

News Release

FOR RELEASE – JANUARY 29, 2020

Corning Reports Fourth-Quarter and Full-Year 2019 Financial Results and Affirms Outlook for Long-Term Growth

CORNING, N.Y. – Corning Incorporated (NYSE: GLW) today announced results for fourth-quarter and full-year 2019.

“In 2019, we grew sales 2% driven by strong performance in three businesses. We advanced key growth initiatives and took actions to address the material impact of changing market and customer dynamics in Display Technologies and Optical Communications,” said Wendell P. Weeks, chairman, chief executive officer, and president. “While our 2019 growth did not meet long-term targets, we once again outperformed our underlying markets and expect to build momentum throughout 2020 that will keep us on track to achieve the goals set forth in our four-year Strategy & Growth Framework.”

2019 Highlights

- Corning successfully delivered on its 2016-2019 Strategy and Capital Allocation Framework goals, returning more than \$12.5 billion to shareholders over four years, including a 67% increase in dividends per share, while investing to advance longer-term growth initiatives
- All businesses outperformed their underlying markets, with significant growth in three segments
 - Environmental Technologies grew sales 16% in an auto market that was down mid-single digits, driven by the adoption of Corning’s proprietary gasoline particulate filter (GPF) innovation
 - Specialty Materials grew sales 8% with adoption of industry-leading cover glass innovations despite smartphone unit sales being down 3%
 - Life Sciences reached a \$1 billion sales milestone, growing at nearly twice the rate of a strengthening market
- Corning’s display glass pricing reached low-single digit percentage declines for the year
- The company significantly advanced product commercialization of Corning Valor® Glass, with FDA approval and commercial agreements, and in Automotive Glass Solutions, with the opening of a dedicated factory to support growing demand from industry leaders

Financial Performance

- Fourth-quarter GAAP sales of \$2.82 billion and core sales of \$2.85 billion; full-year GAAP sales of \$11.5 billion and core sales of \$11.7 billion
- Fourth-quarter GAAP EPS of \$0.01 and core EPS of \$0.46; full-year GAAP EPS of \$1.07 and core EPS of \$1.76. The primary difference between GAAP and core results were charges associated with capacity realignment

- Growth in three businesses within Corning’s focused and cohesive portfolio mitigated the impact of headwinds in other markets, enabling 2% overall sales growth for the year

“In the fourth quarter, Corning delivered on sales and EPS expectations, and generated over \$1 billion in adjusted operating cash flow,” said Tony Tripeny, executive vice president and chief financial officer. “We accelerated actions in Optical Communications to align production output and working capital to current customer demand. This impacted gross margin, which was below our guidance for the fourth quarter.”

2019 Market-Access Platforms Progress Highlights

- **Automotive:** Accelerated GPF adoption, driving more than \$250 million in 2019 sales; advanced commercialization of AutoGrade™ Glass Solutions with industry leaders across the auto ecosystem, including GAC, Visteon Corporation, LG Electronics, BOE, and VIA Optronics; ramped manufacturing in Hefei facilities
- **Optical Communications:** Continued to co-innovate with industry leaders to advance 5G and hyperscale data center solutions that increase network efficiency – exemplified by new collaborations with Intel, Verizon, CenturyLink, and Altice Portugal; earned global recognition for products including RocketRibbon™ extreme-density cable for hyperscale data centers
- **Mobile Consumer Electronics:** Extended industry leadership with next-generation cover glass solutions and deepened customer commitments, including an additional \$250 million investment from Apple, setting the stage for strong adoption of continued innovations
- **Life Sciences Vessels:** Signed commercial agreements with three leading pharmaceutical companies, building on the announcement that a leading pharmaceutical manufacturer received FDA approval of Corning Valor Glass for use as a primary package for a marketed drug product; advanced leadership in key growth categories – cell culture and gene therapy – by innovating and increasing capacity for market-leading solutions
- **Display:** Continued progress toward stable returns; created richer entertainment experiences through display glass innovation; advanced leadership in Gen 10.5 glass, supporting the growth of large-size TVs; Corning display glass pricing remained moderate

2020-2023 Strategy & Growth Framework outlook

Corning remains confident in its Strategy & Growth Framework goals. Under the Framework, the company will continue to focus its portfolio and utilize its financial strength to capture significant organic growth and create additional value for shareholders over the next four years. Through 2023, Corning expects to deliver 6% to 8% compound annual sales growth and 12% to 15% compound annual earnings per share growth while investing \$10 billion to \$12 billion in RD&E, capital and mergers, and acquisitions. The company also plans to expand operating margin and ROIC, and deliver \$8 billion to \$10 billion to shareholders, including annual dividend per share increases of at least 10%.

