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Full-Year 2022 Investor Call

**Corning Reports Fourth-Quarter and Full-Year 2022
Financial Results**

January 31, 2023

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. 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, the Company’s expected capital expenditure and the Company’s implementation of cost-reduction initiatives and measures to improve pricing, including the optimization of the Company’s manufacturing capacity.

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: 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, market volatility, including developments and volatility arising from the COVID-19 pandemic, 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), the availability of government incentives, decreases or sudden increases of consumer demand, and the impact of such changes and volatility on our financial position and businesses; the amount and timing of any future dividends; 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; 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; ability to enforce patents and protect intellectual property and trade secrets; unanticipated disruption to Corning’s, our suppliers’ and manufacturers’ supply chain, equipment, facilities, IT systems or operations; 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; the effects of acquisitions, dispositions and other similar transactions; the 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; rate of technology change; adverse litigation; product and component 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, regulations and international tax standards; the impacts of audits by taxing authorities; 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 our core performance measures. These items include the impact of translating the Japanese yen-denominated debt, the impact of the translated earnings contracts, acquisition-related costs, certain discrete tax items and other tax-related adjustments, restructuring, impairment, and other charges and credits, certain litigation, regulatory and other legal matters, pension mark-to-market adjustments and other items which do not reflect the ongoing operating results of the Company.

In addition, because a significant portion of our revenues and expenses are denominated in currencies other than the U.S. dollar, management believes it is important to understand the impact on sales and net income of translating these currencies into U.S. dollars. Therefore, management utilizes constant-currency reporting for Display Technologies, Specialty Materials, Environmental Technologies and Life Sciences segments to exclude the impact from the Japanese yen, South Korean won, Chinese yuan, new Taiwan dollar and the euro, as applicable to the segment. The most significant constant-currency adjustment relates to the Japanese yen exposure within the Display Technologies segment. We establish constant-currency rates based on internally-derived management estimates, which are closely aligned with the currencies we have hedged. We believe that the use of constant-currency reporting allows management to understand our results without the volatility of currency fluctuation, analyze underlying trends in the businesses, and establish operational goals and forecasts. Further, it reflects the underlying economics of the translated earnings contracts used to mitigate the impact of changes in currency exchange rates on our earnings and cash flows.

Core performance measures are not prepared in accordance with GAAP, but management believes that reporting core performance measures provides investors with greater transparency to the information used by our management team to make financial and operational decisions. 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 \$106M in Q4 2022 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
- Incurred restructuring charges of \$150M

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January 31, 2023


CEO PERSPECTIVE

Fourth-Quarter and Full-Year 2022 Core Results

"We will continue to focus on operating each of our businesses well in 2023, including adapting to global and market dynamics, while simultaneously advancing long-term growth initiatives and capabilities that will drive our success as the global economy stabilizes. Even though the pandemic-related disruptions in China are currently impacting the television, automotive, smartphone, and IT markets, we'll be ready to capture growth when consumer demand returns. We remain confident in our ability to deliver durable multiyear growth."


- Wendell Weeks, Chairman and CEO



\$3.6B
Q4 Core Sales
2% Decrease YoY


\$0.47
Q4 Core EPS
13% Decrease YoY


\$377M
Q4 Free Cash Flow


\$14.8B
FY 2022 Core Sales
5% Increase YoY


\$2.09
FY 2022 Core EPS
1% Increase YoY


\$1.24B
FY 2022 Free Cash Flow

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EXTERNAL DYNAMICS

Pandemic Impacts

- Since 2020, external environment characterized by sweeping impact of the pandemic –
 - Supply chain disruptions
 - Depressed productivity
 - Swings in consumer spending
 - Inflation



- Operated with elevated staffing and higher-than-normal inventory levels to ensure we could continue delivering for our customers
- Persistent inflation added to cost of raw materials, cost to produce and ship our products, and cost of inventory we maintained

As a result, our growth in profitability and cash flow have lagged our sales growth.

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EXTERNAL DYNAMICS

Profitability and Cash Generation

In the fourth quarter, took multiple additional and significant actions that will improve margins and cash flow throughout 2023, including

- Raising prices again in Optical Communications and Life Sciences
- Adjusting productivity ratios
- Normalizing inventory

Expect first quarter sales to decline more than normal seasonality. In contrast, expect margins to increase sequentially due to benefits of recent actions.



EXTERNAL DYNAMICS

China Impact

- In December, China shifted its approach to the pandemic, and a significant wave of COVID outbreaks ensued, resulting in
 - Lower consumer spending
 - Workforce shortages
- This impacted demand for our products, particularly in Display, Environmental, and Specialty Materials

We continue to be well positioned to capture growth and drive innovation. As our sales grow, we expect to benefit from operating leverage and our profitability to improve further.

