



Q1 2020 Earnings Call

April 30, 2020



Forward-looking statements

Safe Harbor Statement

This presentation contains forward-looking statements, which concern our plans, objectives, outlook, goals, strategies, future events, future net sales or performance, capital expenditures, future restructuring, plans or intentions relating to expansions, business trends and other information that is not historical information. All forward-looking statements are based upon information available to us on the date of this release and are subject to risks, uncertainties and other factors, many of which are outside of our control, which could cause actual results to differ materially from the results discussed in the forward-looking statements. Risks and uncertainties that could cause such results to differ include: the duration and impacts of the novel coronavirus global pandemic and efforts to contain its transmission, including the effect of these factors on our business, our customers and economic conditions generally; failure to capitalize on, volatility within, or other adverse changes with respect to the Company's growth drivers, including advanced mobility and advanced connectivity, such as delays in adoption or implementation of new technologies; uncertain business, economic and political conditions in the United States and abroad, particularly in China, South Korea, Germany, Hungary and Belgium, where we maintain significant manufacturing, sales or administrative operations; the trade policy dynamics between the U.S. and China reflected in trade agreement negotiations and the imposition of tariffs and other trade restrictions, including trade restrictions on Huawei Technologies Co., Ltd.; fluctuations in foreign currency exchange rates; our ability to develop innovative products and the extent to which our products are incorporated into end-user products and systems and the extent to which end-user products and systems incorporating our products achieve commercial success; the ability of our sole or limited source suppliers to deliver certain key raw materials, including commodities, to us in a timely and cost-effective manner; intense global competition affecting both our existing products and products currently under development; business interruptions due to catastrophes or other similar events, such as natural disasters, war, terrorism or public health crises; failure to realize, or delays in the realization of anticipated benefits of acquisitions and divestitures due to, among other things, the existence of unknown liabilities or difficulty integrating acquired businesses; our ability to attract and retain management and skilled technical personnel; our ability to protect our proprietary technology from infringement by third parties and/or allegations that our technology infringes third party rights; changes in effective tax rates or tax laws and regulations in the jurisdictions in which we operate; failure to comply with financial and restrictive covenants in our credit agreement or restrictions on our operational and financial flexibility due to such covenants; the outcome of ongoing and future litigation, including our asbestos-related product liability litigation; changes in environmental laws and regulations applicable to our business; and disruptions in, or breaches of, our information technology systems. For additional information about the risks, uncertainties and other factors that may affect our business, please see our most recent annual report on Form 10-K and any subsequent reports filed with the Securities and Exchange Commission, including quarterly reports on Form 10-Q. Rogers Corporation assumes no responsibility to update any forward-looking statements contained herein except as required by law.

Non-GAAP Information

This presentation includes the following financial measures that are not presented in accordance with generally accepted accounting principles in the United States of America ("GAAP"):

- (1) Adjusted net income, which the Company defines as net income excluding amortization of acquisition intangible assets and discrete items, such as acquisition and related integration costs, change in foreign jurisdiction tax regulation on equity awards attributable to a prior period, asbestos related charges, environmental accrual adjustment, gain from indemnity claim, losses or gains on the sale or disposal of property, plant and equipment, pension settlement charges, restructuring, severance, impairment and other related costs, and transition services, net and the related income tax effect on these items (collectively, "Discrete Items")
- (2) Adjusted earnings per diluted share, which the Company defines as earnings per diluted share excluding acquisition-related amortization of intangible assets and Discrete Items; and the impact of including dilutive securities divided by adjusted weighted average shares outstanding - diluted
- (3) Adjusted EBITDA, which the Company defines as net income excluding interest expense, income tax expense, depreciation and amortization, stock-based compensation and Discrete Items
- (4) Adjusted EBITDA margin, which the Company defines as net income margin excluding interest expense, income tax expense, depreciation and amortization, stock-based compensation and Discrete Items
- (5) Adjusted operating expenses, which the Company defines as operating expenses excluding acquisition-related amortization of intangible assets and Discrete Items above excluding pension settlement charges
- (6) Adjusted operating income, which the Company defines as operating income excluding acquisition-related amortization of intangible assets and Discrete Items above excluding pension settlement charges
- (7) Adjusted operating margin, which the Company defines as operating margin excluding acquisition-related amortization of intangible assets and Discrete Items above excluding pension settlement charges
- (8) Free Cash Flow, which the Company defines as net cash provided from operating activities less non-acquisition capital expenditures

