

FOURTH-QUARTER & FULL-YEAR

2021 EARNINGS REPORT

FULL-YEAR KEY HIGHLIGHTS



\$14.1B

Full-year core sales grew 23% year over year



\$2.07

Full-year core EPS up 49% year over year



\$1.8B

Full-year free cash flow nearly doubling year over year

FOURTH-QUARTER KEY HIGHLIGHTS



\$3.7B

Q4 core sales up 12% year over year



\$0.54

Q4 core EPS up 4% year over year



\$425M

Q4 free cash flow

“Corning delivered another strong quarter of year-over-year growth. For full-year 2021, we exceeded \$14 billion in sales and \$2 in EPS. We nearly doubled free cash flow, increased our dividend by 9%, and reduced outstanding shares by 5% through the resumption of share repurchases. By leveraging our core capabilities and ‘More Corning’ strategy, we are capturing a compelling set of short- and long-term opportunities across our portfolio.”

– Wendell P. Weeks, chairman and CEO



CONTINUED PROGRESS

ACROSS ALL FIVE MARKET-ACCESS PLATFORMS

Optical Communications – Optical Communications sales grew 22% year over year to \$4.3 billion. Growth was supported by increased spending in broadband, 5G, and cloud computing. Corning seeks to consistently create new products and extend its leadership by delivering passive optical solutions that increase network capability and reduce deployment time and cost. Notable innovations and partnerships during 2021 included the introduction of Corning® SMF-28® Contour fiber, which offers an industry-first combination of superior bendability, compatibility with other fibers, and low signal loss; the launch of EDGE™ Rapid Connect solutions, which are designed to help hyperscale customers interconnect their data centers up to 70% faster than legacy cabling methods; and the expansion of 5G collaboration with Verizon to include indoor mmWave sites and edge deployments in Corning’s largest cable plant. Management expects significant growth in 2022 and beyond, including from the U.S. Infrastructure Investment and Jobs Act, which provides for broadband deployment to benefit underserved and unserved communities.

Life Sciences – The company is driving more Corning content into the market, delivering all-time-high Life Sciences segment sales of more than \$1.2 billion in 2021 – up 24% year over year. Growth was driven by strong ongoing demand to support the global pandemic response, research labs reopening following pandemic-driven closures, and continued growth in bioproduction. The company also introduced Corning Velocity® Vials to help drive faster manufacturing of COVID-19 vaccines and meet global demand. Velocity Vials join Corning Valor® Glass vials and pharmaceutical glass tubing as the company builds its comprehensive, end-to-end pharmaceutical packaging portfolio. To date, across that portfolio, Corning has enabled the delivery of nearly 5 billion doses of COVID-19 vaccines. In support of global demand, the company began production in two new facilities – manufacturing pharmaceutical-grade vials in Durham, North Carolina, and tubing in Bengbu, China. Additionally, West Pharmaceutical Services recently announced a long-term supply agreement and multimillion-dollar technology investment in Corning to enhance injectable drug packaging systems. In total, Corning enters 2022 with a significantly larger global footprint in Life Sciences and expects continued growth.

Automotive – In 2021, Environmental Technologies sales grew 16%, driven by strength in heavy duty, to reach an all-time-high \$1.6 billion, despite weakness in the automotive market related to chip shortages. The company also captured “More Corning” opportunities with its precision glass technology, including the Mercedes-Benz EQS that features the MBUX Hyperscreen with Corning Gorilla Glass for Automotive Interiors. Corning entered a new product category with its Corning® Curved Mirror Solutions, which are deployed in Hyundai Mobis’ head-up display system. Jeep and Corning announced that a windshield with Corning® Gorilla® Glass is available as a factory-installed option on the Jeep® Wrangler and Jeep® Gladiator. Looking ahead to 2022, Corning continues to address a combined \$100-per-car content opportunity. Gasoline particulate filters (GPFs) remain a critical component of that strategy, and next-generation GPFs are now shipping to customers as OEMs seek to meet tailpipe particulate emissions standards. Corning is also innovating and ramping products to provide advantaged precision glass and optics solutions for autonomous vehicles.

Mobile Consumer Electronics – 2021 Specialty Materials sales grew 7% and surpassed \$2 billion for the first time. Since 2016, the segment has added approximately \$900 million in revenue on a base of slightly more than \$1.1 billion. Corning® Gorilla® Glass is the clear market leader. Corning consistently advances state-of-the-art premium glasses and enhances devices with glass backs and its Gorilla Glass DX family of surface treatments, which improve durability and optics for wearables, laptops, and smartphone camera lens covers. In addition, Corning’s Advanced Optics business is growing rapidly. Advanced Optics provides optics for DUV and EUV photolithography tools for semiconductor manufacturing as well as the world’s most advanced inspection systems. The business is benefitting from strong semiconductor wafer fab equipment spending, and Corning continues to invest to support continued semiconductor-related growth.

Display – 2021 sales grew 17% to \$3.7 billion. The company experienced the most favorable pricing environment in more than a decade. In 2021, Corning’s display glass volume growth exceeded glass market growth, as the company ramped up its Gen 10.5 facilities that supply glass for large-size TVs, which are expected to grow at a high-teen percentage CAGR over the next several years. In 2022, Corning expects overall glass supply to remain tight to balanced and pricing to remain favorable, supported by growth in the retail market as TV unit sales increase and screen size grows.



“In 2021, we grew significantly year over year, with all segments adding sales and four out of five logging double-digit percentage increases. It was a strong year, even compared to pre-pandemic levels. Since 2019, we have grown sales by 21% and EPS by 18%.”

– Tony Tripeny, executive vice president and CFO

In December, Corning announced the appointment of Edward Schlesinger to CFO, effective Feb. 18, 2022, and the retirement of Tripeny.

“It has been a privilege to work alongside Tony for the past decade. Looking ahead, Corning is well positioned to deliver significant advancements and growth in each of its Market-Access Platforms. Creating value for shareholders and maintaining a disciplined approach to capital allocation remain our top priorities.”

– Edward Schlesinger, senior vice president and corporate controller

