

Consolidated Statements of (Loss) Income**Corning Incorporated and Subsidiary Companies**

(Unaudited; in millions, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 3,391	\$ 3,173	\$ 9,617	\$ 9,594
Cost of sales	2,254	2,169	6,538	6,574
Gross margin	1,137	1,004	3,079	3,020
Operating expenses:				
Selling, general and administrative expenses	510	468	1,432	1,329
Research, development and engineering expenses	294	270	814	787
Amortization of purchased intangibles	31	30	91	92
Operating income	302	236	742	812
Interest income	12	10	34	25
Interest expense	(83)	(82)	(250)	(239)
Translated earnings contract (loss) gain, net	(157)	20	(91)	128
Other (loss) income, net	(166)	33	(59)	128
(Loss) income before income taxes	(92)	217	376	854
Provision for income taxes	(3)	(35)	(124)	(178)
Net (loss) income	(95)	182	252	676
Net income attributable to non-controlling interest	(22)	(18)	(56)	(55)
Net (loss) income attributable to Corning Incorporated	\$ (117)	\$ 164	\$ 196	\$ 621
(Loss) earnings per common share available to common shareholders:				
Basic	\$ (0.14)	\$ 0.19	\$ 0.23	\$ 0.73
Diluted	\$ (0.14)	\$ 0.19	\$ 0.23	\$ 0.72

Consolidated Balance Sheets**Corning Incorporated and Subsidiary Companies**

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

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,613	\$ 1,779
Trade accounts receivable, net of doubtful accounts	1,986	1,572
Inventories	2,793	2,666
Other current assets	1,284	1,195
Total current assets	7,676	7,212
Property, plant and equipment, net of accumulated depreciation	14,059	14,630
Goodwill	2,390	2,380
Other intangible assets, net	814	905
Deferred income taxes	1,211	1,153
Other assets	2,172	2,220
Total Assets	\$ 28,322	\$ 28,500
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 335	\$ 320
Accounts payable	1,565	1,466
Other accrued liabilities	2,737	2,533
Total current liabilities	4,637	4,319
Long-term debt	7,073	7,206
Postretirement benefits other than pensions	357	398
Other liabilities	4,788	4,709
Total liabilities	16,855	16,632
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	920	916
Additional paid-in capital – common stock	17,177	16,929
Retained earnings	15,859	16,391
Treasury stock, at cost; Shares held: 986 million and 980 million	(20,845)	(20,637)
Accumulated other comprehensive loss	(2,008)	(2,048)
Total Corning Incorporated shareholders' equity	11,103	11,551
Non-controlling interest	364	317
Total equity	11,467	11,868
Total Liabilities and Equity	\$ 28,322	\$ 28,500

Consolidated Statements of Cash Flows
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Cash Flows from Operating Activities:				
Net (loss) income	\$ (95)	\$ 182	\$ 252	\$ 676
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation	310	310	924	932
Amortization of purchased intangibles	31	30	91	92
Loss on disposal of assets, net	9	49	135	72
Share-based compensation expense	76	57	202	168
Translation loss (gain) on Japanese yen-denominated debt	107	(35)	(28)	(162)
Deferred tax (benefit) provision	(52)	47	(51)	37
Translated earnings contract loss (gain), net	157	(20)	91	(128)
Release of cumulative translation losses	62		62	
Tax deposit refund				99
Changes in assets and liabilities:				
Trade accounts receivable	(209)	(73)	(493)	(137)
Inventories	(45)	73	(134)	131
Other current assets	(122)	(9)	(138)	(58)
Accounts payable and other current liabilities	318	152	266	(264)
Customer deposits and government incentives	66	(11)	48	(17)
Deferred income	93	13	23	(11)
Other, net	(7)	(43)	66	(138)
Net cash provided by operating activities	699	722	1,316	1,292
Cash Flows from Investing Activities:				
Capital expenditures	(217)	(341)	(711)	(1,111)
Proceeds from sale of equipment to related party				67
Realized gains on translated earnings contracts and other	71	93	239	270
Other, net	(53)	(7)	(65)	4
Net cash used in investing activities	(199)	(255)	(537)	(770)
Cash Flows from Financing Activities:				
Repayments of debt	(212)	(107)	(254)	(180)
Proceeds from issuance of debt	149	60	153	80
Proceeds from issuance of euro bonds				918
Proceeds from other financing arrangements				54
Repayment of other financing arrangements		(54)		(54)
Proceeds from cross currency swap			68	
Payment for redemption of preferred stock				(507)
Payments of employee withholding tax on stock awards	(18)	(4)	(76)	(103)
Proceeds from exercise of stock options	23	4	57	39
Purchases of common stock for treasury	(30)		(135)	
Dividends paid	(242)	(246)	(737)	(741)
Other, net	(2)	(9)	(20)	(26)
Net cash used in financing activities	(332)	(356)	(944)	(520)
Effect of exchange rates on cash	26	(10)	(1)	(34)
Net increase (decrease) in cash and cash equivalents	194	101	(166)	(32)
Cash and cash equivalents at beginning of period	1,419	1,538	1,779	1,671
Cash and cash equivalents at end of period	\$ 1,613	\$ 1,639	\$ 1,613	\$ 1,639