CEO PERSPECTIVE

Looking Ahead

- ✓ First-quarter sales are not an indication of our 2023 run rate
- ✓ Benefits of our fourth-quarter profit and cash flow actions will be significant throughout 2023
- ✓ Capturing a compelling set of long-term growth opportunities with more to come



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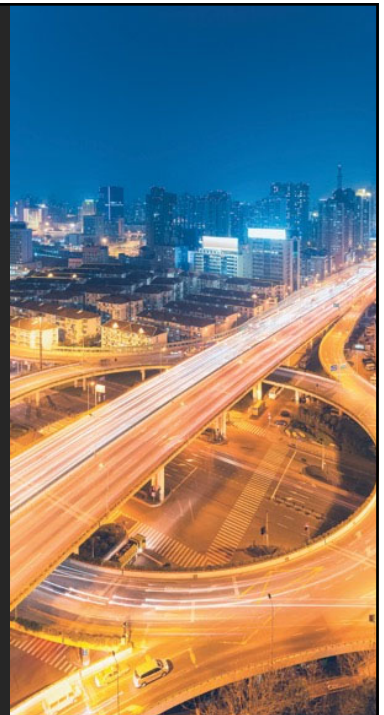
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PERFORMANCE DRIVERS

Optical Communications

- We're building on a record \$5-billion-dollar 2022
- In early phases of a multiyear build cycle driven by broadband, 5G densification, and cloud computing
- Cable and fiber demand remains especially robust



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PERFORMANCE DRIVERS

Solar

- Continue to capture significant upside tied to growth in renewable energy
- See excellent growth potential as we contribute to a sustainable U.S.-based solar supply chain
- Benefit from the Inflation Reduction Act



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PERFORMANCE DRIVERS

Display

- Maintained stable price and very strong market position throughout the ongoing industry correction
- Expect to emerge from correction with
 - Strengthened customer relationships
 - Refreshed manufacturing fleet
 - Increasing sales and profit



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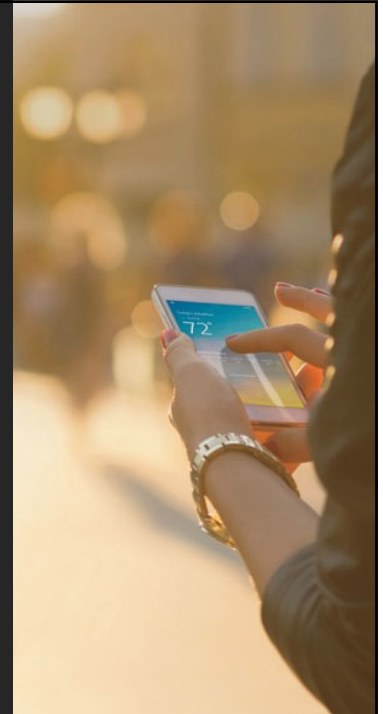
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PERFORMANCE DRIVERS

Mobile Consumer Electronics

- Anticipate ongoing strong adoption of our innovations
- Expect to continue outperforming the markets we serve
 - Product leadership
 - “More Corning” approach
 - Ongoing collaboration with industry leaders



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PERFORMANCE DRIVERS

Automotive

- Outperforming the market throughout a period of industry constraint
- Remain focused on building our \$100-per-car content opportunity as evidenced by our strong growth in Automotive Glass Solutions in 2022
- Ready to capture growth as adoption of our technologies continues and car sales return



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PERFORMANCE DRIVERS

Life Sciences

- Focused on delivering differentiated tools to support the discovery and delivery of cell-based medicines and modern drugs
- Operations are improving as industry completes its correction from the unprecedented demand shifts caused by COVID



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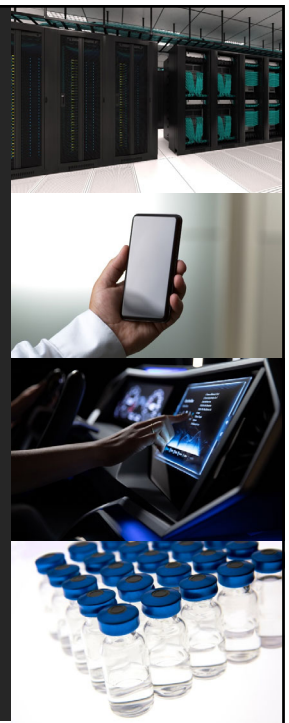
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CEO PERSPECTIVE

