

News Release

FOR RELEASE – OCTOBER 29, 2019

Corning Reports Third-Quarter 2019 Financial Results Consistent with Management Expectations

Company reaffirms full-year outlook

Management confident in long-term growth

CORNING, N.Y. – Corning Incorporated (NYSE: GLW) today announced results for its third quarter ended Sept. 30, 2019. Results are consistent with the early [update](#) issued Sept. 16.

“Corning is successfully taking actions to offset recent headwinds. At the same time, we remain confident in our strategy and continue to advance our long-term growth initiatives,” said Wendell P. Weeks, chairman, chief executive officer, and president.

“Two recent announcements – an additional \$250 million investment from Apple in Corning’s advanced manufacturing, as well as FDA approval of Valor Glass packaging for its first commercial use – are testament to our confidence in Corning’s long-term outlook.”

News Summary

- Third-quarter results were consistent with Sept. 16 update:
 - GAAP sales of \$2.9 billion and core sales of \$3.0 billion
 - GAAP EPS of \$0.38 and core EPS of \$0.44
- Highlights from the third quarter included:
 - Display Technologies continued to experience a favorable pricing environment and management now expects the full-year price decline to be a low-single digit percentage, improving from prior expectation of a low-to-mid single digit percentage decline
 - Environmental Technologies sales grew 20% year over year as the success of the company’s gasoline particulate filter innovation drove sales well above the underlying auto industry growth rate, putting the company on track to exceed \$200 million in 2019 GPF sales
 - Specialty Materials and Life Sciences also grew sales faster than their underlying markets, driven by the strength and relevance of the company’s technology and innovation approach
 - Optical Communications advanced 5G innovation with key industry leaders

- Key actions to offset recent headwinds include:
 - Reducing operating expenses
 - Aligning capacity in Display to demand
 - Idling capacity and pacing capital projects in Optical Communications
- Continued investments in technology and innovation with customers led to notable progress, including Apple's investment and FDA approval of Corning Valor® Glass for its first commercial use

Market-Access Platform Progress

Corning's 2020-2023 Strategy & Growth Framework outlines opportunities in each of the company's five Market-Access Platforms.

"Our capabilities and strategy are well-aligned with market drivers, and we continue to advance customer and innovation initiatives to deliver on our goals," Weeks said.

In the third quarter, Corning continued to innovate with industry leaders in each of its markets. Highlights include:

- **Automotive:** Auto Glass Solutions continues to build its order book. At next month's Guangzhou Auto Show, the industry's first shaped dual-display module with a single cover glass part will be showcased in the GAC Aion LX, an electric vehicle. The module's cover glass is produced using proprietary Corning® ColdForm™ Technology.
- **Optical Communications:** Verizon and Corning are co-innovating at Corning's optical cable manufacturing facility in Hickory, North Carolina, to build the 5G factory of the future. Corning is also collaborating with Intel to accelerate the availability and deployment of 5G in-building network solutions.
- **Mobile Consumer Electronics:** Apple announced an additional \$250 million investment from its Advanced Manufacturing Fund to support Corning's processes, equipment, and materials integral to the delivery of next-generation consumer devices.
- **Life Sciences Vessels:** A leading pharmaceutical manufacturer has received FDA approval of Corning Valor® Glass for use as a primary package for a marketed drug product. The approval marks a major milestone toward future sales.
- **Display:** Chengdu CEC Panda Display Technology Co., Ltd., (CCPD) selected Corning® Astra™ Glass, which is optimized for the growing oxide display market and enables high-performance tablets, notebooks, and 8K TVs.

Third-Quarter 2019 Results and Comparisons
(In millions, except per-share amounts)

	Q3 2019	Q2 2019	% change	Q3 2018	% change
GAAP Net Sales	\$ 2,934	\$ 2,940	(0%)	\$ 3,008	(2%)
GAAP Net Income	\$ 337	\$ 92	266%	\$ 625	(46%)
GAAP EPS	\$ 0.38	\$ 0.09	322%	\$ 0.67	(43%)
Core Sales*	\$ 2,969	\$ 2,986	(1%)	\$ 3,045	(2%)
Core Net Income**	\$ 397	\$ 410	(3%)	\$ 476	(17%)
Core EPS*	\$ 0.44	\$ 0.45	(2%)	\$ 0.51	(14%)

*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

"In the third quarter, we acted quickly to address changing market conditions, we met our revised targets, and we continued our actions to advance our long-term growth plans," said Tony Tripeny, executive vice president and chief financial officer.

"We are operating on the strong foundation that we built over the past four years, and we're making progress in key areas as evidenced by our ongoing customer announcements. This makes us confident in our ability to achieve the objectives we laid out in our 2020 to 2023 Strategy & Growth Framework," Tripeny added.

