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Full-Year 2021 Investor Call

Company delivered another quarter of YoY growth, with Q4 core sales of \$3.7B and core EPS of \$0.54

FY core sales grew 23%, surpassing \$14B; FY core EPS grew 49% to \$2.07, with FCF nearly doubling to \$1.8B

Strong YoY growth expected to continue in Q1, with core sales of \$3.5B to \$3.7B and core EPS of \$0.48 to \$0.53

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

January 26, 2022

Forward-Looking and Cautionary Statements

The statements in this presentation 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 forward-looking statements relate to, among other things, the Company's future operating performance, the Company's share of new and existing markets, the Company's revenue and earnings growth rates, the Company's ability to innovate and commercialize new products, and the Company's implementation of cost-reduction initiatives and measures to improve pricing, including the optimization of the Company's manufacturing capacity. These statements 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 operational changes, pricing actions 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, 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.

Use of Non-GAAP Financial Information

Corning has included non-GAAP financial measures in this presentation to supplement Corning's consolidated financial statements presented on a GAAP basis. In managing the Company and assessing our financial performance, we adjust certain measures provided by our consolidated financial statements to exclude specific items to arrive at core performance measures.

In managing the Company and assessing our financial performance, certain measures provided by our consolidated financial statements are adjusted to exclude specific items to report core performance measures. These items include gains and losses on our translated earnings contracts, acquisition-related costs, certain discrete tax items and other tax-related adjustments, restructuring, impairment losses, and other charges and credits, certain litigation-related expenses, pension mark-to-market adjustments and other items which do not reflect on-going operating results of the Company or our equity affiliates. Corning utilizes constant-currency reporting for our Display Technologies, Environmental Technologies, Specialty Materials and Life Sciences segments for the Japanese yen, South Korean won, Chinese yuan, new Taiwan dollar and the euro. The Company believes that the use of constant-currency reporting allows investors to understand our results without the volatility of currency fluctuations and reflects the underlying economics of the translated earnings contracts used to mitigate the impact of changes in currency exchange rates on earnings and cash flows. Corning also believes that reporting core performance measures provides investors greater transparency to the information used by the management team to make financial and operational decisions.

Core performance measures are not prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"). We believe investors should consider these non-GAAP measures in evaluating results as they are more indicative of our core operating performance and how management evaluates operational results and trends. These measures are not, and should not be viewed as a substitute for GAAP reporting measures. With respect to the Company's outlook for future periods, it is not possible to provide reconciliations for these non-GAAP measures because the Company does not forecast the movement of foreign currencies against the U.S. dollar, or other items that do not reflect ongoing operations, nor does it forecast items that have not yet occurred or are out of the Company's control. As a result, the Company is unable to provide outlook information on a GAAP basis.

Q4 GAAP Earnings FX Hedge Accounting

- Recorded unrealized, non-cash, after-tax gain of \$86M in Q4 2021 on mark-to-market adjustments associated with currency-hedging contracts and foreign debt
 - Translation hedges reduce our economic exposure to currency fluctuations, providing higher certainty for our earnings and cash flow, our growth investments, and our future shareholder distributions
 - Hedge contracts settled in any given quarter substantially offset changes in earnings and cash flow due to currency fluctuations

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FY core sales grew 23%, surpassing \$14B; FY core EPS grew 49% to \$2.07, with FCF nearly doubling to \$1.8B

Strong YoY growth expected to continue in Q1, with core sales of \$3.5B to \$3.7B and core EPS of \$0.48 to \$0.53

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

January 26, 2022

Fourth-Quarter and Full-Year 2021 Core Performance

"Corning delivered another strong quarter of year-over-year growth. For the full year 2021, we exceeded \$14B 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 Weeks, Chairman and CEO



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Focused and Cohesive Portfolio Foundation for Sustained Growth



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Optical Communications Full-Year Highlights