Management believes that adjusted net income, adjusted earnings per diluted share, adjusted EBITDA, adjusted EBITDA margin, adjusted operating expenses, adjusted operating income and adjusted operating margin are useful to investors because they allow for comparison to the Company's performance in prior periods without the effect of items that, by their nature, tend to obscure the Company's core operating results due to potential variability across periods based on the timing, frequency and magnitude of such items. As a result, management believes that these measures enhance the ability of investors to analyze trends in the Company's business and evaluate the Company's performance relative to peer companies. Management also believes free cash flow is useful to investors as an additional way of viewing the Company's liquidity and provides a more complete understanding of factors and trends affecting the Company's cash flows. However, non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation from, or solely as alternatives to, financial measures prepared in accordance with GAAP. In addition, these non-GAAP financial measures may differ from similarly named measures used by other companies. Reconciliations of the differences between these non-GAAP financial measures and their most directly comparable financial measures calculated in accordance with GAAP are set forth in the appendix.

Introductions



Bruce Hoechner

President &
Chief Executive Officer



Mike Ludwig

Senior Vice President &
Chief Financial Officer



Bob Daigle

Senior Vice President &
Chief Technology Officer

COVID-19 Update

- Protecting employee health is top priority
 - Rigorous safety procedures at all locations and temporarily expanded certain employee benefits
- Focusing on business continuity for our global customers
 - All manufacturing locations are operational and no significant supply chain disruptions
 - Global factory footprint provides flexibility to balance customer demand
- Solid Q1 financial results; Stable Q2 outlook, but future visibility is limited
- Strong balance sheet with net cash position and access to liquidity

Strong foundation to navigate the current challenges

Q1 2020 Overview

Financials

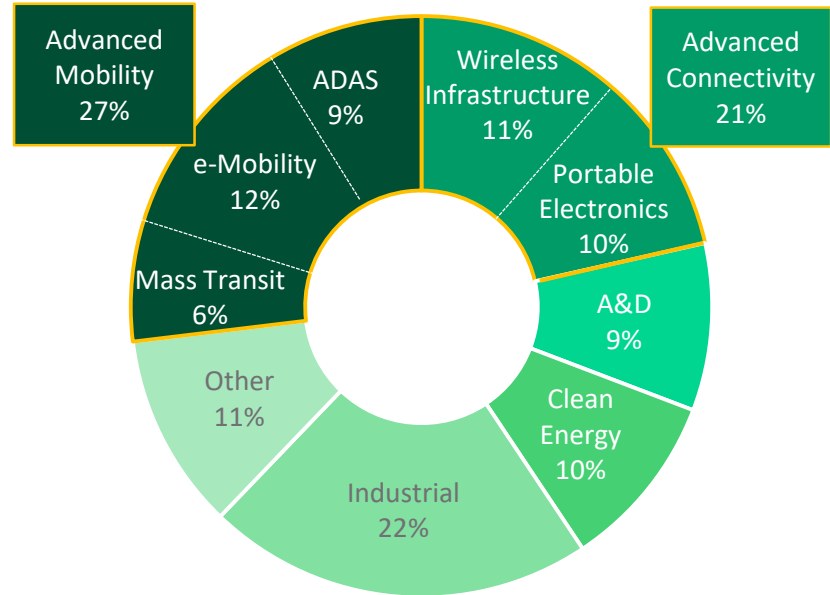
Results

- Net sales of \$199M, up 3% QoQ
- Gross margin of 33.0%
- Adjusted EPS¹ of \$0.92 per diluted share

Highlights

- Net sales and EPS at top end of guidance
- Strong Advanced Mobility demand (EV/HEV, ADAS)
- Ending net cash position of \$35 million²

Revenue by Market Segment



Solid Q1 results in a challenging environment

1 - See reconciliations to adjusted metrics in the appendix: earnings per diluted share to adjusted earnings per diluted share.

