

News Release

FOR RELEASE – APRIL 28, 2020

Corning Reports First-Quarter 2020 Results

Delivered solid results while responding to COVID-19 pandemic

Committed to meeting customer needs and maintaining strong balance sheet

CORNING, N.Y. – Corning Incorporated (NYSE: GLW) today announced results for first-quarter 2020.

- GAAP sales were \$2.4 billion; core sales were \$2.5 billion
- GAAP EPS was \$(0.16); core EPS was \$0.20
- GAAP net loss was \$96 million; core net income was \$177 million
- The primary difference between GAAP and core results was non-cash charges related to capacity realignment and cash severance payments

Given the economic uncertainty and disruption created by COVID-19, the company is withdrawing its full-year 2020 guidance. [In response to the pandemic](#), the company has been and will continue focusing actions on three core priorities: preserving the financial strength of the company, protecting employees and communities, and delivering on customer commitments.

Wendell P. Weeks, chairman and chief executive officer, said: “We’re keeping our company strong throughout this difficult period. Guided by our Values, Corning is acting compassionately and systematically to support our stakeholders in multiple ways. We’ve prioritized the safety of our employees, workplaces, and communities while delivering for customers and contributing to public-health and economic-relief efforts. I am proud of our employees’ dedication to executing on all these fronts.

“We’ve built Corning to survive difficult circumstances – across three centuries, our people have persevered and succeeded through world wars, natural disasters, and economic catastrophes. We are confident in our ability to manage through the current challenges while maintaining our financial strength and growth prospects.

“We, like all companies, are being impacted by the escalating global economic and health consequences of the pandemic. In the first quarter we took actions to navigate through these unprecedented times and will take additional actions in the second quarter,” Weeks continued.

Preserving Financial Health

“In the first quarter, our businesses held up well, as we effectively executed our strategy despite the growing impact of COVID-19,” said Tony Tripeny, executive vice president and chief financial officer. “Importantly, we’re operating on a strong financial foundation, keeping

ourselves positioned for long-term growth and adjusting to near-term conditions,” Tripeny continued. “Anticipating lower sales, we are adjusting our operating plan to reduce costs and capital spending. We have essentially no debt coming due over the next two years, and we expect to maintain a strong cash balance and generate positive free cash flow for the year. We plan to maintain our dividend and have paused share buybacks. We are committed to preserving the financial strength of the company.”

First-Quarter 2020 Results and Comparisons (In millions, except per-share amounts)

	Q1 2020	Q4 2019	% change	Q1 2019	% change
GAAP Net Sales	\$ 2,391	\$ 2,817	(15%)	\$ 2,812	(15%)
GAAP Net (Loss) Income	\$ (96)	\$ 32	**	\$ 499	**
GAAP EPS	\$ (0.16)	\$ 0.01	**	\$ 0.55	**
Core Sales*	\$ 2,529	\$ 2,851	(11%)	\$ 2,850	(11%)
Core Net Income*	\$ 177	\$ 406	(56%)	\$ 365	(52%)
Core EPS*	\$ 0.20	\$ 0.46	(57%)	\$ 0.40	(50%)

*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.

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First-Quarter Segment Results

Display Technologies

	Q1 2020	Q4 2019	% change	Q1 2019	% change
Net Sales	\$ 751	\$ 795	(6%)	\$ 818	(8%)
Net Income Before Tax	\$ 192	\$ 227	(15%)	\$ 263	(27%)
Net Income	\$ 152	\$ 180	(16%)	\$ 208	(27%)

In Display Technologies, first-quarter sales were \$751 million, and net income was \$152 million. Display glass market first-quarter volume grew by a low-single digit percentage sequentially, and Corning’s volume was down by a low-single digit percentage, both as expected. Sequential price declines were moderate.

