

News Release

FOR RELEASE – JANUARY 31, 2023

Corning Reports Fourth-Quarter and Full-Year 2022 Financial Results

The company grew 2022 sales and EPS, building on a strong 2021 and demonstrating strategic resilience in a challenging external environment

Optical Communications and Hemlock and Emerging Growth Businesses delivered double-digit year-over-year sales growth, and Display Technologies maintained stable pricing

For first-quarter 2023, management expects sales to be impacted by pandemic-related disruptions in China, with core sales in the range of \$3.2 billion to \$3.4 billion and core EPS in the range of \$0.35 to \$0.42

Pricing and productivity improvement actions taken in Q4 2022 are expected to deliver profitability and cash flow benefits starting in Q1 2023

CORNING, N.Y. — [Corning Incorporated](#) (NYSE: GLW) today announced its fourth-quarter and full-year 2022 results and provided its outlook for first-quarter 2023.

Financial Performance

Fourth-Quarter 2022:

- Fourth-quarter GAAP sales were \$3.4 billion, and core sales were \$3.6 billion.
- Fourth-quarter GAAP EPS was \$(0.04), and core EPS was \$0.47. The primary differences between GAAP and core EPS stemmed from restructuring charges taken in the fourth quarter and from non-cash, mark-to-market adjustments associated with the company's currency-hedging contracts and Japanese-yen-denominated debt.
- Free cash flow for the quarter was \$377 million.

Full-Year 2022:

- For the full year, GAAP sales were \$14.2 billion, up 1% year over year, and core sales were \$14.8 billion, up 5%, versus a strong 2021.
 - Optical Communications' annual sales surpassed \$5 billion, reaching an all-time high.
 - Display Technologies maintained stable pricing year over year despite a sharp drop in panel maker utilization in the second half.
 - Specialty Materials and Environmental Technologies delivered consistent sales year over year, outperforming depressed end markets.
 - Hemlock and Emerging Growth Businesses generated 34% year-over-year growth, driven primarily by solar sales, as well as strong year-over-year growth in

Pharmaceutical Technologies and Automotive Glass Solutions.

- Full-year GAAP EPS was \$1.54, and core EPS was \$2.09. The primary differences between GAAP and core EPS stemmed from restructuring charges.
- Full-year free cash flow was \$1.24 billion.

First-Quarter 2023 Outlook:

- For the first quarter, management expects core sales in the range of \$3.2 billion to \$3.4 billion and core EPS in the range of \$0.35 to \$0.42. Management expects sales to decline more than seasonally due to pandemic-related disruptions in China. Management took actions to increase price and improve productivity in the fourth quarter of 2022. The company expects the benefits of these actions to begin in the first quarter of 2023 and, as a result, profitability to improve despite an anticipated sequential sales decline.

Wendell P. Weeks, chairman and chief executive officer, said: “In 2022, Corning grew core sales to \$14.8 billion as we built on our strong positions in optical communications and solar – and our businesses continued outperforming their end markets. I’m pleased with the sales growth we continue to deliver despite recession-level demand in markets constituting about half of our sales. However, our profitability and cash flow have lagged sales growth as a number of pandemic-driven effects continue to ripple across the global economy. In response, we took significant additional price and productivity improvement actions in the fourth quarter that will improve margins and cash generation starting this year.”

Weeks continued, “We will continue to focus on operating each of our businesses well in 2023, including adapting to global and market dynamics, while simultaneously advancing long-term growth initiatives and capabilities that will drive our success as the global economy stabilizes. Even though the pandemic-related disruptions in China are currently impacting the television, automotive, smartphone, and IT markets, we’ll be ready to capture growth when consumer demand returns. We remain confident in our ability to deliver durable multiyear growth.”

Ed Schlesinger, executive vice president and chief financial officer, said: “In 2022, we grew full-year sales and EPS. In the fourth quarter, we took actions to further improve our profitability and cash flow. These actions included raising prices again in Optical Communications and Life Sciences, improving our productivity metrics, and reducing our inventory.”

