

# News Release

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## Corning Reports Fourth-Quarter and Full-Year 2021 Financial Results

*Company delivered another quarter of year-over-year growth, with fourth-quarter core sales of \$3.7 billion and core EPS of \$0.54*

*Full-year core sales grew 23%, surpassing \$14 billion; full-year core EPS grew 49% to \$2.07, with free cash flow nearly doubling to \$1.8 billion*

*Strong year-over-year growth expected to continue in first quarter, with core sales of \$3.5 billion to \$3.7 billion and core EPS of \$0.48 to \$0.53*

*Company expects approximately \$15 billion in 2022 sales and to improve profitability as negotiated price increases in long-term contracts take effect throughout the year*

**CORNING, N.Y.** — [Corning Incorporated](#) (NYSE: GLW) today announced fourth-quarter and full-year 2021 results and provided its outlook for first-quarter and full-year 2022.

“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,” said Wendell P. Weeks, chairman and chief executive officer.

Weeks continued, “We achieved double-digit ROIC and expanded our operating margin by 230 basis points; however, our gross margin is not where it should be. We are focused on expanding gross margin and expect improvement in 2022 as sales grow and our price actions take hold throughout the year.”

### Financial Highlights:

- Fourth-quarter GAAP and core sales were \$3.7 billion, with core sales up 12% year over year. Full-year GAAP and core sales were \$14.1 billion; core sales grew 23% year over year, led by Optical Communications, Display, Life Sciences, and Hemlock Semiconductor Group.
- Fourth-quarter GAAP EPS was \$0.56 and core EPS was \$0.54; full-year GAAP EPS was \$1.28 and core EPS was \$2.07.
- Fourth-quarter core gross margin was 36.5%, down 180 basis points sequentially. As expected, below-normal automotive production, seasonally lower sales in Specialty Materials, and inflationary headwinds reduced profitability. In addition, Hemlock

Semiconductor Group incurred temporary startup costs as it restarted polysilicon capacity to support new long-term solar contracts. Full-year core gross margin expanded 110 basis points to 37.1%.

- Fourth-quarter free cash flow was \$425 million; full-year free cash flow was \$1.8 billion, with free cash flow conversion of 97%.
- Display glass pricing is expected to be flat sequentially in the first quarter of 2022. The supply-demand balance for display glass is tight. In 2022, management expects overall glass supply to remain tight to balanced and the pricing environment to remain favorable.
- For the first quarter, Corning expects core sales to be in the range of \$3.5 billion to \$3.7 billion with core EPS of \$0.48 to \$0.53. For 2022, management expects sales of approximately \$15 billion and profit to grow faster than sales; capital expenditures are expected to remain at approximately the 2021 level.

Tony Tripeny, executive vice president and chief financial officer, said, “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%. As we discussed throughout 2021, freight, logistics, and raw material costs along with lower automotive sales due to chip shortages impacted our margins. Over the last several months, we negotiated with our customers to increase prices in our contracts to share increased costs more appropriately. The revised pricing terms take effect throughout 2022, and we expect gross margin to expand accordingly.”

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

Schlesinger, currently serving as senior vice president and corporate controller, said, “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.”

### **Market-Access Platform Highlights:**

Corning holds a leadership position in each of the markets addressed by its five Market-Access Platforms. Throughout 2021, the company grew in all segments and advanced important growth initiatives and strategic partnerships with industry leaders.

- **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<sup>®</sup> SMF-28<sup>®</sup> Contour fiber, which offers an industry-first combination of superior bendability, compatibility with other fibers, and low signal loss; the launch of EDGE<sup>™</sup> 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<sup>®</sup> Vials to help drive faster manufacturing of COVID-19 vaccines and meet global demand. Velocity Vials join Corning Valor<sup>®</sup> 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<sup>®</sup> Curved Mirror Solutions, which are deployed in Hyundai Mobis' head-up display system. Jeep and Corning announced that a windshield with Corning<sup>®</sup> Gorilla<sup>®</sup> Glass is available as a factory-installed option on the Jeep<sup>®</sup> Wrangler and Jeep<sup>®</sup> 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<sup>®</sup> Gorilla<sup>®</sup> 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.

### Fourth-Quarter and Full-Year 2021 Results and Comparisons (In millions, except per-share amounts)

	Q4 2021	Q3 2021	% change	Q4 2020	% change	Full-year 2021	Full-year 2020	% change
GAAP Net Sales	\$3,676	\$ 3,615	2%	\$3,350	10%	\$14,082	\$ 11,303	25%
GAAP Net Income	\$ 487	\$ 371	31%	\$ 252	93%	\$ 1,906	\$ 512	272%
GAAP Diluted EPS	\$ 0.56	\$ 0.43	30%	\$ 0.28	100%	\$ 1.28	\$ 0.54	137%
Core Sales*	\$3,714	\$ 3,639	2%	\$3,328	12%	\$14,120	\$ 11,452	23%
Core Net Income*	\$ 465	\$ 485	(4%)	\$ 462	1%	\$ 1,811	\$ 1,237	46%
Core EPS*	\$ 0.54	\$ 0.56	(4%)	\$ 0.52	4%	\$ 2.07	\$ 1.39	49%

\*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.