- Sales grew 22% year over year to \$4.3B
- Growth was supported by increases in broadband, 5G, and cloud-related computing
- During 2021, introduced Corning® SMF-28® Contour fiber, EDGE™ Rapid Connect solutions, and the expansion of 5G collaboration with Verizon
- Expect significant growth in 2022 and beyond, including growth from the U.S. Infrastructure Investment and Jobs Act for broadband deployment



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Life Sciences Full-Year Highlights

- Delivering growth on multiple fronts with sales of more than \$1.2B in 2021 – up 24% YoY
- Introduced Corning Velocity® Vials to help drive faster manufacturing of COVID-19 vaccines and meet global demand
- West Pharmaceutical Services recently announced a long-term supply agreement and technology investment in Corning to enhance injectable drug packaging systems



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Automotive Full-Year Highlights

- 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
- Hyundai launched 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



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Mobile Consumer Electronics Full-Year Highlights

- Since 2016, the segment has added ~\$900 million in revenue on a base of slightly more than \$1.1B
- Consistently innovating with premium glasses and enhancing devices with glass backs and the DX family of surface treatments, improves durability and optics for wearables, laptops, and smartphone camera lens covers
- The Advanced Optics business is benefitting from strong semiconductor wafer fab equipment spending



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Display Technologies Full-Year Highlights

- FY sales grew 17% to \$3.7B
- Experienced the most favorable pricing environment in more than a decade
- In 2021, Corning's display glass volume growth exceeded glass market growth
- Expect the retail market to grow in 2022

CEO Summary

- Long-term growth drivers are strong and inventions make a positive impact on the world
- ESG Highlights:
 - Hosted COVID-19 vaccine clinics at Corning sites around the world; Provided more than 200,000 diagnostic tests for employees
 - Kicked off a five-year, \$5.5M partnership with North Carolina A&T
 - Achieved gender-pay equality globally for all salaried employees
 - Expanded the reach of our DE&I office with regional business councils
 - Committed to greenhouse gas goals that align with the Paris Agreement



Thank you, Tony Tripeny



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CFO Perspective

"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."

- Tony Tripeny, EVP and CFO


\$14.1B
FY 2021 Core Sales
23% Increase YoY


\$2.07
FY 2021 Core EPS
Increase 49% YoY


\$1.8B
FY 2021 Free Cash Flow
FCF Conversion 97%


9%
FY 2021 Dividend
Increase

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Optical Communications Strong Growth Continues



\$1.2B
Q4 Net Sales
Up 24% YoY



\$155M
Q4 Net Income
Up 10% YoY

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Q4 & Full-Year Results

- Q4 sales were \$1.2B, up 24% YoY and 7% sequentially
- FY sales were \$4.3B, up 22%
- Enterprise and carrier sales were up

Observations

- Continue to see significant public and private investments in fiber infrastructure as operators work to expand capacity, capability, and access
- Expect a large multi-year wave of growth
- Adding capacity to capture growing demand

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Display Technologies Operating from a Position of Strength



\$942M
Q4 Net Sales
Up 12% YoY



\$252M
Q4 Net Income
Up 16% YoY

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Q4 & Full-Year Results

- Q4 sales were \$942M, up 12% YoY
- FY sales were \$3.7B, up 17% YoY
- FY net income was \$960M, up 34% YoY

Observations

- FY 2022 glass at retail will grow by high-single-digits, driven by TV unit and screen size growth
- Continue to believe glass supply will remain tight to balanced and the pricing environment to remain favorable in 2022
- Expect Q1 pricing to be flat sequentially

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Environmental Technologies Reduced Auto Production Impacts 2H 2021



\$353M

Q4 Net Sales
Down 21% YoY



\$54M

Q4 Net Income
Down 42% YoY

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Q4 & Full-Year Results

- Q4 sales were \$353M, down 21% YoY
- Declines were driven by auto production constraints created by semiconductor chip shortages
- FY sales were nearly \$1.6B, up 16% YoY, driven primarily by strength in heavy-duty diesel and greater adoption of gas particulate filters

Observations

- When the component shortage is resolved, auto production will recover as the end market demand remains strong
- We are confident that our content-driven approach will continue to drive outperformance

