



CORNING



CORNING

**Third-Quarter 2022 Investor Call**

**Corning Reports Third-Quarter Results Highlighted  
by Optical Communications and Solar Sales Growth**

**October 25, 2022**

## Forward-Looking and Cautionary Statements

The statements in this presentation and related comments by management 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. The Company does 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 duration and severity of the COVID-19 pandemic, and its impact across our businesses on demand, personnel, operations, our global supply chains and stock price; global economic trends, competition and geopolitical risks, or an escalation of sanctions, tariffs or other trade tensions, and related impacts on our businesses' global supply chains and strategies; changes in macroeconomic and market conditions, market volatility, interest rates, capital markets, the value of securities and other financial assets, precious metals, oil, natural gas and other commodities and exchange rates (particularly between the U.S. dollar and the Japanese yen, new Taiwan dollar, euro, Chinese yuan and South Korean won), consumer demand, 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, materials, equipment, natural resources and utilities; 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; disruption to Corning's, our suppliers' and manufacturers' supply chain, logistics, equipment, facilities, IT systems, operations or commercial activities 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; effects of acquisitions, dispositions and other similar transactions; effect of regulatory and legal developments; ability to pace capital spending to anticipated levels of customer demand; our ability to increase margins through implementation of operational changes, pricing actions and cost reduction measures without impacting revenues; rate of technology change; ability to enforce patents and protect intellectual property and trade secrets; adverse litigation; product and components performance issues; attraction and 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, regulations and international tax standards; 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.

While the Company continually reviews trends and uncertainties affecting the Company's results of operations and financial condition, the Company does not assume any obligation to update or supplement any particular forward-looking statements contained in this document, unless required by law.

## 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 arrive at core performance measures. These items include gains and losses on 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 Display Technologies, Specialty Materials, Environmental Technologies, 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.

## FX Hedge Accounting and Other Charges

- Recorded unrealized, non-cash, after-tax loss of \$128M in Q3 2022 on mark-to-market adjustments associated with currency-hedging contracts
  - 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
- Incurred primarily non-cash charges of \$106M, mostly due to capacity optimization

CORNING

## Third-Quarter 2022 Investor Call

Corning Reports Third-Quarter Results Highlighted  
by Optical Communications and Solar Sales Growth

October 25, 2022

## Q3 HIGHLIGHTS



**\$3.7B**  
Core Sales  
1% Increase YoY



**36.1%**  
Gross Margin  
140 bps Decrease  
Sequentially



**\$0.51**  
Core EPS  
9% Decrease YoY



**\$255M**  
Free Cash Flow

CORNING

## THIRD QUARTER 2022 CORE PERFORMANCE

“While three of our key demand drivers are down, our cohesive and focused portfolio is providing strategic resilience in the current environment. We remain well positioned to deliver profitable multiyear growth. We’ll continue to execute with discipline, invest where we see strength, and pace to demand.”

- Wendell Weeks, Chairman and CEO

© 2022 Corning Incorporated

7

## HIGHLIGHTS

### Third Quarter Market Dynamics

Multiple end markets faced continued challenging dynamics –

- Smartphone unit sales declined 14% YoY; tablet and notebook unit sales declined 17%
- Panel maker utilization decreased further from June levels
- Annual automotive production still 10 to 15 million cars below pre-COVID run rate, due to continued component shortages

CORNING

© 2022 Corning Incorporated

8

HIGHLIGHTS

## Corning Performance

- Delivered results within our guidance range and expectations
- Benefit from infrastructure investments in broadband and clean energy
  - 16% YoY sales growth in Optical Communications
  - 33% YoY sales growth in Hemlock and Emerging Growth Businesses
- Confident our strategy continues to position us to deliver profitable multiyear growth