Corning Incorporated and Subsidiary Companies

GAAP (Loss) Earnings per Common Share

(Unaudited; in millions, except per share amounts)

The following table sets forth the computation of basic and diluted (loss) earnings per common share:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net (loss) income attributable to Corning Incorporated	\$ (117)	\$ 164	\$ 196	\$ 621
Weighted-average common shares outstanding - basic	854	850	853	848
Effect of dilutive securities:				
Stock options and other awards		9	15	10
Weighted-average common shares outstanding - diluted	854	859	868	858
Basic (loss) earnings per common share	\$ (0.14)	\$ 0.19	\$ 0.23	\$ 0.73
Diluted (loss) earnings per common share	\$ (0.14)	\$ 0.19	\$ 0.23	\$ 0.72

Core Earnings per Share

(Unaudited; in millions, except per share amounts)

The following table sets forth the computation of core earnings per share:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Core net income	\$ 465	\$ 386	\$ 1,202	\$ 1,124
Weighted-average common shares outstanding - basic	854	850	853	848
Effect of dilutive securities:				
Stock options and other awards	11	9	15	10
Weighted-average common shares outstanding - diluted	865	859	868	858
Core earnings per share	\$ 0.54	\$ 0.45	\$ 1.38	\$ 1.31

CORE PERFORMANCE MEASURES

In managing the Company and assessing our financial performance, we adjust certain measures included in our consolidated financial statements 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 the 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 euro, as applicable to the segment. In addition, effective January 1, 2024, the Company began utilizing constant-currency reporting for the Optical Communications segment to exclude the impact from the Mexican peso on segment results. Prior periods were not recast as the impact was not material. The most significant constant-currency adjustment relates to the Japanese yen exposure within the Display Technologies segment.

The constant-currency rates established for our core performance measures are internally derived long-term management estimates, which are closely aligned with our hedging instrument rates. These hedging instruments may include, but are not limited to, foreign exchange forward or option contracts and foreign-denominated debt. For details of the rates used, please see the footnotes to the “Reconciliation of Non-GAAP Measures” section. We believe that the use of constant-currency reporting allows management to understand our results without the volatility of currency fluctuations, analyze underlying trends in the businesses and establish operational goals and forecasts.

Core performance measures are not prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). We provide investors with these non-GAAP measures to evaluate our results as we believe they are indicative of our core operating performance and provide greater transparency to how management evaluates our results and trends and makes financial and operational decisions. These measures are not, and should not be viewed as a substitute for, GAAP reporting measures. With respect to the outlook for future periods, it is not possible to provide reconciliations for these non-GAAP measures because management 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 management’s control. As a result, management is unable to provide outlook information on a GAAP basis.

For a reconciliation of non-GAAP performance measures to their most directly comparable GAAP financial measure, please see “Reconciliation of Non-GAAP Measures.”

Reconciliation of Non-GAAP Measures
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions, except per share amounts)

	Three months ended September 30, 2024				
	Net sales	(Loss) income before income taxes	Net (loss) income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported – GAAP	\$ 3,391	\$ (92)	\$ (117)	(3.3%)	\$ (0.14)
Constant-currency adjustment (1)	342	258	239		0.28
Translation loss on Japanese yen-denominated debt, net (2)		107	82		0.10
Translated earnings contract loss (3)		157	121		0.14
Acquisition-related costs (4)		32	23		0.03
Discrete tax items and other tax-related adjustments (5)			(14)		(0.02)
Restructuring, impairment and other charges and credits (6)		134	125		0.15
Pension mark-to-market adjustment (7)		(20)	(15)		(0.02)
Loss on investments (8)		7	7		0.01
Loss on sale of assets (9)		3	2		0.00
Litigation, regulatory and other legal matters (10)		16	12		0.01
Core performance measures	\$ 3,733	\$ 602	\$ 465	19.1%	\$ 0.54

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the effective tax rate (“ETR”) for GAAP and Core excludes net income attributable to non-controlling interest (“NCI”) of approximately \$22 million and \$23 million, respectively.