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Specialty Materials Delivering More Content Per Device



\$518M

Q4 Net Sales
Down 5% YoY



\$92M

Q4 Net Income
Down 32% YoY

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Q4 & Full-Year Results

- Sales of \$518M, down 5% YoY versus a strong Q4 in 2020, following the launch of Ceramic Shield
- FY sales were up 7%, exceeding \$2B driven by continued strong sales of premium cover materials and semiconductor equipment

Observations

- Specialty sales have grown every year since 2016 through our "More Corning" approach – despite smartphone unit sales maturing
- In 2022, expect sales to grow faster than underlying markets, driven by continued adoption of innovations and growth in Advanced Optics

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Life Sciences Ongoing Strong Demand



\$317M

Q4 Net Sales
Up 16% YoY



\$49M

Q4 Net Income
Up 17% YoY

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Q4 & Full-Year Results

- FY sales topped \$1.2B, up 24% YoY
- Q4 sales were \$317M, up 16% YoY
- Strong performance was driven by ongoing demand to support the global pandemic response, continued recovery in academic and pharmaceutical research labs, and strong demand for bioproduction vessels and diagnostic-related consumables

Observations

- Expect strong growth to continue driven by COVID-19 vaccine roll-outs, strong research funding, lab utilization returning to near pre-pandemic levels, and growth in the Bioproduction segment

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“Other” Segment Results



\$378M

Q4 Net Sales
Up 53% YoY



\$(7)M

Q4 Net Income
Up 76% YoY

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Q4 & Full-Year Results

- In 2021, Hemlock Semiconductor Group (HSG) saw new demand for solar grade polysilicon
- With increased activity and interests in U.S. based solar manufacturing, customers have turned to HSG
- In Q4 HSG
 - Sold solar grade polysilicon from inventory
 - Signed new long-term take-or-pay supply contracts
 - Restarted idle capacity, temporarily impacting margins
- Automotive glass and pharmaceutical packaging emerging businesses significantly grew sales

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Q1 2022 and Full-Year Summary

Q1 2022

- Sales: \$3.5B - \$3.7B
- EPS: \$0.48 - \$0.53

FY 2022

- Sales: ~\$15B
- Profit to grow faster than sales

CFO Transition



CFO Transition

"Under Tony's tenure, we met or exceeded all the goals of our four-year Strategy and Capital Allocation Framework. And today we're performing well against the subsequent goals we outlined in our Strategy and Growth Framework in 2019."

- Ed Schlesinger, SVP and Corporate Controller

Leadership Priorities Through 2019
Focus Portfolio and Utilize Financial Strength

- Focus Portfolio: Deliver strong financial performance and capital stewardship
 - Improve ROIC
 - Create new sales and profit streams
 - Seek upside for cash distributions, e.g., potential transactions outside focus areas
- Utilize Financial Strength: Deploy \$26-30B in cash through 2019
 - Deliver >\$12.5B to shareholders including >10% annual dividend increases
 - Invest ~\$10B in our growth and sustained leadership
 - Target Debt/EBITDA = 2x

Fully Delivering on Goals

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Strategy & Growth Framework
Leadership Priorities 2020 through 2023

Focus Portfolio and Utilize Financial Strength:

Grow

- Sales CAGR of 6-8%
- EPS CAGR of 12-15%
- Invest \$10-12B

Increase Returns

- Increase operating margin and ROIC
- Deliver \$8-10B to shareholders, including >10% annual dividend increases

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Commitment to Strong Financial Stewardship and Prudent Capital Allocation

Invest in our growth and extend our leadership

- RD&E investments
- Capital spending

Return excess cash to shareholders

- Increase dividends as earnings grow
- Share repurchases

Q&A Session

Corning's 2022 Investor Outreach Plans

- Conference Plans:
 - Mar. 4: SIG 11th Annual Tech Conference
 - Mar. 8: Morgan Stanley Global Technology, Media and Telecom Conference
- Management visits to investor offices in select cities