PERFORMANCE DRIVERS

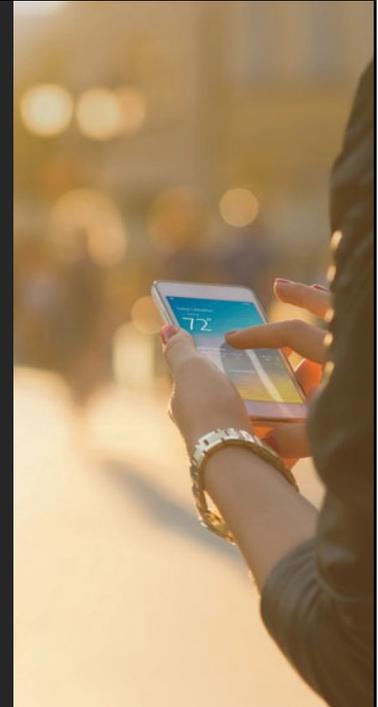
## Display

- We believe panel maker production reached the bottom in September
- Maintained stable price and market position
- Volume and profitability to increase sharply when panel maker utilization rebounds
- Expect to exit correction with strengthened customer relationships and refreshed manufacturing fleet



## Mobile Consumer Electronics

- Growth in third quarter driven by customer product launches and strength in semiconductor materials
- Outperforming the market
  - Product leadership
  - “More Corning” approach
  - Ongoing collaboration with industry leaders
- Continue to develop and launch premium glasses and optical treatments for existing and new form factors



## “More Corning” in Semiconductor Industry

- Corning has helped advance the industry for more than 50 years
- Making equipment and materials vital to semiconductor manufacturing
- Announced government funding that supports expansion of Advanced Optics facilities
- Continuing to support nearly every step of the chip manufacturing process



PERFORMANCE DRIVERS

## Automotive

- Environmental Technologies delivering sales and profit growth despite constraints on vehicle production; outperforming market
- Significant wins in Automotive Glass Solutions – strong pull for technical glass and optics innovations
- CarUX using Corning® ColdForm™ Technology to drive future of auto interior displays



CORNING

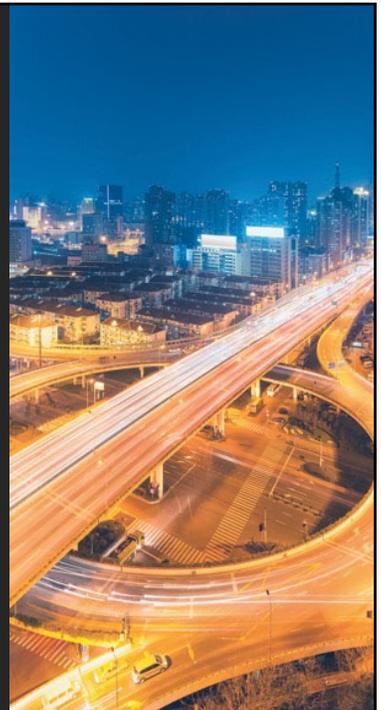
© 2022 Corning Incorporated

13

PERFORMANCE DRIVERS

## Optical Communications

- Multiyear wave of growth for passive optical networks
- Investing in new manufacturing facility in Arizona and optical fiber plant in Poland to serve committed customer demand
- Innovating to support every phase of broadband deployment



CORNING

© 2022 Corning Incorporated

14

PERFORMANCE DRIVERS

## Evolv™ Portfolio

Enables network operators to:

- Streamline permitting
- Accelerate field installation
- Optimize network testing



CORNING

© 2022 Corning Incorporated

15

PERFORMANCE DRIVERS

## Hemlock and Emerging Growth Businesses

- Grew third-quarter sales 33% year over year
- Secured customer commitments through new long-term take-or-pay contracts for solar-grade polysilicon
- Benefitting from state of Michigan's infrastructure investment program
- Helping advance renewable energy industry through our technical and manufacturing capabilities



CORNING

© 2022 Corning Incorporated

16

## CEO Summary

Cohesive and focused portfolio provides strategic resilience

Deep relevance to secular trends and ability to drive more content into markets over time

Distinctive set of capabilities and long track record of life-changing and life-saving inventions is the basis of our ongoing success