2 - Net cash defined as cash and cash equivalents less total debt

Advanced Connectivity Solutions (ACS)



Q1 2020 Update

- Net sales of \$65M, flat QoQ
- Strong growth in ADAS and improved wireless infrastructure demand
- Decline in aerospace & defense following strong Q4
- Anticipating higher wireless infrastructure sales in Q2, offset by weakness in automotive demand

Strategy

- Leverage innovation to capitalize on market opportunities in key areas:
 - Automotive safety sensors
 - Aerospace & Defense
- Maximize opportunity in global 5G rollout

Leveraging innovative technologies in existing and emerging markets

Power Electronics Solutions (PES)



Q1 2020 Update

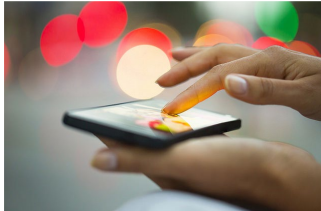
- Net sales of \$47M, up 6% QoQ
- Growth in EV/HEV and renewable energy applications
- Lower rail and variable frequency drive market demand
- Expecting weakness in Q2 automotive demand and other market segments

Strategy

- Leverage our proven technology to capitalize on strong market growth opportunities in Advanced Mobility applications
 - Invest in capacity to support accelerating demand for EV/HEV applications
 - Continue to execute on business improvement initiatives to increase profitability

Focusing on EV/HEV opportunity and continuing operating performance improvements

Elastomeric Material Solutions (EMS)



Q1 2020 Update

- Net sales of \$84M, up 4% QoQ
- Rebound in general industrial and higher EV/HEV battery and mass transit demand.
- Lower portable electronics due to COVID impact on China demand
- Lower Q2 outlook with expected weakness in automotive, general industrial and portable electronics

Strategy

- Capitalize on the large emerging market opportunity for EV/HEV battery pads and battery pack sealing solutions
- Maintain leadership in portable electronics, general industrial and aerospace markets
- Optimize acquisitions to expand profitable growth

Focusing on growth opportunities in Advanced Mobility and Advanced Connectivity

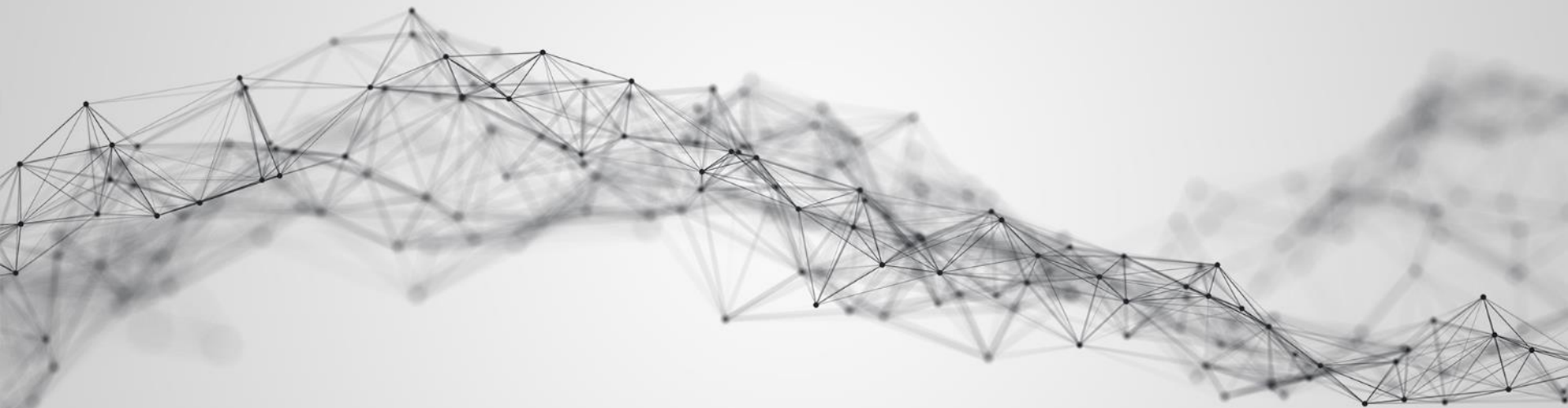
Summary

- Focused on protecting employees and meeting customers' needs
- Solid Q1 financial results and stable Q2 outlook
- Limited future visibility and expect significant impacts to certain markets
- Strong balance sheet and focus on expense and cash management

Addressing near-term challenges while maintaining focus on long-term opportunities

Financial overview

Mike Ludwig, Sr. Vice President and Chief Financial Officer



Q1 2020 Financial highlights

(\$ in millions, except EPS)	Q1-2020	Q4-2019	Q1-2019
Net sales	\$198.8	\$193.8	\$239.8
Gross margin	\$65.6	\$64.2	\$85.4
Gross margin %	33.0%	33.1%	35.6%
Operating income	\$17.5	\$14.6	\$32.8
Operating margin %	8.8%	7.5%	13.7%
Adjusted operating income*	\$22.6	\$22.5	\$41.0
Adjusted operating margin %*	11.3%	11.6%	17.1%
Net income	\$13.3	(\$28.8)	\$28.4
Net income % of net sales	6.7%	(14.8%)	11.8%
Adjusted EBITDA*	\$33.4	\$34.5	\$53.1
Adjusted EBITDA margin %*	16.8%	17.8%	22.2%
EPS	\$0.71	(\$1.55)	\$1.52
Adjusted EPS*	\$0.92	\$1.14	\$1.85