Achievements During Strategy & Growth Framework

- Grew sales at greater than 8% CAGR in challenging external environment
- Delivered key fiber-to-the-home and data center solutions
- Delivered on our gasoline particulate filter content opportunity in Automotive and introduced Ceramic Shield
- Ramped Gen 10.5 plants to extend our leadership in the glass for large televisions
- Made major progress on our emerging innovations – gained significant traction in Automotive Glass Solutions, and pharmaceutical packaging portfolio leaped forward to play a central role in the global health fight over the past three years



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CEO Summary

Completed significant additional actions to improve profitability and cash generation

Continue to focus on operating each of our businesses well while advancing growth initiatives and capabilities that will drive success

Focused and cohesive portfolio provides strategic resilience

Remain confident in our ability to deliver durable multiyear growth

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CFO PERSPECTIVE

Full-Year Core Results



\$14.8B

FY 2022 Core Sales
5% Increase YoY



36%

FY 2022 Gross Margin
110 bps Decrease YoY



\$2.09

FY 2022 Core EPS
1% Increase YoY



\$1.24B

FY 2022 Free Cash Flow

Outperformed consumer facing end-markets, continued to capture growth in solar, and delivered record sales of \$5B in Optical Communications

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CFO PERSPECTIVE

Took Further Actions

To address profitability and cash flow we took further actions, including

- Raising prices again in Optical Communications and Life Sciences
- Adjusting productivity ratios closer to historical metrics
- Reducing inventory by \$115M in the fourth quarter

Will start to see the benefits of these actions in the first quarter

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CFO PERSPECTIVE

Fourth-Quarter Core Results

“In the fourth quarter, we took actions to further improve our profitability and cash flow. These actions included raising prices again in Optical Communications and Life Sciences, improving our productivity metrics, and reducing our inventory.”

- Ed Schlesinger, EVP and CFO



\$3.6B
Q4 Core Sales
Consistent
Sequentially



34%
Q4 Gross Margin
250 bps Decrease
Sequentially



\$0.47
Q4 Core EPS
8% Decrease
Sequentially



\$377M
Q4 Free Cash Flow

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SEGMENT RECAP

Optical Communications

Q4 & Full-Year Results

- Q4 Sales of \$1.2B, down 1% YoY
- Q4 Net income of \$130M, down 16% YoY
- FY Sales of \$5.0B, up 15%
- FY Net income of \$661M, up 20%

Observations

- Fourth-quarter sales reflect the slower pacing of customer projects
- Fourth-quarter net income down sequentially on lower volume, mix, and the impact of reducing inventory
- Strength of first three quarters of 2022 drove annual sales to an all-time-high



\$1.2B
Q4 Net Sales
Down 1% YoY



\$130M
Q4 Net Income
Down 16% YoY

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SEGMENT RECAP

Display Technologies

Q4 & Full-Year Results

- Q4 Sales of \$783M, down 17% YoY
- Q4 Net income of \$171M, down 32% YoY
- Q4 and FY glass price consistent sequentially and YoY
- FY Sales of \$3.3B, down 11%
- FY Net income of \$769M, down 20%

Observations

- Panel maker utilization levels climbed in October and again in November but leveled off in December – have since decreased in January
- Believe panel maker utilization will resume its recovery
- Expect glass price in the first quarter to be consistent with the fourth quarter
- Have maintained stable price and market position through industry correction – when market recovers, incrementals from increased volume will be meaningful



\$783M
Q4 Net Sales
Down 17% YoY



\$171M
Q4 Net Income
Down 32% YoY

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SEGMENT RECAP

Specialty Materials

Q4 & Full-Year Results

- Q4 Sales of \$505M, down 3% YoY
- Q4 Net income of \$78M, down 15% YoY
- FY Sales of \$2.0B, flat YoY
- FY Net income of \$340M, down 8%

Observations

- Outperformed our markets driven by customer product launches and continued strong demand for premium glasses and advanced optics products
- Full-year Gorilla Glass sales were down 5%, outperforming the smartphone market, which was down 11%, and IT market, which was down 15%
- Advanced Optics full-year sales growth driven by strength of next-generation semiconductor materials
- Full-year net income down 8% YoY, due to continued investment in next-generation materials for consumer electronics and semiconductor equipment, as well as new markets, such as bendable devices and augmented reality



\$505M
Q4 Net Sales
Down 3% YoY



\$78M
Q4 Net Income
Down 15% YoY

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SEGMENT RECAP

Environmental Technologies

Q4 & Full-Year Results

- Q4 sales of \$394M, up 12% YoY
- Net income of \$69M, up 28% YoY
- FY Sales of \$1.6B, flat YoY
- FY Net income of \$292M, up 9%