CORNING

© 2022 Corning Incorporated

17

## CFO Perspective



**\$3.7B**

Q3 Core Sales  
1% Increase YoY



**36.1%**

Q3 Gross Margin  
140 bps Decrease  
Sequentially



**\$0.51**

Q3 Core EPS  
9% Decrease YoY



**\$255M**

Q3 Free Cash Flow

**Executing well; resilient with balanced and cohesive portfolio; “More Corning” approach is working**

CORNING

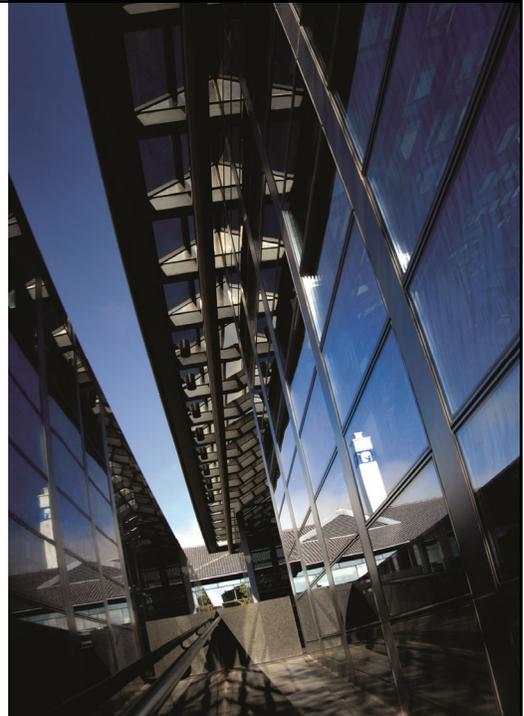
© 2022 Corning Incorporated

18

## Third-Quarter Takeaways

Despite the challenging environment:

- Able to offset significantly lower volume in Display Technologies, highlighted by Optical Communications and solar sales growth
- Outperformed our underlying markets overall



CORNING

© 2022 Corning Incorporated

19

### OPTICAL COMMUNICATIONS

## Investing for Growth

### Q3 Results

- Q3 Sales of \$1.3B, up 16% YoY
- Net income of \$183M, up 32% YoY driven by leverage from incremental volume

### Observations

- Passive optical networks continue to experience a large multiyear wave of growth, driven by private and public infrastructure investments
- Investing to appropriately scale production to serve incremental demand
- Taking further pricing actions to more appropriately share recent cost increases related to energy and certain raw materials with customers
- Expect Optical sales to be down sequentially in Q4 based on customer project timing



**\$1.3B**  
Q3 Net Sales  
Up 16% YoY



**\$183M**  
Q3 Net Income  
Up 32% YoY

CORNING

© 2022 Corning Incorporated

20

DISPLAY TECHNOLOGIES

## Operating From a Position of Strength



**\$686M**  
Q3 Net Sales  
Down 28% YoY



**\$134M**  
Q3 Net Income  
Down 46% YoY

### Q3 Results

- Q3 Sales of \$686M, down 28% YoY
- Net income of \$134M, down 46% YoY due to high fixed-cost nature of glass manufacturing
- Glass price consistent sequentially

### Observations

- Upgrading some of our fleet with our latest technology, which enables reduced cost and extends the life of new tanks
- Managing tank restarts to align our supply to demand
- Expect fourth quarter glass price to be consistent with the third quarter; price to be stable or up in subsequent quarters
- Believe panel maker utilization reached bottom in September; when glass demand does grow, expect our volume to increase and profitability to improve

CORNING

© 2022 Corning Incorporated

21

SPECIALTY MATERIALS

## Outperforming the Market



**\$519M**  
Q3 Net Sales  
Down 7% YoY



**\$96M**  
Q3 Net Income  
Down 10% YoY

### Q3 Results

- Q3 Sales of \$519M, down 7% YoY; outperformed the market for smartphones, tablets, and notebooks, which experienced double-digit declines
- Net income of \$96M, down 10% YoY driven by lower volume and continued development expense related to next generation products

