

Executive Snapshot

This snapshot gives a clear, streamlined overview of Corning Incorporated (GLW). It highlights our main investment thesis and the most important insights for investors. The goal is to provide a quick reference point that captures the essence of our contrarian perspective, while outlining why we believe Corning represents a strong opportunity in the materials science space.

Company Profile at a Glance:

- Name: Corning Incorporated (GLW)
- Ticker: GLW (NYSE)
- Sector: Technology / Specialty Materials
- Core Business: World leader in materials science, specializing in glass, ceramics, and optical physics. Innovates and manufactures essential components for diverse industries.
- Key Segments: Optical Communications, Display Technologies, Environmental Technologies, Specialty Materials, Life Sciences.

Our Investment Stance: BUY

- Current Price (Approx.): ~\$31.00
- Price Target: \$42.00
- Implied Upside: ~35%

1. Recommendation Rationale

We maintain a BUY rating on Corning (GLW) based on our conviction that the market is fundamentally mispricing the stock. In our view, investors are overlooking three key factors: the long-term value of Corning's strategic capital expenditures, the hidden worth of its diverse

business portfolio, and the distinction between temporary cyclical softness and lasting decline. We see Corning not simply as a manufacturer, but as an innovation-driven R&D powerhouse that is well-positioned for a meaningful re-rating.

Core Contrarian Arguments

CapEx as a Competitive Advantage

Where consensus often treats Corning's high capital intensity as a negative, we believe it is the foundation of its moat. These investments support proprietary manufacturing processes that are nearly impossible to replicate, ensuring durable pricing power and leadership in key markets. In short, CapEx is not a burden—it's the engine behind Corning's "More Corning" growth strategy.

Unlocking Hidden Portfolio Value

The market tends to value Corning as a single cyclical entity, missing the differentiated value within its segments. Our sum-of-the-parts analysis highlights significant upside in businesses such as Optical Communications—an underappreciated beneficiary of AI and cloud infrastructure demand—and Specialty Materials, which delivers strong growth and margins. This hidden value suggests Corning's true worth is well above its current market price.

Cyclical, Not Structural Decline

The recent downturn in Optical and Display should be seen as an inventory correction rather than evidence of obsolescence. Structural drivers remain firmly intact: rising data traffic from AI, broadband expansion under the BEAD program, advanced glass adoption in EVs, and steady demand for pharmaceutical packaging. These trends support a strong earnings rebound as market conditions normalize.

2. Balanced Capital Allocation

Even while funding growth, Corning has maintained disciplined shareholder returns. The company has delivered more than \$1.3 billion annually through dividends (currently yielding ~3.4%) and buybacks. This demonstrates a clear commitment to balancing reinvestment for future expansion with consistent capital return.

Bottom Line

Corning is strategically positioned to emerge stronger from the current cycle, with underappreciated assets, durable competitive advantages, and multiple secular growth drivers. We believe the market is significantly undervaluing these strengths, making GLW an attractive contrarian opportunity.

Key Growth Drivers:

- "More Corning" Strategy: A focused three-pronged approach to grow content within existing portfolios, expand into adjacent markets, and win with innovation (e.g., GPF filters, Gorilla Glass Armor, Valor Glass, fiber for AI data centers).
- AI-Driven Data Center Build-Out: Massive demand for high-spec fiber optic solutions to support the exponential growth of AI and machine learning.
- Automotive Transformation: Increasing content per vehicle from advanced glass solutions (large displays, lightweight glazing, sensor covers) in electric, digital, and connected vehicles.
- Biopharma R&D and Production: Stable and growing demand for Life Sciences products driven by innovation in drug discovery and manufacturing.

Primary Risks to Monitor:

- Prolonged Cyclical Downturn: A deeper or longer-than-expected slump in telecom or consumer electronics.
- Execution Risk: Challenges in implementing the "More Corning" strategy or securing new design wins.
- Macroeconomic Sensitivity: A severe global recession impacting all end markets simultaneously.

- FX and Inflation: Persistent input cost inflation or adverse foreign exchange movements pressuring margins.

Financial Outlook (2026E Bull Case):

Revenue: \$16.5B (+31% from LTM)

EBITDA: \$4.8B (+80% from LTM)

EPS: \$3.50 (+117% from LTM depressed EPS)

Stock Price: \$70 - \$80

Corning Incorporated represents a compelling investment for long-term investors who can look beyond short-term market noise and appreciate the fundamental strengths of a materials science powerhouse uniquely positioned to capitalize on some of the most powerful technological and industrial trends of our time. Its strategic investments, diversified portfolio, and commitment to innovation are poised to deliver significant shareholder value.

RESULT HIT TARGET 4 NOVEMBER 2024. PROVIDING AN EQUIVALENT ANNUALIZED RETURN OF 59.05%

Corning Incorporated (GLW) achieved a highly successful trade based on the attached snapshot: the BUY price was \$30.92 on March 22, 2024, with a target price of \$42.00. After the recommendation, Corning steadily advanced, crossing the \$42.00 mark for the first time on November 4, 2024, closing at \$42.06, and continued to surge upward through 2025 as strong earnings and industry growth drove enthusiasm.

Price Milestones Breakdown

- Buy Recommendation Date: March 22, 2024, at \$30.92.
- \$42.00 Target Reached: Corning closed above \$42.00 on November 4, 2024, finishing at \$42.06.
- Highs After Target: The stock continued its uptrend, closing above \$60 throughout July and August 2025, with recent prices exceeding \$66 by August 27, 2025.

What Drove Corning's Surge

- Springboard Strategy Execution: Corning's strong operational results in late 2024 and rapid follow-through on its Springboard initiative led to exceptional sales and margin growth, outpacing expectations.
- CapEx-Fueled Structural Advantage: Continued investment in proprietary manufacturing supported supply for AI-driven data centers and EVs, enhancing its industry moat and margin profile.
- Broad-Based Demand: Sequential rebounds in optical communications, specialty materials, and automotive glass supported robust revenue and EPS expansion, validating the contrarian value thesis.

Timeline Table

Date	Price Milestone	Closing Price
22-Mar-2024	Snapshot Buy	\$30.92
4-Nov-2024	Target Clear	\$42.06
Aug 2025	New High (for period)	\$66.78

Corning’s stock reaching and surpassing \$42 in late 2024 delivered on the snapshot trade with precision, and its subsequent rally showcased the company’s successful transformation and growing recognition as a materials science leader.