



Q4 2020 Earnings Call

February 18, 2021



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 and distribute vaccines, including the effect of these factors on our business, suppliers, customers, end users 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 (U.S.) 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, changes in foreign jurisdiction tax regulation on equity awards attributable to a prior period, asbestos-related charges, environmental accrual adjustment, gains from indemnity claims, gains or losses on the sale or disposal of property, plant and equipment, pension settlement charges, restructuring, severance, impairment and other related costs, and the related income tax effect on these items (collectively, "discrete items"), and transition services, net;
- (2) Adjusted earnings per diluted share, which the Company defines as earnings per diluted share excluding amortization of acquisition intangible assets, discrete items, transition services, net; 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, net, income tax expense, depreciation and amortization, stock-based compensation expense, transition services lease income and discrete items;
- (4) Adjusted EBITDA Margin, which the Company defines as the percentage that results from dividing Adjusted EBITDA by total net sales;
- (5) 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, and transition services, net;
- (6) 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, and transition services, net;
- (7) Free Cash Flow, which the Company defines as net cash provided by 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

Q4 & 2020 Overview

Q4 Results:

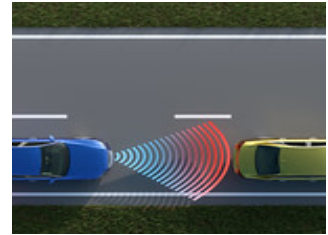
- Net sales: \$211M, up 4% QoQ
- Gross margin: 38.3%, up 90 bps QoQ
- EPS: \$0.81, up 119% QoQ
- Adjusted EPS*: \$1.58, up 9% QoQ

2020 Results:

- Net sales: \$803M, down 11% YoY
- Gross margin: 36.4%, up 140 bps YoY
- EPS: \$2.67, up 6% YoY
- Adjusted EPS*: \$5.08, down 17% YoY

Key Messages:

- Q4 results exceeded guidance driven by growth in ADAS, EV/HEV and strong execution
- Significantly strengthened positions in Advanced Mobility and other strategic markets in 2020
- Operational excellence initiatives drove sustained improvements to gross margins in 2020
- Exiting 2020 with strong momentum and in a stronger financial position than pre-pandemic



Strong 2020 Finish Driven By Market Strategy And Operational Execution

Market Highlights

Summary

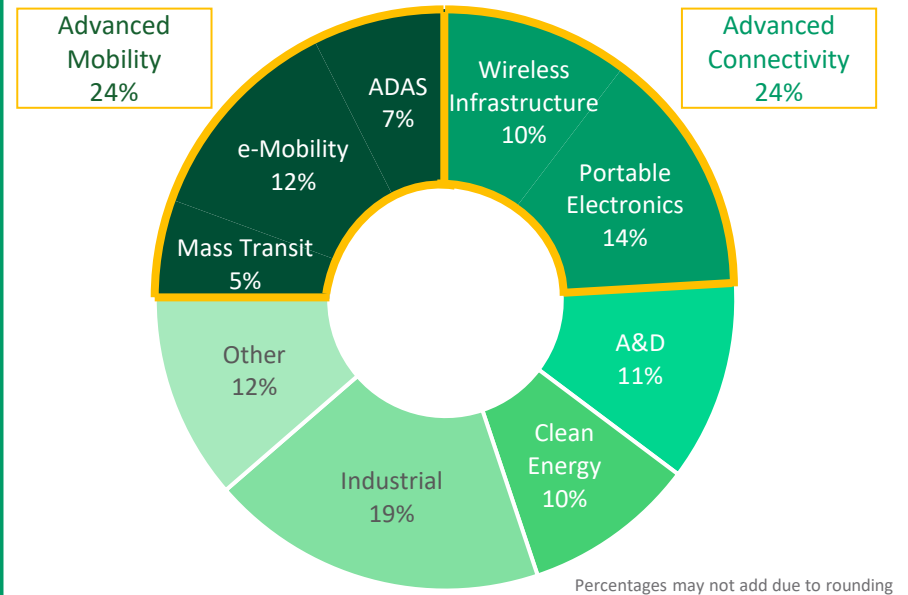
Q4

- Robust ADAS sales driven by recovery in auto demand
- EV/HEV momentum continued to build
- Improvement in General Industrial demand