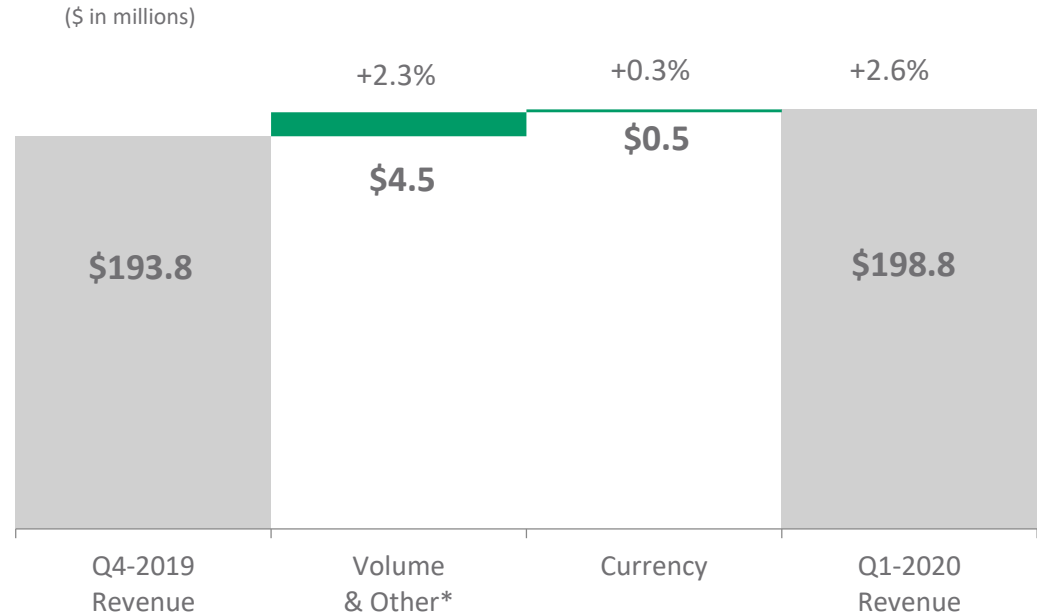
**Revenue increased sequentially;
Revenue and Adjusted EPS achieved high-end of the guidance range**

*See reconciliations to adjusted metrics in the appendix: adjusted operating income to operating income, adjusted operating margin to operating margin, adjusted EBITDA to net income and adjusted earnings per diluted share to earnings per diluted share.

Revenue bridge vs prior quarter

Q1-2020 Update

- Revenues of \$199 million or 2.6% increase sequentially
- Volume & Other gain due to higher demand in EMS & PES segments; ACS flat sequentially
- Stronger Euro contributed to favorable currency impact



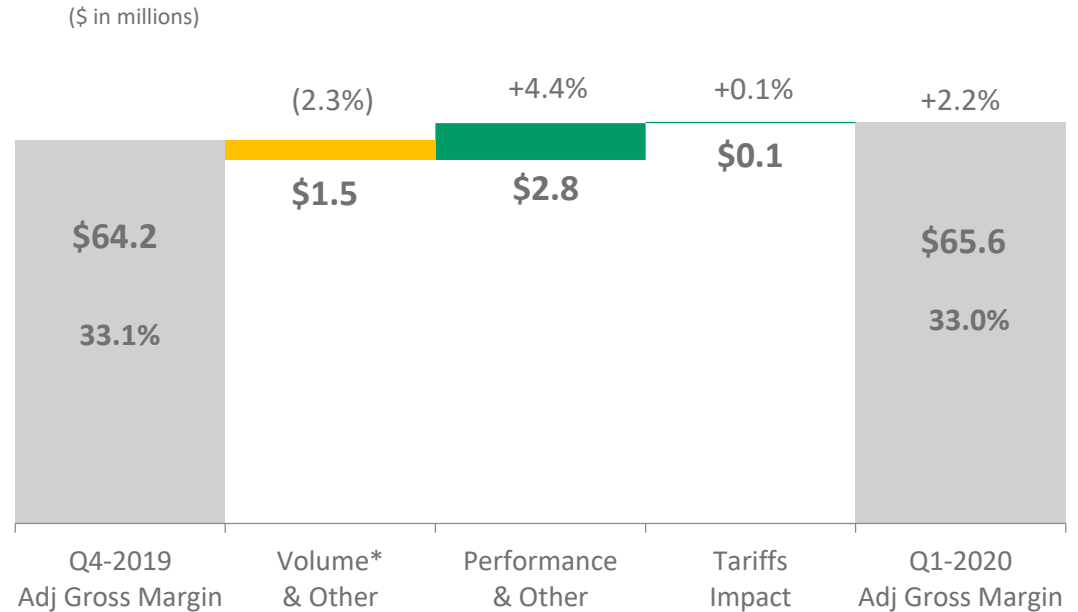
Revenue growth driven by strength in Advanced Mobility