Optical Communications

	Q1 2020	Q4 2019	% change	Q1 2019	% change
Net Sales	\$ 791	\$ 903	(12%)	\$ 1,064	(26%)
Net Income Before Tax	\$ 37	\$ 81	(54%)	\$ 181	(80%)
Net Income	\$ 29	\$ 62	(53%)	\$ 142	(80%)

In Optical Communications, first-quarter sales of \$791 million were consistent with management expectations. The business continues to adjust its cost structure to match near-term sales.

Environmental Technologies

	Q1 2020	Q4 2019	% change	Q1 2019	% change
Net Sales	\$ 320	\$ 374	(14%)	\$ 362	(12%)
Net Income Before Tax	\$ 44	\$ 81	(46%)	\$ 70	(37%)
Net Income	\$ 35	\$ 64	(45%)	\$ 55	(36%)

In Environmental Technologies, vehicle manufacturers suspended production in key markets. As a result, first-quarter sales were down 12% year over year and below management expectations. Profitability was impacted by lower volume.

Specialty Materials

	Q1 2020	Q4 2019	% change	Q1 2019	% change
Net Sales	\$ 352	\$ 453	(22%)	\$ 309	14%
Net Income Before Tax	\$ 65	\$ 119	(45%)	\$ 62	5%
Net Income	\$ 51	\$ 94	(46%)	\$ 49	4%

Specialty Materials first-quarter sales of \$352 million exceeded expectations. Sales increased 14% year over year due to strong demand for premium glasses, other Gorilla Glass innovations, and Advanced Optics products.

Life Sciences

	Q1 2020	Q4 2019	% change	Q1 2019	% change
Net Sales	\$ 258	\$ 256	1%	\$ 243	6%
Net Income Before Tax	\$ 48	\$ 49	(2%)	\$ 39	23%
Net Income	\$ 38	\$ 38		\$ 31	23%

Life Sciences first-quarter sales of \$258 million were in line with expectations, up 6% year over year. Net income was up 23% year over year, driven by higher sales volume and manufacturing performance optimization.

Upcoming Investor Events

On May 13, Corning will attend the J.P. Morgan Global Technology, Media and Communications Conference. And June 2, Corning will attend the Bank of America Global Technologies Conference. Both will be virtual conferences.

First-Quarter Conference Call Information

The company will host a first-quarter conference call on Tuesday, April 28, at 8:30 a.m. EST. To participate, please call toll free (877) 226-8216 or for international access, call (409) 207-6983 approximately 10 to 15 minutes prior to the start of the call. The Access Code is 165320. 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

Non-GAAP financial measures are not in accordance with, or an alternative to, U.S. generally accepted accounting principles (“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

This press release contains “forward-looking statements” (within the meaning of the Private Securities Litigation Reform Act of 1995), which are based on current expectations and assumptions about Corning’s financial results and business operations, that involve substantial risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties include: the duration and severity of the recent COVID-19 (coronavirus) outbreak, and its ultimate impact across our businesses on demand, operations and our global supply chains; the effects of acquisitions, dispositions and other similar transactions by the Company, the effect of global business, financial, economic and political conditions; tariffs and import duties; currency fluctuations between the U.S. dollar and other currencies, primarily the Japanese yen, New Taiwan dollar, euro, Chinese yuan, and South Korean won; 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 due to terrorist activity, cyber-attack, armed conflict, political or financial instability, natural disasters, or major health concerns; unanticipated disruption to 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, most notably in the Display Technologies segment, to maintain profitable operations and obtain financing to fund their ongoing operations and manufacturing expansions and pay their receivables when due; loss of significant customers; changes in tax laws and regulations including the Tax Cuts and Jobs Act of 2017; and the potential impact of legislation, government regulations, and other government action and investigations.

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. Forward-looking statements speak only as of the day that they are made, and Corning undertakes no obligation to update them in light of new information or future events.

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 (<http://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 169-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 our customers capture new opportunities in dynamic industries. Today, Corning's markets include mobile consumer electronics, optical communications, automotive technologies, life sciences technologies, and display technologies.

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