“To deliver our [Strategy & Growth Framework goals](#), we expect to add an incremental \$3 billion to \$4 billion in annual sales and improve profitability by the end of 2023. We are confident in our ability to achieve these goals because we are closely aligned with major growth drivers in each of our Market-Access Platforms, positioning us to create and sell into new product categories. In short, we plan to drive more Corning technologies into the products consumers already buy,” Weeks said. “This provides a mechanism for us to grow – even in challenging environments.”

“We believe the benefits of this approach are already manifesting themselves. In Automotive we grew Environmental sales 16% while car sales were down. In Mobile Consumer Electronics, we grew Specialty Materials sales 8% while smartphone units were down. In Life Sciences, we exceeded industry growth on the strength of new products for cell culture and gene therapy,” Weeks continued.

Fourth-Quarter and Full-Year 2019 Results and Comparisons (In millions, except per-share amounts)

	Q4 2019	Q3 2019	% change	Q4 2018	% change	Full-year 2019	Full-year 2018	% change
GAAP Net Sales	\$ 2,817	\$ 2,934	(4%)	\$ 3,035	(7%)	\$ 11,503	\$ 11,290	2%
GAAP Net Income	\$ 32	\$ 337	(91%)	\$ 292	(89%)	\$ 960	\$ 1,066	(10%)
GAAP Diluted EPS	\$ 0.01	\$ 0.38	(97%)	\$ 0.32	(97%)	\$ 1.07	\$ 1.13	(5%)
Core Sales*	\$ 2,851	\$ 2,969	(4%)	\$ 3,081	(7%)	\$ 11,656	\$ 11,398	2%
Core Net Income*	\$ 406	\$ 397	2%	\$ 539	(25%)	\$ 1,578	\$ 1,673	(6%)
Core EPS*	\$ 0.46	\$ 0.44	5%	\$ 0.59	(22%)	\$ 1.76	\$ 1.78	(1%)

*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.

**Effective July 1, 2019, we have replaced the term “Core Earnings” with “Core Net Income.” The terms are interchangeable, and the underlying calculations remain the same.

Segment Results and Outlook

“We are confident in our long-term outlook and remain focused on key operational priorities that will help accelerate growth and position us to achieve the goals of our Strategy & Growth Framework. We’re successfully ramping our next Gen 10.5 plants, aligning costs and capacity to current demand, and commercializing innovations to support our customers,” Tripeny said.

“In 2020, we expect continued growth in Specialty Materials, Environmental Technologies, and Life Sciences. We also expect to return to sales and profit growth and expand margins as a company in the second half as volume in Display Technologies and Optical Communications improves,” added Tripeny.

Display Technologies:

	Q4 2019	Q3 2019	% change	Q4 2018	% change	Full-year 2019	Full-year 2018	% change
Segment Net Sales	\$ 795	\$ 793	—	\$ 899	(12%)	\$ 3,254	\$ 3,276	(1%)
Segment Net Income Before Tax	\$ 227	\$ 234	(3%)	\$ 304	(25%)	\$ 993	\$ 1,056	(6%)
Segment Net Income	\$ 180	\$ 185	(3%)	\$ 240	(25%)	\$ 786	\$ 835	(6%)

Full-year sales in Display Technologies were \$3.3 billion, and net income was \$786 million. Corning's glass volume was up mid-single digits, higher than the overall market, driven by increased Gen 10.5 output during the year. The company's display glass pricing improved to low-single digit percentage declines for the year.

Fourth-quarter sales were \$795 million, and net income was \$180 million. In the fourth-quarter Corning's display glass volume grew low-single digits sequentially.

For full-year 2020, Corning expects its display glass volume to grow by a mid-single digit percentage, similar to the mid-single digit growth expected in the display glass market. The company expects glass price declines to remain moderate, down mid-single digits for the full year.

In the first quarter, Corning's display glass volume is expected to be down low-single digits sequentially.