### Observations

- Strong demand for premium glasses and strength in semiconductor materials
- Bringing additional capacity online at our facilities in New York
- Fourth-quarter sales and profitability expected to be down sequentially and year over year with continued weakness in the smartphone, tablet, and notebook markets
- Expect to outperform long term with continued launches of new premium glasses and optical treatments

CORNING

© 2022 Corning Incorporated

22

ENVIRONMENTAL TECHNOLOGIES

## Delivering Sales and Profit Growth



**\$425M**  
Q3 Net Sales  
Up 10% YoY



**\$87M**  
Q3 Net Income  
Up 45% YoY

### Q3 Results

- Q3 sales of \$425M, up 10% YoY
- Net income of \$87M, up 45% YoY

### Observations

- Automotive production in the third quarter improved as China demand recovered after second-quarter COVID lockdowns
- Vehicle production remains constrained due to continued component shortages
- Gasoline particulate filters driving revenue even in a weakened market

LIFE SCIENCES

## Commercializing Key Technologies



**\$312M**  
Q3 Net Sales  
Up 2% YoY



**\$43M**  
Q3 Net Income  
Down 4% YoY

### Q3 Results

- Q3 sales of \$312M, up 2% YoY
- Net income of \$43M, down 4% YoY
- Lower demand for COVID-related products offset by growth in research products

### Observations

- Continue to commercialize innovations in cell and gene therapy
- Expect to see continued growth in Research and Bioproduction

## Continuing Strong Demand



**\$407M**  
Q3 Net Sales  
Up 33% YoY

### Q3 Results

- Q3 sales of \$407M, up 33% YoY, driven by increased demand for semiconductor-grade polysilicon and strong demand for solar materials
- Continued to ramp solar capacity and entered long-term take-or-pay contracts
- Corning Pharmaceutical Technologies announced it was awarded nearly \$104M in additional funding from BARDA

## Outlook

### Q4 2022

- Core Sales: \$3.45B - \$3.65B
- Core EPS: \$0.41 - \$0.47

### Fourth-Quarter Outlook Reflects

- Pacing of customer projects in Optical Communications
- Lower demand in the smartphone, notebook, and tablet markets

### Full-Year 2022

- Free Cash Flow: \$1.3B - \$1.5B

### Currency Hedging Program

- Most of next year hedged; expect core rate to remain the same in 2023

## CFO Summary

- Resilience from balanced and cohesive portfolio and “More Corning” approach
- Executing well; long-term growth drivers remain intact
- Maintaining strong balance sheet and disciplined approach to capital allocation
- In current environment, taking actions to
  - Preserve profitability
  - Manage capital expenditures
  - Prioritize cash flow



CORNING

© 2022 Corning Incorporated

27

**Q&A Session**

## Corning's 2022 Investor Outreach Plans

- Conference Plans:
  - November 29: Credit Suisse 26<sup>th</sup> Annual Technology Conference
  - December 8: Barclays Global Technology, Media and Telecommunications Conference
- Management visits to investor offices in select cities



CORNING

© 2022 Corning Incorporated

29

Appendix

## 2022 Corporate Metrics (as of October 25, 2022)<sup>(1)(2)</sup>

### Q4 2022

Core Sales: \$3.45B - \$3.65B

Core EPS: \$0.41 - \$0.47

### Full-Year 2022

Hemlock and Emerging Growth Businesses sales: ~\$1.6B

Other income/expense: (~\$225M) net expense

Non-controlling interest: (\$70M - \$80M) expense

Gross equity earnings: ~\$10M

Tax rate: ~20 - 21%

Capital expenditures: Slightly less than 2021

Free cash flow: \$1.3B - \$1.5B

(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.