2020

- Robust EV/HEV growth
- Portable electronics up YoY and outperformed market
- Significant defense growth driven by program wins
- Strong growth in renewable energy sales
- Wireless infrastructure down YoY, stabilized in 2H'20

Revenue by Market Segment - 2020



Strong EV/HEV, Defense and Renewable Energy Sales Growth in 2020

Market Outlook

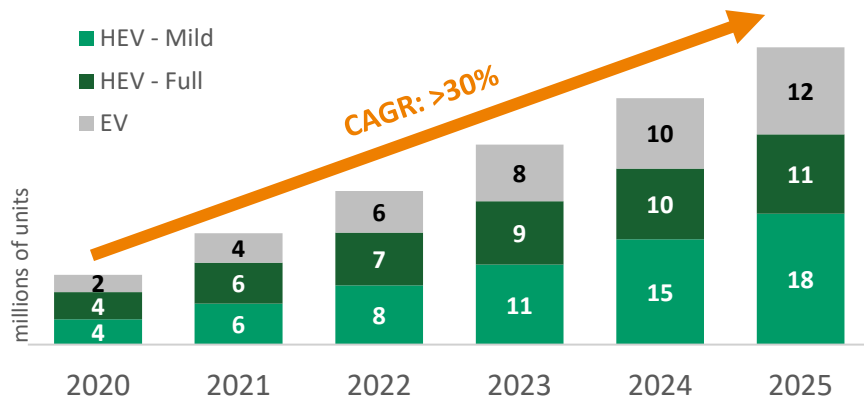
EV/HEV

- Long-term growth outlook of >30% CAGR¹ to 2025
- New models, improved availability driving growth
- Incentives and regulations adding to momentum
- OEMs ramping EV/HEV production

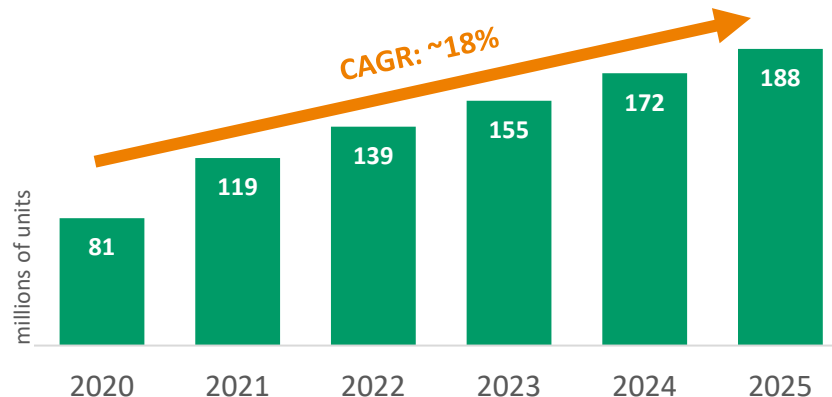
ADAS

- Expected market growth of 15-20% CAGR² to 2025
- ADAS features becoming standard on more vehicles
- Safety regulations and OEM commitments driving adoption
- EVs more likely to incorporate ADAS/autonomy features

Electric & Hybrid Electric Vehicles¹



Auto Radar Sensors²



Strategic Priorities

Market-Driven Organization

Innovation Leadership

Operational Excellence

Synergistic M&A

Advanced Electronics Solutions

Combining ACS and PES business units to:

- Accelerate ability to capitalize on highest growth market opportunities by leveraging leadership and engineering capabilities in High Power and High Frequency



Accelerating Investments In 2021 To Capitalize on Market Growth Opportunities

Commitment to Corporate Social Responsibility

- Rogers' commitment to sustainability is deeply rooted throughout our history
- Our advanced materials are found in leading-edge technologies that improve lives, protect our environment and fuel our future
- Rogers is committed to being responsible members of the communities where we live and work through robust environmental, health and safety management practices
- Inaugural ESG Report available on [rogerscorp.com](https://www.rogerscorp.com) in March