Observations

- Sequentially, fourth-quarter sales impacted by decline in China OEM production levels in December
- Full-year sales were flat versus 2021, as light and heavy-duty markets in China remained weak and global auto market growth was restricted
- Full-year net income increased 9% as we improved productivity and raised prices



\$394M
Q4 Net Sales
Up 12% YoY



\$69M
Q4 Net Income
Up 28% YoY

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\$294M
Q4 Net Sales
Down 7% YoY



\$31M
Q4 Net Income
Down 37% YoY

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SEGMENT RECAP

Life Sciences

Q4 & Full-Year Results

- Q4 sales of \$294M, down 7% YoY
- Net income of \$31M, down 37% YoY
- FY Sales of \$1.2B, flat YoY
- FY Net income of \$153M, down 21%

Observations

- Fourth-quarter sales down sequentially and YoY, impacted by lower demand for COVID-related products
- Net income in the fourth quarter was down, driven by lower sales and the impact of reducing inventory
- Full-year sales were consistent with a strong 2021, while net income was impacted by unexpected shift in demand away from COVID-related products, leading to lower productivity in our manufacturing operations

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\$462M
Q4 Net Sales
Up 22% YoY

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SEGMENT RECAP

Hemlock and Emerging Growth Businesses

Q4 & Full-Year Results

- Q4 Sales of \$462M, up 22% YoY
- FY Sales of \$1.7B, up 34% YoY

Observations

- Full-year sales reflect strong demand for polysilicon
- Continue to see robust demand for both semiconductor and solar-grade polysilicon
- Strong growth in Automotive Glass Solutions and Pharmaceutical Technologies

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Outlook

Q1 2023

- Core Sales: \$3.2B - \$3.4B
- Core EPS: \$0.35 - \$0.42

Outlook reflects current dynamics in China

- Impacted consumer sentiment and labor availability in some of the industries we serve
- Believe the Display industry recovery has been delayed by at least one quarter
- In Environmental, expect lower OEM production levels to remain in the first quarter
- Expect sales to grow sequentially in the second quarter

Capex

- Expect 2023 full-year capital expenditures to be consistent with 2022

Currency Hedging Program

- Most of 2023 and 2024 hedged; expect to keep Core Rate at 107 at least through the end of 2024

Dividend

- Will recommend board approves increase in quarterly dividend, raising annual rate to \$1.12 from \$1.08 per share

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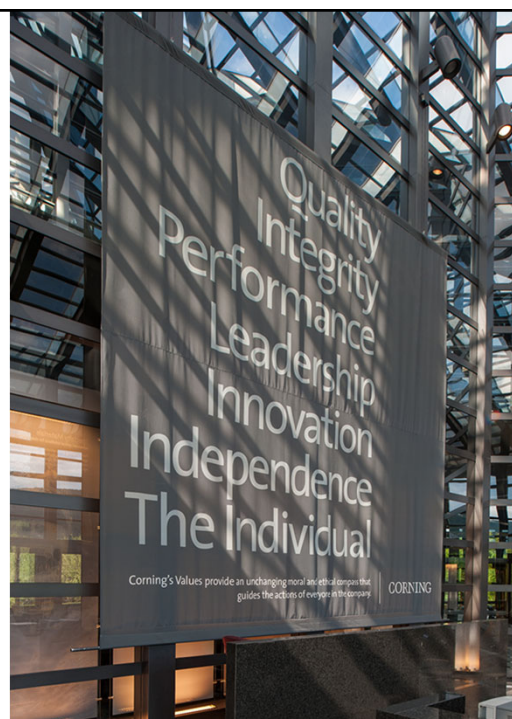
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CFO Summary

- Long-term growth drivers remain intact – as markets recover, sales growth will resume
- Well positioned to continue capturing growth tied to key secular trends
- Grew sales 5% in 2022 and delivered a CAGR of greater than 8% since 2019 in a challenging environment
- Adapted to meet near-term needs, taking action throughout this period
- Expect to see benefits of the additional actions we took in the fourth quarter in our first-quarter results and throughout the year

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Q&A Session

Corning's 2023 Investor Outreach Plans

- Conference Plans:
 - March 2: Susquehanna Financial Group, LLLP 12th Annual Technology Conference
 - March 7: Morgan Stanley Technology, Media & Telecom Conference
- Management visits to investor offices in select cities



Appendix

2023 Corporate Metrics (as of January 31, 2023)⁽¹⁾⁽²⁾

Q1 2023

Core Sales: \$3.2B - \$3.4B

Core EPS: \$0.35 - \$0.42

Other income/expense: ~(\$80M)