Schlesinger continued, “Looking ahead, we’re well positioned to capture growth as our end markets recover. For the first quarter, we anticipate core sales in the range of \$3.2 billion to \$3.4 billion, and we expect sales to improve from these levels in the second quarter. The benefits of our recent actions will improve profitability despite lower sales, and we expect first-quarter core EPS in the range of \$0.35 to \$0.42.”

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.

2022 highlights include:

- **Delivering innovations that offer unprecedented performance to meet the rigorous demands put on smartphone cover materials and allow people to do more right from their mobile devices** by developing a new glass composition, [Corning® Gorilla® Glass Victus® 2](#), that delivers improved drop performance on rough surfaces like concrete. Samsung Electronics Co., Ltd. [will use the new composition](#) as part of its next generation of Galaxy flagship smartphones. Additionally, Corning's premium cover materials are also on the front and back of the Samsung Galaxy S22 devices, and Corning's DX products are featured on all five rear cameras of the Samsung Galaxy S22 Ultra.
- **Enabling enhanced experiences for drivers and making vehicles greener** by providing sustainable glass solutions for innovative curved interior displays. Corning collaborated with [LG Electronics](#), a global technology and vehicle component solutions innovator, to advance in-car connectivity, and with [CarUX](#), a leading car display company owned by Innolux, to enable the future of automotive displays. Corning also continued expanding its gasoline particulate filter business into new markets as India advanced GPF implementation.
- **Helping build a more connected world.** [Corning teamed up with Nokia and Wesco](#) to address operators' labor and supply challenges with products that accelerate and simplify rural broadband deployment. To meet demand in Europe, Corning [opened a new optical fiber manufacturing plant in Poland](#). Additionally, the company was joined by AT&T CEO John Stankey and U.S. Secretary of Commerce Gina Raimondo, whose leadership helped pass infrastructure legislation dedicated to connecting the unconnected, to [announce a new optical cable manufacturing facility](#) in Arizona to meet committed customer demand and address industry growth.
- **Advancing the semiconductors that are fundamental to all of today's technology by strengthening the United States' leadership position in the growing industry.** Sen. Charles Schumer and New York Gov. Kathy Hochul joined Corning to [announce a government-backed expansion](#) of its Advanced Optics facility in Fairport, New York, to bolster the supply chain. In Michigan, [government funding is expected to allow the](#)

[expansion of operations](#) to meet the increasing global demand for hyperpure polysilicon in the semiconductor industry and address growing solar demand.

- **Developing sustainable practices across its industries.** Corning expanded its supply of critical materials to the solar industry, submitted carbon reduction goals to the Science Based Targets initiative, and extended its leadership in renewable energy use. Corning also pioneered chemical recycling methods with the [potential to drastically reduce single-use plastic consumption and waste in the Life Sciences industry](#).
- **Driving life-changing discovery – from clean energy to space exploration.** Corning’s advanced optics technologies played a vital role in [the first successful fusion-ignition experiment in history](#). The company also [applied its 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.
- **Building a more diverse, equitable, and inclusive work environment.** Corning became a [VETS Indexes Recognized Employer](#) in recognition of the company’s many employees who are veterans as well as its work to hire, retain, promote, and support veterans, and the [National Business Inclusion Consortium named Corning](#) among its Best-of-the-Best Corporations for Inclusion.