*Volume & Other of +\$4.5 million represents change in volume, price and mix excluding the impact of FX.

Gross margin bridge vs prior quarter

Q1-2020 Update

- Volume & Other negatively impacted by unfavorable mix across all segments
- Performance improvement due increased productivity, higher throughput & reduced manufacturing spend
- Tariffs decreased to 36 bps in Q1



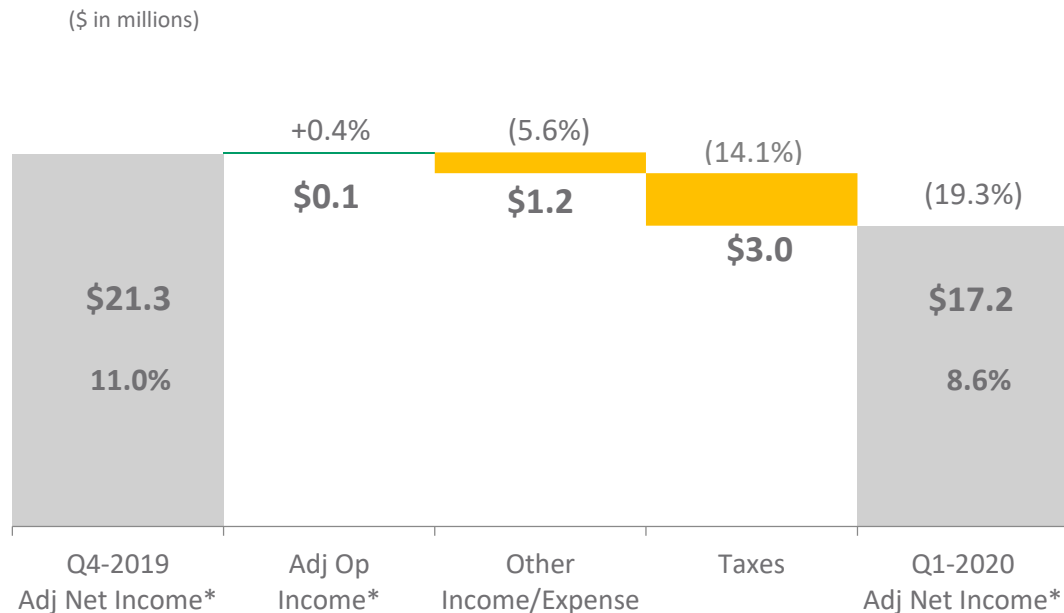
Performance & Other benefit driven by operational improvements

*Volume & Other of (\$1.5) million represents change in sales volume, price, mix and FX.

Adjusted net income* bridge vs prior quarter

Q1-2020 Update

- Adjusted Op Income* dollars slightly higher; increased gross margin dollars offset by higher operating expenses
- Other income/expense negatively impacted by copper derivatives
- Taxes increased due to timing of tax benefits recognized at year-end