CORNING

© 2022 Corning Incorporated

31

## Q3 2022 Core Performance

<i>\$ in millions, except EPS</i>	Q3 2022	Q2 2022	Q3 2021
Core Net Sales	\$3,666	\$3,762	\$3,639
Core Gross Margin	\$1,325	\$1,410	\$1,394
<i>Gross Margin %</i>	36%	37%	38%
Core SG&A	\$428	\$460	\$483
<i>% of Sales</i>	12%	12%	13%
Core RD&E	\$279	\$244	\$252
<i>% of Sales</i>	8%	6%	7%
Core Operating Margin	\$618	\$706	\$659
<i>Operating Margin %</i>	17%	19%	18%
Core Gross Equity Earnings	\$3	\$3	\$17
Core Net Profit Before Taxes	\$565	\$646	\$631
Core Net Income attributable to Corning Incorporated	\$438	\$489	\$485
Core EPS	\$0.51	\$0.57	\$0.56
Weighted-Average Shares Outstanding	855	856	866

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

CORNING

© 2022 Corning Incorporated

32

## Q3 2022 Operating Performance

Segment Net Sales \$ in millions	Q3 2022	Q2 2022	% change	Q3 2021	% change
Optical Communications	\$1,317	\$1,313	—	\$1,131	16%
Carrier Network	\$975	\$967	1%	\$855	14%
Enterprise Network	\$342	\$346	(1%)	\$276	24%
Display Technologies	\$686	\$878	(22%)	\$956	(28%)
Specialty Materials	\$519	\$485	7%	\$556	(7%)
Environmental Technologies	\$425	\$356	19%	\$385	10%
Automotive	\$261	\$199	31%	\$223	17%
Diesel	\$164	\$157	4%	\$162	1%
Life Sciences	\$312	\$312	—	\$305	2%
Hemlock and Emerging Growth Businesses	\$407	\$418	(3%)	\$306	33%
<b>Total Segment Net Sales and Hemlock and Emerging Growth Businesses</b>	<b>\$3,666</b>	<b>\$3,762</b>	<b>(3%)</b>	<b>\$3,639</b>	<b>1%</b>

Segment Net Income \$ in millions	Q3 2022	Q2 2022	% change	Q3 2021	% change
Optical Communications	\$183	\$182	1%	\$139	32%
Display Technologies	\$134	\$228	(41%)	\$247	(46%)
Specialty Materials	\$96	\$91	5%	\$107	(10%)
Environmental Technologies	\$87	\$62	40%	\$60	45%
Life Sciences	\$43	\$37	16%	\$45	(4%)
Hemlock and Emerging Growth Businesses	\$18	\$25	(28%)	(\$5)	*
<b>Total Segment Net Income and Hemlock and Emerging Growth Businesses</b>	<b>\$561</b>	<b>\$625</b>	<b>(10%)</b>	<b>\$593</b>	<b>(5%)</b>

\* Not meaningful

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

CORNING

© 2022 Corning Incorporated

33

## Year-to-Date Core Performance

\$ in millions, except EPS	YTD Q3 2022	YTD Q3 2021
Core Net Sales	\$11,172	\$10,406
Core Gross Margin	\$4,105	\$3,887
Gross Margin %	37%	37%
Core SG&A	\$1,349	\$1,320
% of Sales	12%	13%
Core RD&E	\$773	\$708
% of Sales	7%	7%
Core Operating Margin	\$1,983	\$1,859
Operating Margin %	18%	18%
Core Gross Equity Earnings	\$6	\$33
Core Net Profit Before Taxes	\$1,827	\$1,731
Core Net Income attributable to Corning Incorporated	\$1,392	\$1,346
Core EPS	\$1.62	\$1.53
Weighted-Average Shares Outstanding	857	878

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

CORNING

© 2022 Corning Incorporated

34

## Year-to-Date Operating Performance

Segment Net Sales \$ in millions	YTD Q3 2022	YTD Q3 2021	% change
Optical Communications	\$3,828	\$3,143	22%
Carrier Network	\$2,865	\$2,293	25%
Enterprise Network	\$963	\$850	13%
Display Technologies	\$2,523	\$2,758	(9%)
Specialty Materials	\$1,497	\$1,490	—
Environmental Technologies	\$1,190	\$1,233	(3%)
Automotive	\$701	\$728	(4%)
Diesel	\$489	\$505	(3%)
Life Sciences	\$934	\$917	2%
Hemlock and Emerging Growth Businesses	\$1,200	\$865	39%
<b>Total Segment Net Sales and Hemlock and Emerging Growth Businesses</b>	<b>\$11,172</b>	<b>\$10,406</b>	<b>7%</b>