Full-Year 2023

Hemlock and Emerging Growth Businesses sales: \$1.5B - \$1.7B

SG&A and RD&E: Consistent with 2022 as a percent of sales

Other income/expense: (\$345M - \$355M)

Gross equity earnings: ~\$10M

Tax rate: 20% - 22%

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

Capital expenditures: Consistent with 2022

(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 2022 Core Performance

| <i>\$ in millions, except EPS</i> | Q4 2022 | Q3 2022 | Q4 2021 |
|--|------------|------------|------------|
| Core Net Sales | \$3,633 | \$3,666 | \$3,714 |
| Core Gross Margin | \$1,222 | \$1,325 | \$1,355 |
| Gross Margin % | 34% | 36% | 36% |
| Core SG&A | \$451 | \$428 | \$472 |
| % of Sales | 12% | 12% | 13% |
| Core RD&E | \$264 | \$279 | \$280 |
| % of Sales | 7% | 8% | 8% |
| Core Operating Margin | \$507 | \$618 | \$603 |
| Operating Margin % | 14% | 17% | 16% |
| Core Gross Equity Earnings | \$11 | \$3 | \$5 |
| Core Net Profit Before Taxes | \$483 | \$565 | \$582 |
| Core Net Income attributable to Corning Incorporated | \$402 | \$438 | \$465 |
| Core EPS | \$0.47 | \$0.51 | \$0.54 |
| Weighted-Average Shares Outstanding | 856 | 855 | 864 |

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

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Q4 2022 Operating Performance

| Segment Net Sales <i>\$ in millions</i> | Q4 2022 | Q3 2022 | % change | Q4 2021 | % change |
|--|----------------|----------------|--------------|----------------|--------------|
| Optical Communications | \$1,195 | \$1,317 | (9%) | \$1,206 | (1%) |
| Carrier Network | \$895 | \$975 | (8%) | \$907 | (1%) |
| Enterprise Network | \$300 | \$342 | (12%) | \$299 | 0% |
| Display Technologies | \$783 | \$686 | 14% | \$942 | (17%) |
| Specialty Materials | \$505 | \$519 | (3%) | \$518 | (3%) |
| Environmental Technologies | \$394 | \$425 | (7%) | \$353 | 12% |
| Automotive | \$233 | \$261 | (11%) | \$208 | 12% |
| Diesel | \$161 | \$164 | (2%) | \$145 | 11% |
| Life Sciences | \$294 | \$312 | (6%) | \$317 | (7%) |
| Hemlock and Emerging Growth Businesses | \$462 | \$407 | 14% | \$378 | 22% |
| Total Segment Net Sales and Hemlock and Emerging Growth Businesses | \$3,633 | \$3,666 | (1%) | \$3,714 | (2%) |
| Segment Net Income <i>\$ in millions</i> | Q4 2022 | Q3 2022 | % change | Q4 2021 | % change |
| Optical Communications | \$130 | \$183 | (29%) | \$155 | (16%) |
| Display Technologies | \$171 | \$134 | 28% | \$252 | (32%) |
| Specialty Materials | \$78 | \$96 | (19%) | \$92 | (15%) |
| Environmental Technologies | \$69 | \$87 | (21%) | \$54 | 28% |
| Life Sciences | \$31 | \$43 | (28%) | \$49 | (37%) |
| Hemlock and Emerging Growth Businesses | \$4 | \$18 | (78%) | (\$7) | * |
| Total Segment Net Income and Hemlock and Emerging Growth Businesses | \$483 | \$561 | (14%) | \$595 | (19%) |

*Not Meaningful

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2022 Core Performance

| <i>\$ in millions, except EPS</i> | Full-Year 2022 | Full-Year 2021 |
|--|-------------------|-------------------|
| Core Net Sales | \$14,805 | \$14,120 |
| Core Gross Margin | \$5,327 | \$5,242 |
| <i>Gross Margin %</i> | 36% | 37% |
| Core SG&A | \$1,800 | \$1,792 |
| <i>% of Sales</i> | 12% | 13% |
| Core RD&E | \$1,037 | \$988 |
| <i>% of Sales</i> | 7% | 7% |
| Core Operating Margin | \$2,490 | \$2,462 |
| <i>Operating Margin %</i> | 17% | 17% |
| Core Gross Equity Earnings | \$17 | \$38 |
| Core Net Profit Before Taxes | \$2,310 | \$2,313 |
| Core Net Income attributable to Corning Incorporated | \$1,794 | \$1,811 |
| Core EPS | \$2.09 | \$2.07 |
| Weighted-Average Shares Outstanding | 857 | 875 |