### Fourth-Quarter Segment Results

#### Optical Communications

	Q4 2021	Q3 2021	% change	Q4 2020	% change	Full-year 2021	Full-year 2020	% change
Net Sales	\$1,206	\$1,131	7%	\$ 976	24%	\$4,349	\$ 3,563	22%
Net Income Before Tax	\$ 198	\$ 177	12%	\$ 179	11%	\$ 705	\$ 467	51%
Net Income	\$ 155	\$ 139	12%	\$ 141	10%	\$ 553	\$ 366	51%

In Optical Communications, 5G, broadband, and cloud computing continue to drive strong growth. Increased raw material and shipping costs significantly impacted profitability in the second half of the year.

#### Display Technologies

	Q4 2021	Q3 2021	% change	Q4 2020	% change	Full-year 2021	Full-year 2020	% change
Net Sales	\$ 942	\$ 956	(1%)	\$ 841	12%	\$3,700	\$ 3,172	17%
Net Income Before Tax	\$ 317	\$ 311	2%	\$ 274	16%	\$1,209	\$ 907	33%
Net Income	\$ 252	\$ 247	2%	\$ 217	16%	\$ 960	\$ 717	34%

During the fourth quarter and full year, the glass pricing environment remained favorable. Gen 10.5 capacity ramps contributed to strong volume growth that outpaced the glass market.

**Environmental Technologies**

	Q4 2021	Q3 2021	% change	Q4 2020	% change	Full-year 2021	Full-year 2020	% change
Net Sales	\$ 353	\$ 385	(8%)	\$ 445	(21%)	\$ 1,586	\$ 1,370	16%
Net Income Before Tax	\$ 69	\$ 76	(9%)	\$ 118	(42%)	\$ 341	\$ 249	37%
Net Income	\$ 54	\$ 60	(10%)	\$ 93	(42%)	\$ 269	\$ 197	37%

In Environmental Technologies, fourth-quarter sales were down sequentially and year over year as a result of lower production levels in the automotive industry due to the semiconductor chip shortage. Full-year growth was driven primarily by strong performance in heavy duty.

**Specialty Materials**

	Q4 2021	Q3 2021	% change	Q4 2020	% change	Full-year 2021	Full-year 2020	% change
Net Sales	\$ 518	\$ 556	(7%)	\$ 545	(5%)	\$ 2,008	\$ 1,884	7%
Net Income Before Tax	\$ 117	\$ 135	(13%)	\$ 173	(32%)	\$ 470	\$ 536	(12%)
Net Income	\$ 92	\$ 107	(14%)	\$ 136	(32%)	\$ 371	\$ 423	(12%)

In Specialty Materials, fourth-quarter sales were down sequentially on typical seasonality. Full-year sales were up, driven by continued strong sales of premium cover materials. Net income was down for the fourth quarter and full year, driven by increased investments in innovation programs that are moving toward commercialization.

**Life Sciences**

	Q4 2021	Q3 2021	% change	Q4 2020	% change	Full-year 2021	Full-year 2020	% change
Net Sales	\$ 317	\$ 305	4%	\$ 274	16%	\$ 1,234	\$ 998	24%
Net Income Before Tax	\$ 61	\$ 57	7%	\$ 53	15%	\$ 245	\$ 176	39%
Net Income	\$ 49	\$ 45	9%	\$ 42	17%	\$ 194	\$ 139	40%

In Life Sciences, fourth-quarter and full-year sales were up as a result of ongoing increased demand to support the global pandemic response, continued recovery in research labs, and strong demand for bioproduction vessels and diagnostic-related consumables.

**All Other**

	Q4 2021	Q3 2021	% change	Q4 2020	% change	Full-year 2021	Full-year 2020	% change
Net Sales	\$ 378	\$ 306	24%	\$ 247	53%	\$ 1,243	\$ 465	167%
Net Income Before Tax	\$ (8)	\$ (4)	(100%)	\$ (37)	78%	\$ (62)	\$ (272)	77%
Net Income	\$ (7)	\$ (5)	(40%)	\$ (29)	76%	\$ (51)	\$ (214)	76%

In All Other, fourth-quarter sales were up, driven by strong performance in Hemlock Semiconductor Group, which Corning consolidated in September 2020. Hemlock continued to see strong demand for semiconductor products, along with new demand for solar-grade polysilicon. Automotive Glass Solutions and Corning Pharmaceutical Technologies also contributed to year-over-year growth.

### **Upcoming Investor Events**

On March 4, Corning will attend the SIG 11<sup>th</sup> Annual Technology Conference. On March 8, Corning will attend the Morgan Stanley Global Technology, Media & Telecom Conference. Corning will also host management visits to investor offices in select cities.

### **Fourth-Quarter Conference Call Information**

The company will host its fourth-quarter conference call on Wednesday, Jan. 26, at 8:30 a.m. EST. 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 124 4688. 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. 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; our ability to increase margins through implementation of price increases, operational changes and other cost reduction measures; 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; 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, 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 its customers capture new opportunities in dynamic industries. Today, Corning's markets include optical communications, mobile consumer electronics, display, automotive, and life sciences.

**Media Relations Contact:**

Megan Whittemore

(202) 661-4171

[whitemom@corning.com](mailto:whitemom@corning.com)

**Investor Relations Contact:**

Ann H.S. Nicholson

(607) 974-6716

[nicholsoas@corning.com](mailto:nicholsoas@corning.com)