Appendix

2022 Corporate Metrics (as of January 26, 2022)⁽¹⁾⁽²⁾

Q1 2022

- Sales: \$3.5B - \$3.7B
- EPS: \$0.48 - \$0.53
- Non-controlling interest: (\$8M - \$10M) expense

Full-Year 2022

- Sales: ~\$15B
- Full-Year "Other" sales: \$1.2B - \$1.4B
- Other income/expense: (~\$265M) net expense
- Non-controlling interest: (\$35M- \$40M) expense
- Gross equity earnings: \$15M - \$20M
- Tax rate: ~21%
- Capital expenditures: Consistent with 2021
- Another strong year of free cash flow generation

(1) Corning does not forecast the movement of foreign currencies against the U.S. dollar, or other items that do not reflect ongoing operations. As a result, the company is unable to provide guidance on a GAAP basis.

(2) Core performance measures are non-GAAP measures. Definitions and reconciliations are provided on our website.

Q4 2021 Core Performance

<i>\$ in millions, except EPS</i>	Q4 2021	Q3 2021	Q4 2020
Core Net Sales	\$3,714	\$3,639	\$3,328
Core Gross Margin	\$1,355	\$1,394	\$1,283
Gross Margin %	36%	38%	39%
Core SG&A	\$472	\$483	\$411
% of Sales	13%	13%	12%
Core RD&E	\$280	\$252	\$226
% of Sales	8%	7%	7%
Core Operating Margin	\$603	\$659	\$646
Operating Margin %	16%	18%	19%
Core Gross Equity Earnings	\$5	\$17	\$8
Core Net Profit Before Taxes	\$573	\$618	\$583
Core Net Income	\$465	\$485	\$462
Core EPS	\$0.54	\$0.56	\$0.52
Weighted-Average Shares Outstanding	864	866	894

Core performance measures are non-GAAP measures. Definitions and reconciliations are provided on our website.

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Q4 2021 Operating Performance by Segment

Segment Net Sales <i>\$ in millions</i>	Q4 2021	Q3 2021	% change	Q4 2020	% change
Display Technologies	\$942	\$956	(1%)	\$841	12%
Optical Communications	\$1,206	\$1,131	7%	\$976	24%
Carrier Network	\$907	\$855	6%	\$691	31%
Enterprise Network	\$299	\$276	8%	\$285	5%
Specialty Materials	\$518	\$556	(7%)	\$545	(5%)
Environmental Technologies	\$353	\$385	(8%)	\$445	(21%)
Automotive	\$208	\$223	(7%)	\$287	(28%)
Diesel	\$144	\$162	(11%)	\$158	(9%)
Life Sciences	\$317	\$305	4%	\$274	16%
All Other	\$378	\$306	24%	\$247	53%
Total Segment Net Sales	\$3,714	\$3,639	2%	\$3,328	12%

Segment Net Income <i>\$ in millions</i>	Q4 2021	Q3 2021	% change	Q4 2020	% change
Display Technologies	\$252	\$247	2%	\$217	16%
Optical Communications	\$155	\$139	12%	\$141	10%
Specialty Materials	\$92	\$107	(14%)	\$136	(32%)
Environmental Technologies	\$54	\$60	(10%)	\$93	(42%)
Life Sciences	\$49	\$45	9%	\$42	17%
All Other	(\$7)	(\$5)	(40%)	(\$29)	76%
Total Segment Net Income	\$595	\$593	0%	\$600	(1%)

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Year-to-Date 2021 Core Performance

<i>\$ in millions, except EPS</i>	Full-Year 2021	Full-Year 2020
Core Net Sales	\$14,120	\$11,452
Core Gross Margin	\$5,242	\$4,120
<i>Gross Margin %</i>	37%	36%
Core SG&A	\$1,792	\$1,483
<i>% of Sales</i>	13%	13%
Core RD&E	\$988	\$904
<i>% of Sales</i>	7%	8%
Core Operating Margin	\$2,462	\$1,733
<i>Operating Margin %</i>	17%	15%
Core Gross Equity Earnings	\$38	\$86
Core Net Profit Before Taxes	\$2,284	\$1,568
Core Net Income	\$1,811	\$1,237
Core EPS	\$2.07	\$1.39
Weighted-Average Shares Outstanding	875	887