	Three months ended September 30, 2023				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	\$ 3,173	\$ 217	\$ 164	16.1%	\$ 0.19
Constant-currency adjustment (1)	286	212	164		0.19
Translation gain on Japanese yen-denominated debt, net (2)		(35)	(29)		(0.03)
Translated earnings contract gain (3)		(20)	(16)		(0.02)
Acquisition-related costs (4)		33	25		0.03
Discrete tax items and other tax-related adjustments (5)			(3)		(0.00)
Restructuring, impairment and other charges and credits (6)		72	58		0.07
Pension mark-to-market adjustment (7)		7	6		0.01
Gain on investments (8)		(8)	(8)		(0.01)
Litigation, regulatory and other legal matters (10)		32	25		0.03
Core performance measures	\$ 3,459	\$ 510	\$ 386	20.5%	\$ 0.45

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the ETR for GAAP and Core excludes net income attributable to NCI of approximately \$18 million and \$19 million, respectively.

See “Items Adjusted from GAAP Measures” for the descriptions of the footnoted reconciling items.

Reconciliation of Non-GAAP Measures
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions, except per share amounts)

	Nine months ended September 30, 2024				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported – GAAP	\$ 9,617	\$ 376	\$ 196	33.0%	\$ 0.23
Constant-currency adjustment (1)	978	751	604		0.70
Translation gain on Japanese yen-denominated debt, net (2)		(28)	(21)		(0.02)
Translated earnings contract loss (3)		91	70		0.08
Acquisition-related costs (4)		96	69		0.08
Discrete tax items and other tax-related adjustments (5)			5		0.01
Restructuring, impairment and other charges and credits (6)		263	248		0.29
Pension mark-to-market adjustment (7)		(6)	(4)		(0.00)
Loss on investments (8)		19	18		0.02
Loss on sale of assets (9)		13	9		0.01
Litigation, regulatory and other legal matters (10)		11	8		0.01
Core performance measures	\$ 10,595	\$ 1,586	\$ 1,202	20.4%	\$ 1.38

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the effective tax rate (“ETR”) for GAAP and Core excludes net income attributable to non-controlling interest (“NCI”) of approximately \$56 million and \$61 million, respectively.

	Nine months ended September 30, 2023				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	\$ 9,594	\$ 854	\$ 621	20.8%	\$ 0.72
Constant-currency adjustment (1)	714	535	403		0.47
Translation gain on Japanese yen-denominated debt, net (2)		(162)	(131)		(0.15)
Translated earnings contract gain (3)		(128)	(103)		(0.12)
Acquisition-related costs (4)		99	70		0.08
Discrete tax items and other tax-related adjustments (5)			26		0.03
Restructuring, impairment and other charges and credits (6)		275	220		0.26
Pension mark-to-market adjustment (7)		(4)	(3)		(0.00)
Loss on investments (8)		1	1		0.00
Gain on sale of assets (9)		(20)	(15)		(0.02)
Litigation, regulatory and other legal matters (10)		44	35		0.04
Core performance measures	\$ 10,308	\$ 1,494	\$ 1,124	20.5%	\$ 1.31

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the ETR for GAAP and Core excludes net income attributable to NCI of approximately \$55 million and \$63 million, respectively.

See “Items Adjusted from GAAP Measures” for the descriptions of the footnoted reconciling items.

Reconciliation of Non-GAAP Measures
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions)

	Three months ended September 30, 2024					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 1,137	33.5%	\$ 510	\$ 294	\$ 302	8.9%
Constant-currency adjustment (1)	256		3		253	
Acquisition-related costs (4)			1		30	
Restructuring, impairment and other charges and credits (6)	47		(13)	(7)	67	
Pension mark-to-market adjustment (7)			(9)	(2)	11	
Loss on sale of assets (9)	3				3	
Litigation, regulatory and other legal matters (10)	20		4		16	
Core performance measures	\$ 1,463	39.2%	\$ 496	\$ 285	\$ 682	18.3%

	Three months ended September 30, 2023					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 1,004	31.6%	\$ 468	\$ 270	\$ 236	7.4%
Constant-currency adjustment (1)	212		3		209	
Acquisition-related costs (4)				(1)	31	
Restructuring, impairment and other charges and credits (6)	63		(2)	(7)	72	
Pension mark-to-market adjustment (7)			4	2	(6)	
Litigation, regulatory and other legal matters (10)			(35)		35	
Core performance measures	\$ 1,279	37.0%	\$ 438	\$ 264	\$ 577	16.7%

See "Items Adjusted from GAAP Measures" for the descriptions of the footnoted reconciling items.