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2022 Operating Performance

| Segment Net Sales <i>\$ in millions</i> | Full-Year 2022 | Full-Year 2021 | % change |
|---|-------------------|-------------------|-------------|
| Optical Communications | \$5,023 | \$4,349 | 15% |
| Carrier Network | \$3,760 | \$3,200 | 18% |
| Enterprise Network | \$1,263 | \$1,149 | 10% |
| Display Technologies | \$3,306 | \$3,700 | (11%) |
| Specialty Materials | \$2,002 | \$2,008 | — |
| Environmental Technologies | \$1,584 | \$1,586 | — |
| Automotive | \$934 | \$936 | — |
| Diesel | \$650 | \$650 | — |
| Life Sciences | \$1,228 | \$1,234 | — |
| Hemlock and Emerging Growth Businesses | \$1,662 | \$1,243 | 34% |
| Total Segment Net Sales and Hemlock and Emerging Growth Businesses | \$14,805 | \$14,120 | 5% |

| Segment Net Income <i>\$ in millions</i> | Full-Year 2022 | Full-Year 2021 | % change |
|--|-------------------|-------------------|-------------|
| Optical Communications | \$661 | \$553 | 20% |
| Display Technologies | \$769 | \$960 | (20%) |
| Specialty Materials | \$340 | \$371 | (8%) |
| Environmental Technologies | \$292 | \$269 | 9% |
| Life Sciences | \$153 | \$194 | (21%) |
| Hemlock and Emerging Growth Businesses | \$39 | (\$51) | * |
| Total Segment Net Income and Hemlock and Emerging Growth Businesses | \$2,254 | \$2,296 | (2%) |

*Not Meaningful

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Adjusted Operating Cash Flow Reconciliation

| \$ in millions | Q4 2022 | Q4 2021 | Full-Year 2022 | Full-Year 2021 |
|--|--------------|----------------|-------------------|-------------------|
| Cash flows from operating activities | \$617 | \$1,023 | \$2,615 | \$3,412 |
| Realized gains on translated earnings contracts | \$91 | \$37 | \$300 | \$67 |
| Translation gain (loss) on cash balances | \$72 | (\$12) | (\$68) | (\$77) |
| Adjusted cash flows from operating activities | \$780 | \$1,048 | \$2,847 | \$3,402 |
| Less: Capital expenditures | \$403 | \$623 | \$1,604 | \$1,637 |
| Free cash flow | \$377 | \$425 | \$1,243 | \$1,765 |

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

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Reconciliation of Non-GAAP to GAAP Financial Measures

| Q4 2022 | Sales | Gross Margin | Gross Margin % | SG&A | RD&E | Operating Margin | Operating Margin % | Equity Earnings | Income Before Income Taxes | Net (Loss) Income attributable to Corning Incorporated | Tax Rate (a) | Per Share |
|---|----------------|-----------------|-------------------|--------------|--------------|---------------------|-----------------------|--------------------|-------------------------------|---|-----------------|-----------------|
| As Reported - GAAP | \$3,406 | \$915 | 26.9% | \$517 | \$281 | \$86 | 2.5% | \$8 | \$4 | (\$36) | * | (\$0.04) |
| Constant-currency adjustment | 227 | 162 | | 4 | 1 | 157 | | 3 | 161 | 148 | | 0.18 |
| Translation loss on Japanese yen-denominated debt | | | | | | | | | 130 | 100 | | 0.12 |
| Translated earnings contract gain | | | | | | | | | (91) | (70) | | (0.08) |
| Acquisition-related costs | | | | | | 31 | | | 33 | 25 | | 0.03 |
| Discrete tax items and other tax-related adjustments | | | | | | | | | | 46 | | 0.05 |
| Restructuring, impairment and other charges and credits | | 144 | | (27) | (16) | 187 | | | 197 | 150 | | 0.18 |
| Litigation, regulatory and other legal matters | | | | (35) | | 35 | | | 35 | 28 | | 0.03 |
| Pension mark-to-market adjustment | | 1 | | (8) | (2) | 11 | | | 30 | 25 | | 0.03 |
| Gain on investment | | | | | | | | | (16) | (14) | | (0.02) |
| Core performance measures | \$3,633 | \$1,222 | 33.6% | \$451 | \$264 | \$507 | 14.0% | \$11 | \$483 | \$402 | 14.9% | \$0.47 |

(a) The calculation of the effective tax rate ("ETR") excludes net income attributable to non-controlling interest ("NCI") of \$9 million.