Display Technologies:

	Q3 2019	Q2 2019	% change	Q3 2018	% change
Net Sales	\$ 793	\$ 848	(6%)	\$ 852	(7%)
Net Income Before Tax	\$ 234	\$ 268	(13%)	\$ 275	(15%)
Net Income	\$ 185	\$ 213	(13%)	\$ 218	(15%)

Display Technologies third-quarter sales were \$793 million and net income was \$185 million. Display glass volume declined by a high-single digit percentage sequentially, consistent with the Sept. 16 update.

Third-quarter glass prices were consistent with the second quarter. Fourth-quarter glass prices are expected to decline slightly sequentially. As a result, the full-year 2019 price decline is expected to improve to a low-single digit percentage versus prior expectations of a low-to-mid single digit percentage decline.

Corning continues to expect full-year Display glass volume to grow slightly, with fourth-quarter Display glass volume expected to decline by a mid-single digit percentage sequentially. The company's ramp-up of its Gen 10.5 manufacturing capacity accounts for Display growing faster than the overall display glass market for 2019.

Optical Communications:

	Q3 2019	Q2 2019	% change	Q3 2018	% change
Net Sales	\$ 1,007	\$ 1,090	(8%)	\$ 1,117	(10%)
Net Income Before Tax	\$ 162	\$ 201	(19%)	\$ 214	(24%)
Net Income	\$ 127	\$ 158	(20%)	\$ 168	(24%)

Optical Communications sales were \$1 billion and net income was \$127 million. Sales declined sequentially and year over year. As described in the company's Sept. 16 update, declines resulted from overall market weakness driven by customer project spending decisions, primarily in carrier networks.

Management continues to expect full-year sales to decline 3% to 5% versus 2018.

Environmental Technologies:

	Q3 2019	Q2 2019	% change	Q3 2018	% change
Net Sales	\$ 397	\$ 366	8%	\$ 331	20%
Net Income Before Tax	\$ 100	\$ 82	22%	\$ 76	32%
Net Income	\$ 79	\$ 65	22%	\$ 60	32%

Environmental Technologies third-quarter sales were \$397 million, up 20% year over year, driven by continued adoption of gasoline particulate filters and strong demand in the heavy-duty market. Net income was \$79 million.

This strong performance is expected to continue in the fourth quarter, with sales increasing by a low-teen percentage year over year. For the full year, management now expects Environmental Technologies sales to grow by a mid-teen percentage, compared with prior expectations of low-teens percentage growth.

Specialty Materials:

	Q3 2019	Q2 2019	% change	Q3 2018	% change
Net Sales	\$ 463	\$ 369	25%	\$ 459	1%
Net Income Before Tax	\$ 117	\$ 85	38%	\$ 147	(20%)
Net Income	\$ 92	\$ 67	37%	\$ 116	(21%)

Specialty Materials third-quarter sales were \$463 million, repeating the very strong performance delivered a year ago. Net income was \$92 million.

For the fourth-quarter, sales are expected to be consistent year over year. The company expects full-year sales growth, despite a maturing smartphone market.

Life Sciences:

	Q3 2019	Q2 2019	% change	Q3 2018	% change
Net Sales	\$ 256	\$ 260	(2%)	\$ 231	11%
Net Income Before Tax	\$ 52	\$ 51	2%	\$ 38	37%
Net Income	\$ 41	\$ 40	3%	\$ 30	37%

Life Sciences sales were \$256 million, up 11% year over year. Net income was \$41 million.

Fourth-quarter sales are expected to grow by a mid-single digit percentage year over year. Corning continues to outpace overall market growth and expects full-year sales to be up by a mid-single digit percentage year over year.

Upcoming Investor Events

On Dec. 12, Corning will attend the Barclays Global Technology, Media and Telecommunications Conference in San Francisco. And Jan. 8, Corning will attend the Citi 2020 Global Technology Media and Telecommunications West Conference.

Third-Quarter Conference Call Information

The company will host a third-quarter conference call on Tuesday, Oct. 29, at 8:30 a.m. ET. To participate, please call toll free (800) 230-1093 or for international access call (612) 332-0107 approximately 10-15 minutes prior to the start of the call. The host is "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.

Media Relations Contact:

M. Elizabeth Dann
(607) 974-4989
damme@corning.com

Investor Relations Contact:

Ann H.S. Nicholson
(607) 974-6716
nicholsoas@corning.com

Follow Corning: [RSS Feeds](#) | [Facebook](#) | [Twitter](#) | [YouTube](#)