Segment Net Income \$ in millions	YTD Q3 2022	YTD Q3 2021	% change
Optical Communications	\$531	\$398	33%
Display Technologies	\$598	\$708	(16%)
Specialty Materials	\$262	\$279	(6%)
Environmental Technologies	\$223	\$215	4%
Life Sciences	\$122	\$145	(16%)
Hemlock and Emerging Growth Businesses	\$35	(\$44)	*
<b>Total Segment Net Income and Hemlock and Emerging Growth Businesses</b>	<b>\$1,771</b>	<b>\$1,701</b>	<b>4%</b>

\* Not meaningful

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

CORNING

© 2022 Corning Incorporated

35

## Adjusted Operating Cash Flow Reconciliation

\$ in millions	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Cash flows from operating activities	\$706	\$895	\$1,998	\$2,389
Realized gains on translated earnings contracts	\$77	\$17	\$209	\$30
Translation losses on cash balances	(\$63)	(\$14)	(\$140)	(\$65)
<b>Adjusted cash flows from operating activities</b>	<b>\$720</b>	<b>\$898</b>	<b>\$2,067</b>	<b>\$2,354</b>
Less: Capital expenditures	\$465	\$401	\$1,201	\$1,014
<b>Free cash flow</b>	<b>\$255</b>	<b>\$497</b>	<b>\$866</b>	<b>\$1,340</b>

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

CORNING

© 2022 Corning Incorporated

36

## Reconciliation of Non-GAAP to GAAP Financial Measures

Q3 2022	Sales	Gross Margin	Gross Margin %	SG&A	RD&E	Operating Margin	Operating Margin %	Equity Earnings	Income Before Income Taxes	Net Income attributable to Coming Incorporated	Tax Rate (a)	Per Share
<b>As Reported - GAAP</b>	<b>\$3,488</b>	<b>\$1,062</b>	<b>30.4%</b>	<b>\$461</b>	<b>\$278</b>	<b>\$292</b>	<b>8.4%</b>	<b>\$1</b>	<b>\$260</b>	<b>\$208</b>	<b>13.1%</b>	<b>\$0.24</b>
Constant-currency adjustment	178	138		3		135		2	136	79		0.09
Translation gain on Japanese yen-denominated debt									(84)	(64)		(0.07)
Translated earnings contract loss									68	52		0.06
Acquisition-related costs				2	(1)	30			33	25		0.03
Discrete tax items and other tax-related adjustments										22		0.03
Restructuring, impairment, and other charges and credits		125		(13)		138			138	106		0.12
Litigation, regulatory and other legal matters				(32)		32			23	17		0.02
Pension mark-to-market adjustment				7	2	(9)			(9)	(7)		(0.01)
<b>Core performance measures</b>	<b>\$3,666</b>	<b>\$1,325</b>	<b>36.1%</b>	<b>\$428</b>	<b>\$279</b>	<b>\$618</b>	<b>16.9%</b>	<b>\$3</b>	<b>\$565</b>	<b>\$438</b>	<b>19.3%</b>	<b>\$0.51</b>

(a) The calculation of the effective tax rate ("ETR") excludes net income attributable to non-controlling interests ("NCI") of \$18 million.