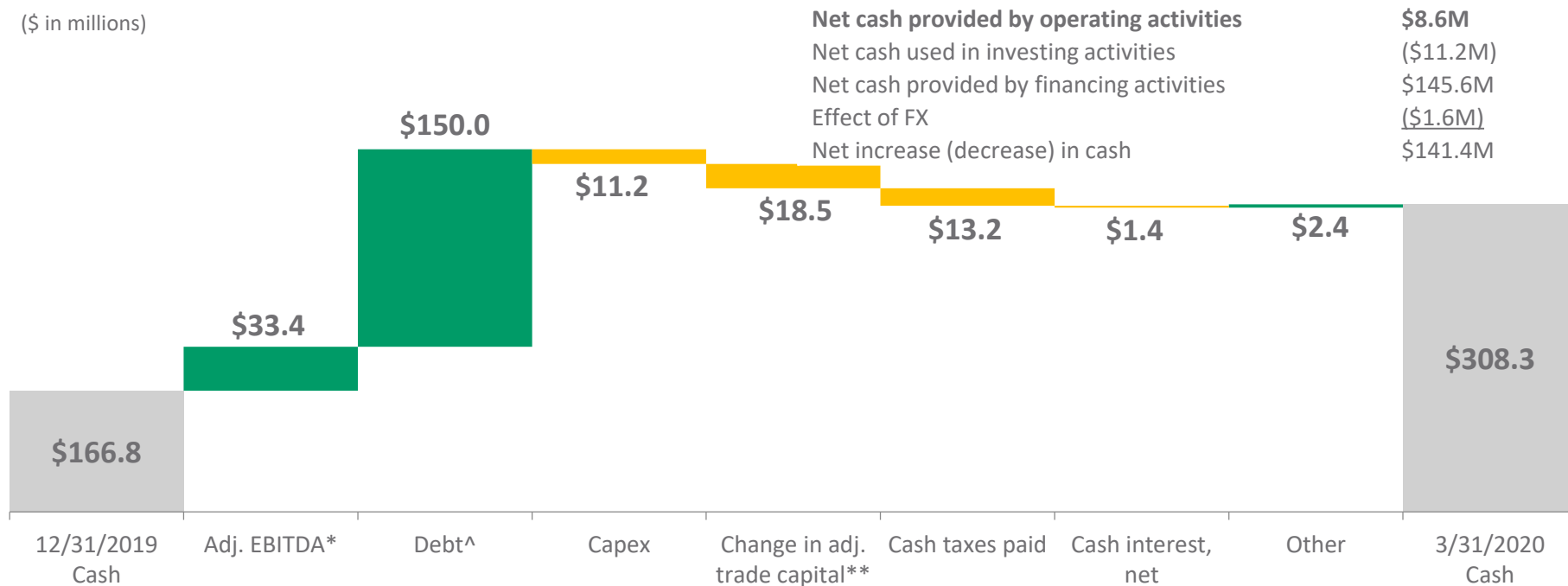


Adjusted Net Income* negatively impacted by higher tax expense

*Reconciliation of adjusted net income to net income and adjusted operating income to operating income is included in the appendix.

Cash utilization

(\$ in millions)



Net cash provided by operating activities

\$8.6M

Net cash used in investing activities

(\$11.2M)

Net cash provided by financing activities

\$145.6M

Effect of FX

(\$1.6M)

Net increase (decrease) in cash

\$141.4M

Cash increased due to borrowing proceeds and solid Adjusted EBITDA* performance

*See reconciliations of adjusted EBITDA to net income in the appendix. **Change in Adjusted Trade Capital represents change in assets and liabilities, per the Statements of Cash Flow. [^]Represents proceeds from borrowings under revolving credit facility. Finance lease obligations of approximately \$0.1 million included in "Other" category.

Q2-2020 guidance

(\$ in millions, except EPS)

Net sales	\$190M - \$205M
Gross Margin	32.5 % - 33.5%
EPS	\$0.58 - \$0.78
Adjusted EPS*	\$0.80 - \$1.00



*See reconciliation of adjusted earnings per diluted share to earnings per diluted share in the appendix.

An abstract graphic consisting of a complex network of black dots connected by thin lines, forming a shape that resembles a stylized letter 'R' or a similar curve. The graphic is semi-transparent and has a slight blur, giving it a sense of depth and movement. It is positioned on the left side of the page, extending from the bottom left towards the top right.