* Not Meaningful

| Full-Year 2022 | Sales | Gross Margin | Gross Margin % | SG&A | RD&E | Operating Margin | Operating Margin % | Equity Earnings | Income Before Income Taxes | Net Income attributable to Corning Incorporated | Tax Rate (a) | Per Share |
|---|-----------------|-----------------|-------------------|----------------|----------------|---------------------|-----------------------|--------------------|-------------------------------|--|-----------------|---------------|
| As Reported - GAAP | \$14,189 | \$4,506 | 31.8% | \$1,898 | \$1,047 | \$1,438 | 10.1% | \$10 | \$1,797 | \$1,316 | 22.9% | \$1.54 |
| Constant-currency adjustment | 616 | 483 | | 8 | 1 | 474 | | 7 | 480 | 369 | | 0.43 |
| Translation gain on Japanese yen-denominated debt | | | | | | | | | (191) | (146) | | (0.17) |
| Translated earnings contract gain | | | | | | | | | (348) | (267) | | (0.31) |
| Acquisition-related costs | | | | 3 | (1) | 121 | | | 140 | 109 | | 0.13 |
| Discrete tax items and other tax-related adjustments | | | | | | | | | | 84 | | 0.10 |
| Restructuring, impairment and other charges and credits | | 337 | | (51) | (16) | 404 | | | 414 | 316 | | 0.37 |
| Litigation, regulatory and other legal matters | | | | (109) | | 109 | | | 100 | 77 | | 0.09 |
| Pension mark-to-market adjustment | | 1 | | 25 | 6 | (30) | | | 11 | 10 | | 0.01 |
| Gain on investment | | | | | | | | | (8) | (8) | | (0.01) |
| Gain on sale of business | | | | | | | | | (53) | (41) | | (0.05) |
| Contingent consideration | | | | 26 | | (26) | | | (32) | (25) | | (0.03) |
| Core performance measures | \$14,805 | \$5,327 | 36.0% | \$1,800 | \$1,037 | \$2,490 | 16.8% | \$17 | \$2,310 | \$1,794 | 19.3% | \$2.09 |

(a) The calculation of the effective tax rate ("ETR") excludes net income attributable to non-controlling interest ("NCI") of \$70 million.

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

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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

= Operating Income Tax Adjusted

Denominator = Invested Capital

Equity
+ Long- and Short-term Debt

= Invested Capital

FY '22 Return on Invested Capital (ROIC)

| | GAAP | GAAP to Core Adjustments | Core |
|---|--------------|--------------------------|---------------|
| <i>Operating income</i> | 1,438 | 1,052 | 2,490 |
| <i>Equity in earnings of affiliated companies</i> | 10 | 7 | 17 |
| Operating Income before interest and taxes | 1,448 | 1,059 | 2,507 |
| Tax Rate* | | | 19.3% |
| <i>-Tax</i> | | | (484) |
| Operating Income - Tax Adjusted | | | 2,023 |
| Equity | | | 12,275 |
| + Debt | | | 6,911 |
| Invested Capital (IC) | | | 19,186 |
| Return (FY Operating Income) | | | 2,023 |
| Invested Capital | | | 19,186 |
| ROIC | | | 10.5% |

* Yearend Core tax rate 19.3%

FY '22 Income Statement (8-K)

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

| | Three months ended December 31, | | Year ended December 31, | |
|---|------------------------------------|----------|----------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| Net sales | \$ 3,406 | \$ 3,676 | \$ 14,189 | \$ 14,082 |
| Cost of sales | 2,491 | 2,405 | 9,683 | 9,019 |
| Gross margin | 915 | 1,271 | 4,506 | 5,063 |
| Operating expenses: | | | | |
| Selling, general and administrative expenses | 517 | 476 | 1,898 | 1,827 |
| Research, development and engineering expenses | 281 | 280 | 1,047 | 995 |
| Amortization of purchased intangibles | 31 | 32 | 123 | 129 |
| Operating income | 86 | 483 | 1,438 | 2,112 |
| Interest income | 6 | 3 | 15 | 11 |
| Interest expense | (76) | (73) | (292) | (300) |
| Translated earnings contract gain, net | 94 | 92 | 351 | 354 |
| Other (expense) income, net | (106) | 80 | 285 | 249 |
| Income before income taxes | 4 | 585 | 1,797 | 2,426 |
| Provision for income taxes | (31) | (89) | (411) | (491) |
| Net (loss) income | (27) | 496 | 1,386 | 1,935 |
| Net income attributable to non-controlling interest | (9) | (9) | (70) | (29) |
| Net (loss) income attributable to Corning Incorporated | \$ (36) | \$ 487 | \$ 1,316 | \$ 1,906 |
| (Loss) earnings per common share available to common shareholders: | | | | |
| Basic | \$ (0.04) | \$ 0.57 | \$ 1.56 | \$ 1.30 |
| Diluted | \$ (0.04) | \$ 0.56 | \$ 1.54 | \$ 1.28 |
| Reconciliation of net (loss) income attributable to Corning Incorporated versus net (loss) income available to common shareholders: | | | | |
| Net (loss) income attributable to Corning Incorporated | \$ (36) | \$ 487 | \$ 1,316 | \$ 1,906 |
| Series A convertible preferred stock dividend | | | | (24) |
| Excess consideration paid for redemption of preferred shares | | | | (805) |
| Net (loss) income available to common shareholders | \$ (36) | \$ 487 | \$ 1,316 | \$ 1,079 |