Optical Communications:

	Q4 2019	Q3 2019	% change	Q4 2018	% change	Full-year 2019	Full-year 2018	% change
Segment Net Sales	\$ 903	\$ 1,007	(10%)	\$ 1,166	(23%)	\$ 4,064	\$ 4,192	(3%)
Segment Net Income Before Tax	\$ 81	\$ 162	(50%)	\$ 217	(63%)	\$ 639	\$ 777	(18%)
Segment Net Income	\$ 62	\$ 127	(51%)	\$ 165	(62%)	\$ 489	\$ 592	(17%)

Optical Communications full-year 2019 sales were \$4.1 billion, down 3% in a market that declined by a high-single digit percentage. Net income was down 17% year over year. Fourth-quarter sales were \$903 million and net income was \$62 million. Profitability was impacted by lower volume and reduced production to decrease inventory.

The company expects Optical Communications full-year sales to decline by 5% to 10% as the lower level of sales experienced in the second half of 2019 continues throughout the first half of 2020. Corning expects year-over-year growth in Optical Communications sales and profit to resume in the back half of 2020, driven by projects for 5G, fiber-to-the home, and hyperscale data center deployments.

The company expects first quarter sales to be down about 25% year over year versus the strong project spending in the first quarter of 2019.

Environmental Technologies:

	Q4 2019	Q3 2019	% change	Q4 2018	% change	Full-year 2019	Full-year 2018	% change
Segment Net Sales	\$ 374	\$ 397	(6%)	\$ 319	17%	\$ 1,499	\$ 1,289	16%
Segment Net Income Before Tax	\$ 81	\$ 100	(19%)	\$ 53	53%	\$ 333	\$ 263	27%
Segment Net Income	\$ 64	\$ 79	(19%)	\$ 42	52%	\$ 263	\$ 208	26%

Environmental Technologies 2019 sales were \$1.5 billion, up 16% year over year, driven primarily by continued GPF adoption, and net income was \$263 million. Fourth-quarter sales grew 17% year over year to \$374 million.

On a year-over-year basis, Environmental Technologies sales are expected to increase by a mid-single digit percentage in both the first-quarter and full-year 2020.

Specialty Materials:

	Q4 2019	Q3 2019	% change	Q4 2018	% change	Full-year 2019	Full-year 2018	% change
Segment Net Sales	\$ 453	\$ 463	(2%)	\$ 399	14%	\$ 1,594	\$ 1,479	8%
Segment Net Income Before Tax	\$ 119	\$ 117	2%	\$ 110	8%	\$ 383	\$ 396	(3%)
Segment Net Income	\$ 94	\$ 92	2%	\$ 87	8%	\$ 302	\$ 313	(4%)

Specialty Materials 2019 sales were in line with expectations. Full-year sales rose 8%, driven by innovations and strong demand for premium glasses. Fourth-quarter sales were \$453 million, up 14% versus the fourth quarter of 2018.

The company expects high-single digit year-over-year sales growth for Specialty Materials in 2020. First-quarter sales are expected to increase by a mid-single digit percentage year over year.

Life Sciences:

	Q4 2019	Q3 2019	% change	Q4 2018	% change	Full-year 2019	Full-year 2018	% change
Segment Net Sales	\$ 256	\$ 256	—	\$ 238	8%	\$ 1,015	\$ 946	7%
Segment Net Income Before Tax	\$ 49	\$ 52	(6%)	\$ 37	32%	\$ 190	\$ 148	28%
Segment Net Income	\$ 38	\$ 41	(7%)	\$ 29	31%	\$ 150	\$ 117	28%

In Life Sciences, full-year 2019 sales were up 7%, with strong fourth-quarter sales, as the business continued to outpace market growth. On a year-over-year basis, Life Sciences sales are expected to increase by a mid-single digit percentage in both the first-quarter and full-year 2020.

Upcoming Investor Events

On Feb. 11, Corning will attend the Goldman Sachs Technology & Internet Conference 2020 in San Francisco. And March 12, Corning will attend the Susquehanna Technology Conference in New York City.

Fourth-Quarter Conference Call Information

The company will host a fourth-quarter conference call on Wednesday, Jan. 29, at 8:30 a.m. ET. To participate, please call toll free (877) 226-8216 or for international access call (409) 207-6983 approximately 10-15 minutes prior to the start of the call. The Access Code is 238-4664 and the host is “ANN NICHOLSON.” 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

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.

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 effects of acquisitions, dispositions and other similar transactions, 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, 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; the impacts of audits by taxing authorities; 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.

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 more than 165-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 optical communications, mobile consumer electronics, display technology, automotive, and life sciences vessels. Corning's industry-leading products include damage-resistant cover glass for mobile devices; precision glass for advanced displays; optical fiber, wireless technologies, and connectivity solutions for state-of-the-art

communications networks; trusted products to accelerate drug discovery and delivery; and clean-air technologies for cars and trucks.

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