Appendix



Q1-2020: Adjusted operating income and operating margin reconciliation

(\$ in millions)	Q1-19(\$)	Q1-19(%)	Q4-19(\$)	Q4-19(%)	Q1-20(\$)	Q1-20(%)
Operating income and operating margin	\$32.8	13.7%	\$14.6	7.5%	\$17.5	8.8%
Restructuring, severance, impairment and other related costs	\$1.9	0.8%	\$0.8	0.4%	\$1.1	0.5%
Acquisition and related integration costs	\$0.5	0.2%	\$0.5	0.3%	\$0.4	0.2%
Asbestos-related charges	-	-	\$1.7	0.9%	-	-
Environmental accrual adjustment	-	-	\$0.8	0.4%	-	-
Transition services, net	\$0.6	0.3%	\$0.1	0.1%	-	-
Loss on sale or disposal of property, plant and equipment	\$0.3	0.1%	\$0.4	0.2%	-	-
Gain from indemnity claim	-	-	(\$0.7)	(0.4%)	-	-
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	\$0.5	0.2%	-	-	-	-
Total discrete items	\$3.8	1.6%	\$3.6	1.9%	\$1.5	0.7%
Operating income and operating margin, adjusted for discrete items	\$36.6	15.3%	\$18.1	9.4%	\$18.9	9.5%
Acquisition intangible amortization	\$4.4	1.8%	\$4.4	2.3%	\$3.6	1.8%
Adjusted operating income and operating margin	\$41.0	17.1%	\$22.5	11.6%	\$22.6	11.3%

Note: percentages and dollars may not add due to rounding.

Q1-2020: Adjusted EBITDA and adjusted EBITDA margin reconciliation

(\$ in millions)	Q1-19(\$)	Q1-19(%)	Q4-19(\$)	Q4-19(%)	Q1-20(\$)	Q1-20(%)
Net Income	\$28.4	11.8%	(\$28.8)	(14.8%)	\$13.3	6.7%
Interest expense, net	\$1.9	0.8%	\$1.1	0.6%	\$1.2	0.6%
Income tax expense	\$4.7	2.0%	(\$9.5)	(4.9%)	\$3.4	1.7%
Depreciation	\$8.5	3.6%	\$7.6	3.9%	\$7.3	3.7%
Amortization	\$4.5	1.9%	\$4.4	2.3%	\$3.7	1.8%
Stock-based compensation expense	\$2.5	1.0%	\$3.0	1.5%	\$3.1	1.6%
Restructuring, severance, impairment and other related costs	\$1.9	0.8%	\$0.8	0.4%	\$1.1	0.5%
Acquisition and related integration costs	\$0.5	0.2%	\$0.5	0.3%	\$0.4	0.2%
Asbestos-related charges	-	-	\$1.7	0.9%	-	-
Environmental accrual adjustment	-	-	\$0.8	0.4%	-	-
Transition services lease income	(\$0.6)	(0.3%)	(\$0.1)	(0.1%)	-	-
Pension settlement charges	-	-	\$53.2	27.5%	-	-
Loss on sale or disposal of property, plant and equipment	\$0.3	0.1%	\$0.4	0.2%	-	-
Gain from indemnity claim	-	-	(\$0.7)	(0.4%)	-	-
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	\$0.5	0.2%	-	-	-	-
Adjusted EBITDA	\$53.1	22.2%	\$34.5	17.8%	\$33.4	16.8%

Note: percentages and dollars may not add due to rounding

Q1-2020: Adjusted EPS reconciliation

	Q1-19 (\$)	Q4-19 (\$)	Q1-20 (\$)
GAAP earnings per diluted share	\$1.52	(\$1.55)	\$0.71
Restructuring, severance, impairment and other related costs	\$0.07	\$0.03	\$0.04
Acquisition and related integration costs	\$0.02	\$0.02	\$0.02
Transition services, net	\$0.03	\$0.01	-
Asbestos-related charge	-	\$0.07	-
Environmental accrual adjustment	-	\$0.03	-
Gain from indemnity claim	-	(\$0.03)	-
Pension settlement charges	-	\$2.35	-
Loss on sale or disposal of property, plant and equipment	\$0.01	\$0.02	-
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	\$0.02	-	-
Impact of including dilutive securities ^(a)	-	\$0.01	-
Total discrete items	\$0.15	\$2.51	\$0.06
Earnings per diluted share adjusted for discrete items	\$1.67	\$0.96	\$0.77
Acquisition intangible amortization	\$0.18	\$0.18	\$0.15
Adjusted earnings per diluted share	\$1.85	\$1.14	\$0.92

Note: dollars may not add due to rounding.

^(a)This represents the dilutive effect of awards under equity compensation plans. See reconciliation of weighted average shares outstanding – diluted to Adjusted weighted average shares outstanding – diluted in the appendix.