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GAAP to Core Reconciliation (Earnings Deck)

| Full-Year 2022 | Sales | Gross Margin | Gross Margin % | SG&A | RD&E | Operating Margin | Operating Margin % | Equity Earnings | Income Before Income Taxes | Net Income attributable to Corning Incorporated | Tax Rate (a) | Per Share |
|---|-----------------|----------------|----------------|----------------|----------------|------------------|--------------------|-----------------|----------------------------|---|--------------|---------------|
| As Reported - GAAP | \$14,189 | \$4,506 | 31.8% | \$1,898 | \$1,047 | \$1,438 | 10.1% | \$10 | \$1,797 | \$1,316 | 22.9% | \$1.54 |
| Constant-currency adjustment | 616 | 483 | | 8 | 1 | 474 | | 7 | 480 | 369 | | 0.43 |
| Translation gain on Japanese yen-denominated debt | | | | | | | | | (191) | (146) | | (0.17) |
| Translated earnings contract gain | | | | | | | | | (348) | (267) | | (0.31) |
| Acquisition-related costs | | | | 3 | (1) | 121 | | | 140 | 109 | | 0.13 |
| Discrete tax items and other tax-related adjustments | | | | | | | | | | 84 | | 0.10 |
| Restructuring, impairment and other charges and credits | | 337 | | (51) | (16) | 404 | | | 414 | 316 | | 0.37 |
| Litigation, regulatory and other legal matters | | | | (109) | | 109 | | | 100 | 77 | | 0.09 |
| Pension mark-to-market adjustment | | 1 | | 25 | 6 | (30) | | | 11 | 10 | | 0.01 |
| Gain on investment | | | | | | | | | (8) | (8) | | (0.01) |
| Gain on sale of business | | | | | | | | | (53) | (41) | | (0.05) |
| Contingent consideration | | | | 26 | | (26) | | | (32) | (25) | | (0.03) |
| Core performance measures | \$14,805 | \$5,327 | 36.0% | \$1,800 | \$1,037 | \$2,490 | 16.8% | \$17 | \$2,310 | \$1,794 | 19.3% | \$2.09 |

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Balance Sheet (8-K)

CORNING INCORPORATED AND SUBSIDIARY COMPANIES CONSOLIDATED BALANCE SHEETS (Unaudited; in millions, except share and per share amounts)

| | December 31, | |
|--|------------------|------------------|
| | 2022 | 2021 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,671 | \$ 2,148 |
| Trade accounts receivable, net of doubtful accounts | 1,664 | 2,004 |
| Inventories | 2,904 | 2,481 |
| Other current assets | 1,157 | 1,026 |
| Total current assets | 7,396 | 7,659 |
| Property, plant and equipment, net of accumulated depreciation | 15,371 | 15,804 |
| Goodwill, net | 2,394 | 2,421 |
| Other intangible assets, net | 1,029 | 1,148 |
| Deferred income taxes | 1,073 | 1,066 |
| Other assets | 2,179 | 2,056 |
| Total Assets | \$ 29,442 | \$ 30,154 |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Current portion of long-term debt and short-term borrowings | \$ 224 | \$ 55 |
| Accounts payable | 1,804 | 1,612 |
| Other accrued liabilities | 3,090 | 3,139 |
| Total current liabilities | 5,118 | 4,806 |
| Long-term debt | 6,682 | 6,989 |
| Postretirement benefits other than pensions | 407 | 622 |
| Other liabilities | 4,955 | 5,192 |
| Total liabilities | 17,167 | 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 | 16,682 | 16,475 |
| Retained earnings | 16,778 | 16,389 |
| Treasury stock, at cost; Shares held: 977 million and 970 million | (20,532) | (20,263) |
| Accumulated other comprehensive loss | (1,830) | (1,175) |
| Total Corning Incorporated shareholders' equity | 12,008 | 12,335 |
| Non-controlling interest | 262 | 212 |
| Total equity | 12,270 | 12,547 |
| Total Liabilities and Equity | \$ 29,442 | \$ 30,154 |

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