supply management and operations teams maintaining a steady supply of raw materials and finding creative shipping strategies. Their actions enabled us to deliver effectively for our customers. At the same time, we incurred additional costs that were elevated by inflation. To help offset these costs, we have price increases underway in all of our businesses.”

Tripeny concluded, “As we approach 2022, we remain focused on driving top-line growth and expanding our margins. We are well positioned to address growing customer demand, deepen our innovation portfolio, and reward shareholders.”

Market-Access Platform Highlights

During the quarter, Corning continued to build on partnerships with industry leaders such as [AT&T](#), [Jeep](#), [PPG](#), and [Samsung](#) and advanced important growth initiatives across its Market-Access Platforms.

- **Optical Communications** – Demand on networks is at an all-time high, setting the stage for significant investments by operators to expand network capacity, capability, and access. During the quarter, the company announced a collaboration with AT&T. Corning’s capacity expansions will allow AT&T to extend investments in fiber infrastructure, expand U.S. broadband networks, and accelerate 5G deployment. Corning continues to outperform the market.
- **Life Sciences** – Corning continues to support the pandemic response, and its portfolio of advanced vials and pharmaceutical glass tubing has enabled the delivery of more than 3 billion doses of COVID-19 vaccines so far. The company also continues to advance its pharmaceutical packaging portfolio through key partnerships and a growing customer base. Additionally, innovations are helping advance developments in cell- and gene-based therapies, which offer a significant opportunity to increase Corning content in life sciences products.
- **Mobile Consumer Electronics** – Corning continues to advance its objective of delivering more Corning content, and capturing higher revenue, per device. During the quarter, Samsung introduced its Galaxy Z Fold3 5G and Galaxy Z Flip3 5G, both featuring Corning® Gorilla® Glass Victus®. These devices feature Corning® Gorilla® Glass with DX for device cameras, marking Corning’s entrance into a new product

category. Additionally, nearly 30 new devices – including smartphones, wearables, and laptops – launched featuring Corning® Gorilla® Glass.

- **Automotive** – Corning is uniquely suited to address global trends toward cleaner, safer vehicles that enhance the driving experience. Jeep and Corning announced that a windshield with Corning® Gorilla® Glass is available as a factory-installed option on the 2021 Jeep® Wrangler and 2021 Jeep® Gladiator. Environmental Technologies continues to deliver more Corning content per vehicle; since 2017, the company’s automotive product sales have increased more than 40% while global car sales have decreased 20%.
- **Display** – The market for large-sized TVs is projected to grow at a double-digit compound annual growth rate through 2024. Gen 10.5 glass provides the most economical approach for larger sets, and Corning is well positioned to meet growing demand as the leader in Gen 10.5. Glass demand at retail is expected to be up by a high-single digit percentage in 2022. The company expects the glass pricing environment to remain favorable in the fourth quarter and in 2022. Fourth-quarter glass pricing is expected to be consistent with the third quarter.

Third-Quarter 2021 Results and Comparisons
(In millions, except per-share amounts)

	Q3 2021	Q2 2021	% change	Q3 2020	% change
GAAP Net Sales	\$ 3,615	\$ 3,501	3%	\$ 3,001	20%
GAAP Net Income	\$ 371	\$ 449	(17%)	\$ 427	(13%)
GAAP EPS	\$ 0.43	\$ (0.42)	**	\$ 0.48	(10%)
Core Sales*	\$ 3,639	\$ 3,504	4%	\$ 3,007	21%
Core Net Income*	\$ 485	\$ 459	6%	\$ 380	28%
Core EPS*	\$ 0.56	\$ 0.53	6%	\$ 0.43	30%

**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*

Third-Quarter 2021 Segment Results

Display Technologies

	Q3 2021	Q2 2021	% change	Q3 2020	% change
Net Sales	\$ 956	\$ 939	2%	\$ 827	16%
Net Income Before Tax	\$ 311	\$ 312	(0%)	\$ 248	25%
Net Income	\$ 247	\$ 248	(0%)	\$ 196	26%

In Display Technologies, third-quarter sales were \$956 million, up 2% sequentially and 16% year over year. Sequentially, volume was up slightly and glass prices increased moderately, as expected.