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Year-to-Date Operating Performance by Segment

<i>\$ in millions</i>	Full-Year 2021	Full-Year 2020	% change	<i>\$ in millions</i>	Full-Year 2021	Full-Year 2020	% change
Segment Net Sales				Segment Net Income			
Display Technologies	\$3,700	\$3,172	17%	Display Technologies	\$960	\$717	34%
Optical Communications	\$4,349	\$3,563	22%	Optical Communications	\$553	\$366	51%
Carrier Network	\$3,200	\$2,612	23%	Specialty Materials	\$371	\$423	(12%)
Enterprise Network	\$1,149	\$951	21%	Environmental Technologies	\$269	\$197	37%
Specialty Materials	\$2,008	\$1,884	7%	Life Sciences	\$194	\$139	40%
Environmental Technologies	\$1,586	\$1,370	16%	All Other	(\$51)	(\$214)	76%
Automotive	\$936	\$883	6%	Total Segment Net Income	\$2,296	\$1,628	41%
Diesel	\$649	\$487	33%				
Life Sciences	\$1,234	\$998	24%				
All Other	\$1,243	\$465	167%				
Total Segment Net Sales	\$14,120	\$11,452	23%				

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Adjusted Operating Cash Flow Reconciliation

\$ in millions	Q4 2021	Q4 2020	Full-Year 2021	Full-Year 2020
Cash flows from operating activities	\$1,023	\$774	\$3,412	\$2,180
Realized gains on translated earnings contracts	\$37	\$2	\$67	\$12
Premiums received from options contracts				
Translation (losses) gains on cash balances	(\$12)	\$79	(\$77)	\$133
Adjusted cash flows from operating activities	\$1,048	\$855	\$3,402	\$2,325
Less: Capital expenditures	\$623	\$391	\$1,637	\$1,377
Free cash flow	\$425	\$464	\$1,765	\$948

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Reconciliation of Non-GAAP to GAAP Financial Measures

Q4 2021	Sales	Gross Margin	Gross Margin %	SG&A	RD&E	Operating Margin	Operating Margin %	Equity Earnings	Income Before Taxes	Net Income	Tax Rate	Per Share
As Reported - GAAP	\$3,676	\$1,271	34.6%	\$476	\$280	\$483	13.1%	\$4	\$576	\$487	15.5%	\$0.66
Constant-currency adjustment	38	39				39		1	40	47		0.05
Translation loss on Japanese yen-denominated debt									(53)	(40)		(0.05)
Translated earnings contract (gain) loss									(92)	(71)		(0.08)
Acquisition-related costs				1		31			36	28		0.03
Discrete tax items and other tax-related adjustments				(5)		5			5	(29)		(0.03)
Litigation, regulatory and other legal matters										4		0.00
Restructuring, impairment and other charges and credits		45		7	2	36			68	45		0.05
Equity in losses of affiliated companies												-
Pension mark-to-market adjustment				(7)	(2)	9			9	7		0.01
Bond redemption loss												-
Gain on investment									(16)	(13)		(0.02)
Core performance measures	\$3,714	\$1,355	36.5%	\$472	\$280	\$603	16.2%	\$5	\$573	\$465	18.8%	\$0.54
Full-Year 2021	Sales	Gross Margin	Gross Margin %	SG&A	RD&E	Operating Margin	Operating Margin %	Equity Earnings	Income Before Taxes	Net Income	Tax Rate	Per Share
As Reported - GAAP	\$14,082	\$5,063	36.0%	\$1,827	\$995	\$2,112	15.0%	\$35	\$2,397	\$1,906	20.5%	\$1.28
Preferred stock redemption (a)												\$0.90
Subtotal	\$14,082	\$5,063	36.0%	\$1,827	\$995	\$2,112	15.0%	\$35	\$2,397	\$1,906	20.5%	\$2.18
Constant-currency adjustment		38				84		3	87	76		0.09
Translation loss on Japanese yen-denominated debt				(3)					(180)	(138)		(0.16)
Translated earnings contract (gain) loss									(354)	(273)		(0.32)
Acquisition-related costs		18		(1)	(1)	149			159	123		0.15
Discrete tax items and other tax-related adjustments				(16)		16			16	(24)		(0.03)
Litigation, regulatory and other legal matters										27		0.03
Restructuring, impairment and other charges and credits		80		3	(1)	78			110	78		0.09
Pension mark-to-market adjustment				(18)	(5)	23			32	25		0.03
Loss on investment									23	17		0.02
Bond redemption loss									31	23		0.03
Preferred stock conversion									17	17		0.02
Gain on sale of business									(54)	(46)		(0.05)
Core performance measures	\$14,120	\$5,242	37.1%	\$1,792	\$988	\$2,462	17.4%	\$38	\$2,284	\$1,811	20.7%	\$2.07