Fourth-Quarter and Full-Year 2022 Results and Comparisons (In millions, except per-share amounts)

	Q4 2022	Q3 2022	% change	Q4 2021	% change	Full- year 2022	Full- year 2021	% change
GAAP Net Sales	\$ 3,406	\$ 3,488	(2%)	\$ 3,676	(7%)	\$ 14,189	\$ 14,082	1%
GAAP Net (Loss) Income (1)	\$ (36)	\$ 208	*	\$ 487	*	\$ 1,316	\$ 1,906	(31%)
GAAP Diluted EPS	\$ (0.04)	\$ 0.24	*	\$ 0.56	*	\$ 1.54	\$ 1.28	20%
Core Sales (2)	\$ 3,633	\$ 3,666	(1%)	\$ 3,714	(2%)	\$ 14,805	\$ 14,120	5%
Core Net Income (2)	\$ 402	\$ 438	(8%)	\$ 465	(14%)	\$ 1,794	\$ 1,811	(1%)
Core EPS (2)	\$ 0.47	\$ 0.51	(8%)	\$ 0.54	(13%)	\$ 2.09	\$ 2.07	1%

(1) Represents GAAP net (loss) 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

Fourth-Quarter and Full-Year 2022 Segment Results

The fourth-quarter and full-year 2022 results below are prepared on a basis consistent with Corning's segment reporting as presented in the company's consolidated financial statements.

Optical Communications

	Q4 2022	Q3 2022	% change	Q4 2021	% change	Full- year 2022	Full- year 2021	% change
Net Sales	\$ 1,195	\$ 1,317	(9%)	\$ 1,206	(1%)	\$ 5,023	\$ 4,349	15%
Net Income Before Tax	\$ 164	\$ 233	(30%)	\$ 198	(17%)	\$ 841	\$ 705	19%
Net Income	\$ 130	\$ 183	(29%)	\$ 155	(16%)	\$ 661	\$ 553	20%

In Optical Communications, fourth-quarter sales were \$1.2 billion, down 9% sequentially, driven by the pacing of customer projects. For the full year, sales surpassed \$5 billion, an increase of 15%, driven by 5G, broadband, and cloud computing.

Display Technologies

	Q4 2022	Q3 2022	% change	Q4 2021	% change	Full- year 2022	Full- year 2021	% change
Net Sales	\$ 783	\$ 686	14%	\$ 942	(17%)	\$ 3,306	\$ 3,700	(11%)
Net Income Before Tax	\$ 217	\$ 169	28%	\$ 317	(32%)	\$ 972	\$ 1,209	(20%)
Net Income	\$ 171	\$ 134	28%	\$ 252	(32%)	\$ 769	\$ 960	(20%)

In Display Technologies, fourth-quarter sales were \$783 million, up 14% sequentially, as panel maker utilization increases drove higher volume, and glass price was consistent with the third quarter. Net income was \$171 million, up 28% sequentially, driven by strong execution and additional volume. For the full year, sales were \$3.3 billion, down 11% year over year, driven by lower glass volume as a result of the industry correction in the second half of 2022. Glass price was consistent for the full year, and the company expects glass price in the first quarter to remain consistent with the fourth quarter.

Specialty Materials

	Q4 2022	Q3 2022	% change	Q4 2021	% change	Full- year 2022	Full- year 2021	% change
Net Sales	\$ 505	\$ 519	(3%)	\$ 518	(3%)	\$ 2,002	\$ 2,008	—
Net Income Before Tax	\$ 98	\$ 122	(20%)	\$ 117	(16%)	\$ 430	\$ 470	(9%)
Net Income	\$ 78	\$ 96	(19%)	\$ 92	(15%)	\$ 340	\$ 371	(8%)

In Specialty Materials, fourth-quarter sales were \$505 million, down 3% sequentially and year over year, but outperformed the smartphone and IT markets driven by customer product launches and continued strong demand for premium glasses and advanced optics products. Full-year sales were consistent as the segment outperformed the smartphone and IT markets, which were down by 11% and 15% respectively. Full-year net income was \$340 million, down 8% year over year, due to continued investment in next-generation materials for consumer electronics and semiconductor equipment, as well as new markets, such as bendable devices and augmented reality.