Q3 2022 YTD	Sales	Gross Margin	Gross Margin %	SG&A	RD&E	Operating Margin	Operating Margin %	Equity Earnings	Income Before Income Taxes	Net Income attributable to Coming Incorporated	Tax Rate (a)	Per Share
<b>As Reported - GAAP</b>	<b>\$10,783</b>	<b>\$3,591</b>	<b>33.3%</b>	<b>\$1,381</b>	<b>\$766</b>	<b>\$1,352</b>	<b>12.5%</b>	<b>\$2</b>	<b>\$1,793</b>	<b>\$1,352</b>	<b>21.2%</b>	<b>\$1.58</b>
Constant-currency adjustment	389	321		4		317		4	319	221		0.26
Translation gain on Japanese yen-denominated debt									(321)	(246)		(0.29)
Translated earnings contract loss									(257)	(197)		(0.23)
Acquisition-related costs				3	(1)	90			107	84		0.10
Discrete tax items and other tax-related adjustments										38		0.04
Restructuring, impairment, and other charges and credits		193		(24)		217			217	166		0.19
Litigation, regulatory and other legal matters				(74)		74			65	49		0.06
Pension mark-to-market adjustment				33	8	(41)			(19)	(15)		(0.02)
Contingent consideration				26		(26)			(32)	(25)		(0.03)
Loss on investments									8	6		0.01
Gain on Sale of a Business									(53)	(41)		(0.05)
<b>Core performance measures</b>	<b>\$11,172</b>	<b>\$4,105</b>	<b>36.7%</b>	<b>\$1,349</b>	<b>\$773</b>	<b>\$1,983</b>	<b>17.7%</b>	<b>\$6</b>	<b>\$1,827</b>	<b>\$1,392</b>	<b>20.5%</b>	<b>\$1.62</b>

(a) The calculation of the effective tax rate ("ETR") excludes net income attributable to non-controlling interests ("NCI") of \$61 million.

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

CORNING

© 2022 Corning Incorporated

37

## 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

**= Operating Income Tax Adjusted**

**Denominator = Invested Capital**

Equity  
+ Long and Short term Debt

**= Invested Capital**

CORNING

© 2022 Corning Incorporated

38

## Q3 Return on Invested Capital (ROIC)

	GAAP	GAAP to Core Adjustments	Core
Operating income	292	326	618
Equity in earnings of affiliated companies	1	2	3
<b>Operating Income before interest and taxes</b>	<b>293</b>	<b>328</b>	<b>621</b>
Tax Rate			20.5%
-Tax			(127)
<b>Operating Income - Tax Adjusted</b>			<b>494</b>
Equity			11,548
+ Debt			6,733
<b>Invested Capital (IC)</b>			<b>18,281</b>
<b>Return (Q3 Operating Income - Tax Adjusted x4)</b>			<b>1,976</b>
<b>Invested Capital</b>			<b>18,281</b>
<b>ROIC</b>			<b>10.8%</b>

CORNING

© 2022 Corning Incorporated

39

## Q3 Income Statement (8-K)

### CORNING INCORPORATED AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF INCOME (Unaudited, in millions, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net sales	\$ 3,488	\$ 3,615	\$ 10,783	\$ 10,406
Cost of sales	2,426	2,294	7,192	6,614
Gross margin	1,062	1,321	3,591	3,792
Operating expenses:				
Selling, general and administrative expenses	461	486	1,381	1,351
Research, development and engineering expenses	278	251	766	715
Amortization of purchased intangibles	31	32	92	97
Operating income	292	552	1,352	1,629
Interest income	3	3	9	8
Interest expense	(73)	(72)	(216)	(227)
Translated earnings contract (loss) gain, net	(68)	(13)	257	262
Other income, net	106	23	391	169
Income before income taxes	260	493	1,793	1,841
Provision for income taxes	(34)	(109)	(380)	(402)
Net income	226	384	1,413	1,439
Net income attributable to non-controlling interests	(18)	(13)	(61)	(20)
Net income attributable to Corning Incorporated	\$ 208	\$ 371	\$ 1,352	\$ 1,419
Earnings per common share available to common shareholders:				
Basic	\$ 0.25	\$ 0.44	\$ 1.60	\$ 0.72
Diluted	\$ 0.24	\$ 0.43	\$ 1.58	\$ 0.71
Reconciliation of net income attributable to Corning Incorporated versus net income available to common shareholders:				
Net income attributable to Corning Incorporated	\$ 208	\$ 371	\$ 1,352	\$ 1,419
Series A convertible preferred stock dividend				(24)
Excess consideration paid for redemption of preferred shares				(803)
Net income available to common shareholders	\$ 208	\$ 371	\$ 1,352	\$ 592