Reconciliation of Non-GAAP Measures
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions)

	Nine months ended September 30, 2024					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 3,079	32.0%	\$ 1,432	\$ 814	\$ 742	7.7%
Constant-currency adjustment (1)	749		10	1	738	
Acquisition-related costs (4)			1	(1)	91	
Restructuring, impairment and other charges and credits (6)	168		(18)	(7)	193	
Pension mark-to-market adjustment (7)			(20)	(5)	25	
Loss on sale of assets (9)	13				13	
Litigation, regulatory and other legal matters (10)	20		9		11	
Core performance measures	\$ 4,029	38.0%	\$ 1,414	\$ 802	\$ 1,813	17.1%

	Nine months ended September 30, 2023					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 3,020	31.5%	\$ 1,329	\$ 787	\$ 812	8.5%
Constant-currency adjustment (1)	537		8		529	
Acquisition-related costs (4)			2	(1)	91	
Restructuring, impairment and other charges and credits (6)	196		(24)	(19)	239	
Pension mark-to-market adjustment (7)			(10)	(1)	11	
Gain on sale of assets (9)	(20)				(20)	
Litigation, regulatory and other legal matters (10)	(6)		(53)		47	
Core performance measures	\$ 3,727	36.2%	\$ 1,252	\$ 766	\$ 1,709	16.6%

See "Items Adjusted from GAAP Measures" for the descriptions of the footnoted reconciling items.

Reconciliation of Non-GAAP Measures**Corning Incorporated and Subsidiary Companies**

(Unaudited; in millions)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Cash flows from operating activities	\$ 699	\$ 722	\$ 1,316	\$ 1,292
Realized gains on translated earnings contracts and other	71	93	239	270
Translation losses on cash balances		(8)		(58)
Adjusted cash flows from operating activities	\$ 770	\$ 807	\$ 1,555	\$ 1,504
Less: Capital expenditures	\$ 217	\$ 341	\$ 711	\$ 1,111
Adjusted free cash flow	\$ 553	\$ 466	\$ 844	\$ 393

Items Adjusted from GAAP Measures

Items adjusted from GAAP measures to arrive at core performance measures are as follows:

- (1) Constant-currency adjustment: As a significant portion of 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. The Company utilizes constant-currency reporting for Display Technologies, Specialty Materials, Environmental Technologies and Life Sciences segments for the Japanese yen, Korean won, Chinese yuan, New Taiwan dollar and euro, as applicable to the segment. In addition, effective January 1, 2024, the Company began utilizing constant-currency reporting for the Optical Communications segment to exclude the impact from the Mexican peso on segment results. Prior periods were not recast as the impact was not material.

The constant-currency rates established for our core performance measures are internally derived long-term management estimates, which are closely aligned with our hedging instrument rates. These hedging instruments may include, but are not limited to, foreign exchange forward or option contracts and foreign-denominated debt. For the three and nine months ended September 30, 2024, the adjustment primarily relates to our Japanese yen exposure due to the difference in the average spot rate compared to our core rate.

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.

Constant-currency rates used are as follows and are applied to all periods presented and to all foreign exchange exposures during the period, even though we may be less than 100% hedged:

Currency	Japanese yen	Korean won	Chinese yuan	New Taiwan dollar	Euro	Mexican peso
Rate	¥107	₩1,175	¥6.7	NT\$31	€0.81	MX\$20

- (2) Translation of Japanese yen-denominated debt, net: Amount reflects the gain or loss on the translation of our yen-denominated debt to U.S. dollars, net of a \$10 million and \$3 million gain, respectively, for the three and nine months ended September 30, 2024, related to the change in the fair value of our cross currency swap contracts.
- (3) Translated earnings contract: Amount reflects the impact of the realized and unrealized gains and losses from the Japanese yen, South Korean won, Chinese yuan, euro and New Taiwan dollar-denominated foreign currency hedges related to translated earnings, as well as the unrealized gains and losses of our British pound and Mexican peso-denominated foreign currency hedges related to translated earnings.
- (4) Acquisition-related costs: Amount reflects intangible amortization, inventory valuation adjustments and external acquisition-related deal costs, as well as other transaction related costs.
- (5) Discrete tax items and other tax-related adjustments: Amount reflects certain discrete period tax items such as changes in tax law, the impact of tax audits, changes in tax reserves and changes in deferred tax asset valuation allowances, as well as other tax-related adjustments.
- (6) Restructuring, impairment and other charges and credits: Amount reflects certain restructuring, impairment losses and other charges and credits, as well as other expenses, including severance, accelerated depreciation, asset write-offs and facility repairs resulting from power outages, and the recognition of cumulative foreign currency translation adjustments upon the substantial liquidation of a foreign entity, which are not related to ongoing operations.
- (7) Pension mark-to-market adjustment: Amount primarily reflects defined benefit pension mark-to-market gains and losses, which arise from changes in actuarial assumptions and the difference between actual and expected returns on plan assets and discount rates.
- (8) Loss (gain) on investments: Amount reflects the loss or gain recognized on investments due to mark-to-market adjustments for the change in fair value or the disposition of an investment.
- (9) Loss (gain) on sale of assets: Amount represents the loss or gain recognized for the sale of assets.
- (10) Litigation, regulatory and other legal matters: Amount reflects developments in commercial litigation, intellectual property disputes, adjustments to our estimated liability for environmental-related items and other legal matters.