(a) Corning and Samsung Display Co., Ltd. executed a Share Repurchase Agreement ("SRA"). Pursuant to the SRA, the Series A convertible preferred stock ("Preferred Stock") was converted into 115 million shares of common stock ("Common Shares"). Corning immediately repurchased 35 million of the converted Common Shares and excluded them from the weighted-average common shares outstanding for the calculation of the Company's basic and diluted earnings per share. The redemption of these Common Shares resulted in an \$803 million reduction of retained earnings which reduced the net income available to common shareholders.

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Return on Invested Capital

At Corning Return on Invested Capital (ROIC) is calculated based on the Core performance. We define ROIC as follows:

$$\text{ROIC} = \frac{\text{Operating Income Tax Adjusted (Return)}}{\text{Equity+Debt (Invested Capital)}}$$

Numerator = Return (Operating Income Tax Adjusted) Operating Income + Equity in earnings of affiliated companies – Tax (21%) <hr/> = Operating Income Tax Adjusted	Denominator = Invested Capital Equity + Long and Short term Debt <hr/> = Invested Capital
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ROIC Calculation FY '21 Return on Invested Capital (ROIC)

	GAAP	GAAP to Core Adjustments	Core
<i>Operating income</i>	2,112	350	2,462
<i>Equity in earnings of affiliated companies</i>	35	3	38
Operating Income before interest and taxes	2,147	353	2,500
Core Tax Rate			20.7%
-Tax			(518)
Operating Income - Tax Adjusted			1,983
Equity			12,545
+ Debt			7,044
Invested Capital (IC)			19,589
Return (FY Operating Income - Tax Adjusted)			1,983
Invested Capital			19,589
ROIC			10.1%

YE '21 Income Statement (10-K)

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Net sales	\$ 3,676	\$ 3,350	\$ 14,082	\$ 11,303
Cost of sales	2,405	2,137	9,019	7,772
Gross margin	1,271	1,213	5,063	3,531
Operating expenses:				
Selling, general and administrative expenses	476	471	1,827	1,747
Research, development and engineering expenses	280	232	995	1,154
Amortization of purchased intangibles	32	34	129	121
Operating income	483	476	2,112	509
Equity in earnings (losses) of affiliated companies	4	(42)	35	(25)
Interest income	3	3	11	15
Interest expense	(73)	(75)	(300)	(276)
Translated earnings contract (loss) gain, net	92	(43)	354	(38)
Transaction-related gain, net	-	-	-	498
Other income (expense), net	67	11	185	(60)
Income before income taxes	576	330	2,397	623
Provision for income taxes	(89)	(78)	(491)	(111)
Net income attributable to Corning Incorporated	\$ 487	\$ 252	\$ 1,906	\$ 512
Earnings per common share attributable to Corning Incorporated:				
Basic	\$ 0.57	\$ 0.30	\$ 1.30	\$ 0.54
Diluted	\$ 0.56	\$ 0.28	\$ 1.28	\$ 0.54
Reconciliation of net income attributable to Corning Incorporated versus net income available to common shareholders:				
Net income attributable to Corning Incorporated	\$ 487	\$ 252	\$ 1,906	\$ 512
Series A convertible preferred stock dividend	-	(25)	(24)	(98)
Excess consideration paid for redemption of preferred shares	-	-	(803)	-
Net income available to common shareholders	\$ 487	\$ 227	\$ 1,079	\$ 414