CORNING

© 2022 Corning Incorporated

40

## GAAP to Core Reconciliation (Earnings Deck)

Q3 2022	Sales	Gross Margin	Gross Margin %	SG&A	RD&E	Operating Margin	Operating Margin %	Equity Earnings	Income Before Taxes	Net Income attributable to Corning Incorporated	Tax Rate (a)	Per Share
<b>As Reported - GAAP</b>	<b>\$3,488</b>	<b>\$1,062</b>	<b>30.4%</b>	<b>\$461</b>	<b>\$278</b>	<b>\$292</b>	<b>8.4%</b>	<b>\$1</b>	<b>\$260</b>	<b>\$208</b>	<b>13.1%</b>	<b>\$0.24</b>
Constant-currency adjustment	178	138		3		135		2	136	79		0.09
Translation gain on Japanese yen-denominated debt									(84)	(64)		(0.07)
Translated earnings contract loss									68	52		0.06
Acquisition-related costs				2	(1)	30			33	25		0.03
Discrete tax items and other tax-related adjustments										22		0.03
Restructuring, impairment, and other charges and credits		125		(13)		138			138	106		0.12
Litigation, regulatory and other legal matters				(32)		32			23	17		0.02
Pension mark-to-market adjustment				7	2	(9)			(9)	(7)		(0.01)
<b>Core performance measures</b>	<b>\$3,666</b>	<b>\$1,325</b>	<b>36.1%</b>	<b>\$428</b>	<b>\$279</b>	<b>\$618</b>	<b>16.9%</b>	<b>\$3</b>	<b>\$565</b>	<b>\$438</b>	<b>19.3%</b>	<b>\$0.51</b>

(a) The calculation of the effective tax rate ("ETR") excludes net income attributable to non-controlling interests ("NCI") of \$18 million.

## Balance Sheet (8-K)

### CORNING INCORPORATED AND SUBSIDIARY COMPANIES CONSOLIDATED BALANCE SHEETS

(Unaudited; in millions, except share and per share amounts)

	September 30, 2022	December 31, 2021
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,630	\$ 2,148
Trade accounts receivable, net of doubtful accounts	1,620	2,004
Inventories, net	2,951	2,481
Other current assets	1,603	1,026
Total current assets	7,804	7,659
Property, plant and equipment, net of accumulated depreciation	14,645	15,804
Goodwill, net	2,368	2,421
Other intangible assets, net	1,049	1,148
Deferred income taxes	998	1,066
Other assets	1,871	2,056
<b>Total Assets</b>	<b>\$ 28,735</b>	<b>\$ 30,154</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt and short-term borrowings	\$ 208	\$ 55
Accounts payable	1,808	1,612
Other accrued liabilities	3,151	3,139
Total current liabilities	5,167	4,806
Long-term debt	6,525	6,989
Postretirement benefits other than pensions	585	622
Other liabilities	4,910	5,192
Total liabilities	17,187	17,609
Commitments and contingencies		
Shareholders' equity:		
Common stock - Par value \$0.50 per share; Shares authorized 3.8 billion; Shares issued: 1.8 billion and 1.8 billion	910	907
Additional paid-in capital - common stock	16,649	16,475
Retained earnings	17,044	16,389
Treasury stock, at cost; Shares held: 977 million and 970 million	(20,528)	(20,265)
Accumulated other comprehensive loss	(2,191)	(1,175)
Total Corning Incorporated shareholders' equity	11,884	12,333
Non-controlling interests	567	212
Total equity	11,548	12,545
<b>Total Liabilities and Equity</b>	<b>\$ 28,735</b>	<b>\$ 30,154</b>

The logo features the word "CORNING" in a white, serif font, centered within a dark, abstract graphic. The graphic consists of several overlapping, curved, glowing lines that create a sense of depth and movement, resembling a stylized lens or a fiber optic cable. The background is black, and the lines are white with a soft glow.

CORNING