Optical Communications

	Q3 2021	Q2 2021	% change	Q3 2020	% change
Net Sales	\$ 1,131	\$ 1,075	5%	\$ 909	24%
Net Income Before Tax	\$ 177	\$ 188	(6%)	\$ 147	20%
Net Income	\$ 139	\$ 148	(6%)	\$ 115	21%

In Optical Communications, third-quarter sales were \$1.13 billion, up 5% sequentially and 24% year over year. 5G, broadband, and cloud computing continue to drive strong growth across this segment. Increased raw material and shipping costs significantly impacted profitability.

Specialty Materials

	Q3 2021	Q2 2021	% change	Q3 2020	% change
Net Sales	\$ 556	\$ 483	15%	\$ 570	(2%)
Net Income Before Tax	\$ 135	\$ 103	31%	\$ 184	(27%)
Net Income	\$ 107	\$ 81	32%	\$ 146	(27%)

In Specialty Materials, third-quarter sales were \$556 million, up 15% sequentially. The company continues to garner significant demand for its premium cover materials and Advanced Optics products, driven by ongoing strength in the underlying IT, mobile device, and semiconductor markets. In the fourth quarter, the company expects typical volume declines in Gorilla Glass following builds supporting flagship product launches by customers.

Environmental Technologies

	Q3 2021	Q2 2021	% change	Q3 2020	% change
Net Sales	\$ 385	\$ 407	(5%)	\$ 379	2%
Net Income Before Tax	\$ 76	\$ 102	(25%)	\$ 87	(13%)
Net Income	\$ 60	\$ 81	(26%)	\$ 69	(13%)

In Environmental Technologies, third-quarter sales were \$385 million, up 2% year over year, driven by diesel product sales. The automotive industry was significantly impacted by the semiconductor chip shortage as OEMs extended shutdowns due to production constraints, and Corning's automotive sales and profitability were down as a result. The company expects sales and profit to be further impacted in the fourth quarter.

Life Sciences

	Q3 2021	Q2 2021	% change	Q3 2020	% change
Net Sales	\$ 305	\$ 312	(2%)	\$ 223	37%
Net Income Before Tax	\$ 57	\$ 66	(14%)	\$ 36	58%
Net Income	\$ 45	\$ 52	(13%)	\$ 28	61%

In Life Sciences, third-quarter sales were \$305 million, up 37% year over year, driven by ongoing demand to support the global pandemic response, continued recovery in academic and pharmaceutical research labs, and strong demand for bioproduction vessels and diagnostic-related consumables.

Upcoming Investor Events

On Nov. 10, Corning will attend the Baird Virtual Global Industrial Conference. On Dec. 1, Corning will attend the Credit Suisse Annual Technology Conference. And, on Dec. 7, Corning will attend the Barclays Virtual Global Technology, Media, and Telecommunications Conference.

Third-Quarter Conference Call Information

The company will host its third-quarter conference call on Tuesday, Oct. 26, 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 483 4419. To listen to a live audio webcast of the call, go to Corning's website at 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 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 forward-looking statements relate to, among other things, the Company's future operating performance, the Company's share of new and existing markets, the Company's revenue and earnings growth rates, the Company's ability to innovate and commercialize new products, and the Company's implementation of cost-reduction initiatives and measures to improve pricing, including the optimization of the Company's manufacturing capacity. These statements 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, operations, our global supply chains and stock price; the effects of acquisitions, dispositions and other similar transactions; global economic trends, competition and geopolitical risks, or an escalation of sanctions, tariffs or other trade tensions between the U.S. and China or other countries, and related impacts on our businesses' global supply chains and strategies; changes in macroeconomic and market conditions and market volatility (including developments and volatility arising from the COVID-19 pandemic), including inflation, interest rates, the value of securities and other financial assets, precious metals, oil, natural gas and other commodity prices and exchange rates (particularly between the U.S. dollar and the Japanese yen, new Taiwan dollar, euro, Chinese yuan and South Korean won), 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 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 or our supply chain 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; 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; our ability to increase margins through implementation of operational changes and other cost reduction measures; 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; and the potential impact of legislation, government regulations, 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, and life sciences.

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