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GAAP to Core Reconciliation

Full-Year 2021	Sales	Gross Margin	Gross Margin %	SG&A	RD&E	Operating Margin	Operating Margin %	Equity Earnings	Income Before Taxes	Net Income	Tax Rate	Per Share
As Reported - GAAP	\$14,082	\$5,063	36.0%	\$1,827	\$995	\$2,112	15.0%	\$35	\$2,397	\$1,906	20.5%	\$1.28
Preferred stock redemption (a)												\$0.90
Subtotal	\$14,082	\$5,063	36.0%	\$1,827	\$995	\$2,112	15.0%	\$35	\$2,397	\$1,906	20.5%	\$2.18
Constant-currency adjustment	38	81		(3)		84		3	87	76		0.09
Translation loss on Japanese yen-denominated debt									(180)	(138)		(0.16)
Translated earnings contract (gain) loss									(354)	(273)		(0.32)
Acquisition-related costs		18		(1)	(1)	149			159	123		0.15
Discrete tax items and other tax-related adjustments										(24)		(0.03)
Litigation, regulatory and other legal matters				(16)		16			16	27		0.03
Restructuring, impairment and other charges and credits		80		3	(1)	78			110	78		0.09
Pension mark-to-market adjustment				(18)	(5)	23			32	25		0.03
Loss on investment									23	17		0.02
Bond redemption loss									31	23		0.03
Preferred stock conversion									17	17		0.02
Gain on sale of business									(54)	(46)		(0.05)
Core performance measures	\$14,120	\$5,242	37.1%	\$1,792	\$988	\$2,462	17.4%	\$38	\$2,284	\$1,811	20.7%	\$2.07

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Balance Sheet (10-K)

Consolidated Balance Sheets

(Unaudited; in millions, except share amounts)

	December 31, 2021 (Unaudited)	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,148	\$ 2,672
Trade accounts receivable, net of doubtful accounts - \$42 and \$46	2,004	2,135
Inventories, net	2,481	2,438
Other current assets	1,026	761
Total current assets	7,659	8,004
Property, net of accumulated depreciation - \$13,969 and \$13,663	15,804	15,742
Goodwill, net	2,421	2,460
Other intangible assets, net	1,148	1,308
Deferred income taxes	1,066	1,121
Other assets	2,046	2,140
Total Assets	\$ 30,144	\$ 30,775
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 55	\$ 156
Accounts payable	1,612	1,174
Other accrued liabilities	3,139	2,457
Total current liabilities	4,806	3,787
Long-term debt	6,582	7,816
Postretirement benefits other than pensions	622	727
Other liabilities	5,182	5,017
Total liabilities	17,599	17,327
Shareholders' equity		
Convertible preferred stock - Par value \$100 per share;		
Shares authorized: 10 million; Shares issued: 0 and 2,300	-	2,300
Common stock - Par value \$0.50 per share;		
Shares authorized: 3.8 billion; Shares issued: 1.8 billion and 1.7 billion	907	863
Additional paid-in capital	16,475	14,642
Retained earnings	16,389	16,120
Treasury stock, at cost; Shares held: 970 million and 961 million	(20,263)	(19,928)
Accumulated other comprehensive income	(1,175)	(740)
Total Corning Incorporated shareholders' equity	12,333	13,257
Non-controlling interest	212	191
Total equity	12,545	13,448
Total Liabilities and Shareholders' Equity	\$ 30,144	\$ 30,775

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