Environmental Technologies

	Q4 2022	Q3 2022	% change	Q4 2021	% change	Full- year 2022	Full- year 2021	% change
Net Sales	\$ 394	\$ 425	(7%)	\$ 353	12%	\$ 1,584	\$ 1,586	—
Net Income Before Tax	\$ 88	\$ 110	(20%)	\$ 69	28%	\$ 370	\$ 341	9%
Net Income	\$ 69	\$ 87	(21%)	\$ 54	28%	\$ 292	\$ 269	9%

In Environmental Technologies, fourth-quarter sales were \$394 million, down 7% sequentially, as OEMs in China reduced production in December. Full-year sales remained consistent as light- and heavy-duty markets in China remained weak and global automotive-market growth was restricted.

Life Sciences

	Q4 2022	Q3 2022	% change	Q4 2021	% change	Full- year 2022	Full- year 2021	% change
Net Sales	\$ 294	\$ 312	(6%)	\$ 317	(7%)	\$ 1,228	\$ 1,234	—
Net Income Before Tax	\$ 39	\$ 54	(28%)	\$ 61	(36%)	\$ 193	\$ 245	(21%)
Net Income	\$ 31	\$ 43	(28%)	\$ 49	(37%)	\$ 153	\$ 194	(21%)

In Life Sciences, fourth-quarter sales were \$294 million, down sequentially and year over year, reflecting lower demand for COVID-related products. Fourth-quarter net income was down, driven by lower sales and the impact of reducing inventory. Full-year sales of \$1.2 billion were consistent with a strong 2021, while net income was \$153 million, down 21%, as the unexpected shift in demand away from COVID-related products led to significantly lower productivity in the company's manufacturing operations.

Hemlock and Emerging Growth Businesses

	Q4 2022	Q3 2022	% change	Q4 2021	% change	Full- year 2022	Full- year 2021	% change
Net Sales	\$ 462	\$ 407	14%	\$ 378	22%	\$ 1,662	\$ 1,243	34%
Net Income (Loss) Before Tax	\$ 9	\$ 26	(65%)	\$ (8)	*	\$ 63	\$ (62)	*
Net Income (Loss)	\$ 4	\$ 18	(78%)	\$ (7)	*	\$ 39	\$ (51)	*

* Not Meaningful

In Hemlock and Emerging Growth Businesses, fourth-quarter sales were \$462 million, up 14% sequentially. Full-year sales were \$1.7 billion, up 34% year over year, driven by continued strong demand for solar polysilicon, as well as strong year-over-year growth in Pharmaceutical Technologies and Automotive Glass Solutions.

Upcoming Investor Events

On March 2, Corning will attend the Susquehanna Financial Group, LLLP 12th Annual Technology Conference. On March 7, Corning will attend the Morgan Stanley Technology, Media and Telecom 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.

Fourth-Quarter Conference Call Information

The company will host its fourth-quarter conference call on Tuesday, Jan. 31, at 8:30 a.m. EST. 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.

With respect to the outlook for future periods, it is not possible to provide reconciliations for these non-GAAP measures because management does not forecast the movement of foreign currencies against the U.S. dollar, or other items that do not reflect ongoing operations, nor does it forecast items that have not yet occurred or are out of management's control. As a result, management is unable to provide outlook information on a GAAP basis.

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: 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, market volatility, including developments and volatility arising from the COVID-19 pandemic, 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), the availability of government incentives, decreases or sudden increases of consumer demand, and the impact of such changes and volatility on our financial position and businesses; the amount and timing of any future dividends; 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; 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; ability to enforce patents and protect intellectual property and trade secrets; unanticipated disruption to Corning's, our suppliers' and manufacturers' supply chain, equipment, facilities, IT systems or operations; 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; the effects of acquisitions, dispositions and other similar transactions; the 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; rate of technology change; adverse litigation; product and component 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, 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.

Media Relations Contact:

Megan Whittemore

(202) 661-4171

whitemom@corning.com

Investor Relations Contact:

Ann H.S. Nicholson

(607) 974-6716

nicholsoas@corning.com