Q1-2020: Adjusted net income reconciliation

(\$ in millions)	Q1-19 (\$)	Q1-19(%)	Q4-19 (\$)	Q4-19(%)	Q1-20(\$)	Q1-20(%)
Net Income	\$28.4	11.8%	(\$28.8)	(14.8%)	\$13.3	6.7%
Restructuring, severance, impairment and other related costs	\$1.9	0.8%	\$0.8	0.4%	\$1.1	0.5%
Acquisition and related integration costs	\$0.5	0.2%	\$0.5	0.3%	\$0.4	0.2%
Asbestos-related charges	-	-	\$1.7	0.9%	-	-
Environmental accrual adjustment	-	-	\$0.8	0.4%	-	-
Transition services, net	\$0.6	0.3%	\$0.1	0.1%	-	-
Gain from indemnity claim	-	-	(\$0.7)	(0.4%)	-	-
Pension settlement charges	-	-	\$53.2	27.5%	-	-
Loss on sale or disposal of property, plant and equipment	\$0.3	0.1%	\$0.4	0.2%	-	-
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	\$0.5	0.2%	-	-	-	-
Acquisition intangible amortization	\$4.4	1.8%	\$4.4	2.3%	\$3.6	1.8%
Income tax effect of non-GAAP adjustments and intangible amortization	(\$2.0)	(0.8%)	(\$11.1)	(5.7%)	(\$1.2)	(0.6%)
Adjusted net income	\$34.6	14.4%	\$21.3	11.0%	\$17.2	8.6%

Note: percentages and dollars may not add due to rounding.

Q1-2020: Adjusted operating expenses reconciliation*

(\$ in millions)	Q1-19(\$)	Q1-19(%)	Q4-19(\$)	Q4-19(%)	Q1-20(\$)	Q1-20(%)
Operating expenses	\$52.6	21.9%	\$49.7	25.6%	\$48.2	24.2%
Restructuring, severance, impairment and other related costs	(\$1.9)	(0.8%)	(\$0.8)	(0.4%)	(\$1.1)	(0.5%)
Acquisition and related integration costs	(\$0.5)	(0.2%)	(\$0.5)	(0.3%)	(\$0.4)	(0.2%)
Asbestos-related charges	-	-	(\$1.7)	(0.9%)	-	-
Environmental accrual adjustment	-	-	(\$0.8)	(0.4%)	-	-
Transition services, net	(\$0.6)	(0.3%)	(\$0.1)	(0.1%)	-	-
Gain from indemnity claim	-	-	\$0.7	0.4%	-	-
Loss on sale or disposal of property, plant and equipment	(\$0.3)	(0.1%)	(\$0.4)	(0.2%)	-	-
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	(\$0.5)	(0.2%)	-	-	-	-
Total discrete items	(\$3.8)	(1.6%)	(\$3.6)	(1.9%)	(\$1.5)	(0.8%)
Operating expenses, adjusted for discrete items	\$48.8	20.3%	\$46.1	23.8%	\$46.7	23.5%
Acquisition intangible amortization	(\$4.4)	(1.8%)	(\$4.4)	(2.3%)	(\$3.6)	(1.8%)
Adjusted operating expenses	\$44.4	18.5%	\$41.7	21.5%	\$43.1	21.7%

Note: percentages and dollars may not add due to rounding

*Operating expenses include (i) selling, general and administrative expenses, (ii) research and development expenses, (iii) restructuring and impairment charges and (iv) other operating (income) expense, net per statement of operations.

Q1-2020: Free cash flow reconciliation*

(\$ in millions)	Q1-19(\$)	Q4-19(\$)	Q1-20(\$)
Net cash provided by operating activities	\$17.1	\$45.7	\$8.6
Non-acquisition capital expenditures	(\$12.6)	(\$12.8)	(\$11.2)
Free cash flow	\$4.4	\$32.9	(\$2.5)

Note: dollars may not add due to rounding

*Free cash flow defined as net cash provided from operating activities less non-acquisition capital expenditures per Statements of Cash Flows

Q1-2020: Weighted average shares outstanding–diluted reconciliation

(shares in thousands)	Q1-19	Q4-19	Q1-20
Weighted average shares outstanding – diluted	18,692	18,587	18,691
Dilutive effect of awards under equity compensation plans	-	118	-
Adjusted weighted average shares outstanding – diluted	18,692	18,705	18,691

Note: shares may not add due to rounding

Q2-2020: Guidance reconciliation

	Q2-20 (\$)
GAAP earnings per diluted share	\$0.58 – \$0.78
Discrete items	\$0.07
Acquisition intangible amortization	\$0.15
Adjusted earnings per diluted share	\$0.80 - \$1.00

Note: dollars may not add due to rounding.