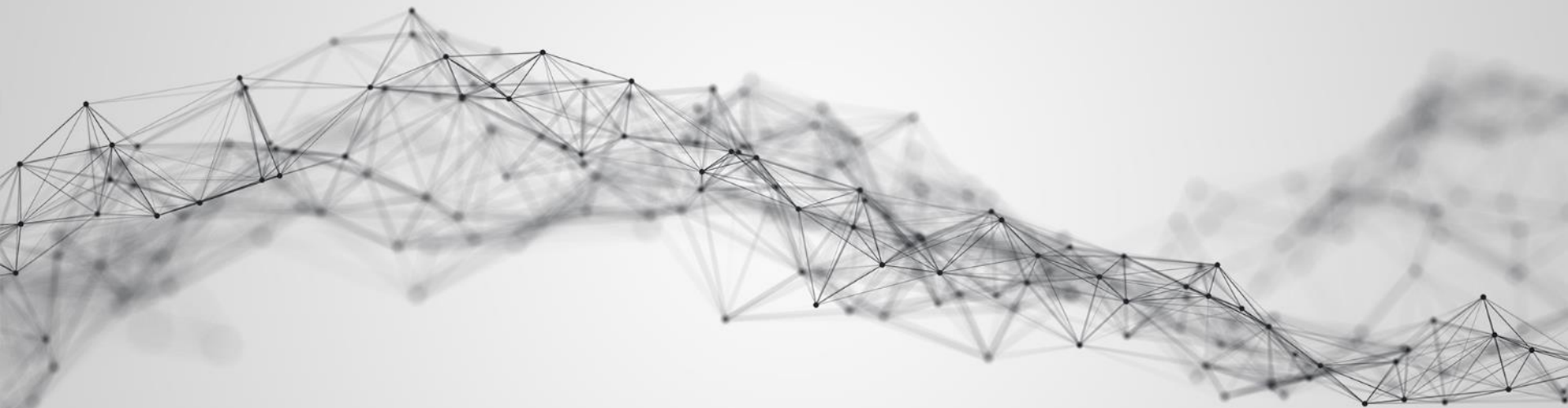
Summary

- 1 Built a stronger and more sustainable business in 2020, despite challenging environment
- 2 Robust outlook for EV/HEV and ADAS demand; Strong growth outlook in other strategic markets
- 3 Investing aggressively in 2021 to capitalize on EV/HEV and other market opportunities
- 4 Strong commitment to corporate social responsibility and sustainability

**Entering 2021 With Strong Momentum
Well Positioned To Capitalize on Growth Opportunities**

Financial Overview

Mike Ludwig, Sr. Vice President and Chief Financial Officer



Q4 2020 Financial Highlights

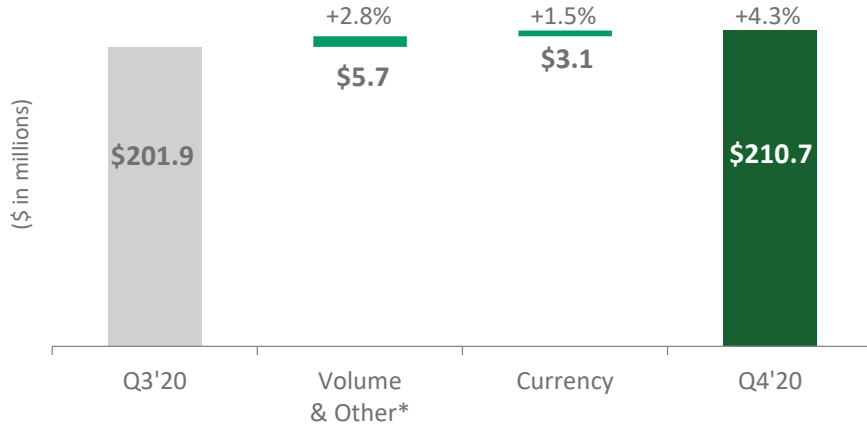
(\$ in millions, except EPS)	Q4-2020	Q3-2020	Q4-2019
Net sales	\$210.7	\$201.9	\$193.8
Gross margin	\$80.7	\$75.5	\$64.2
Gross margin %	38.3%	37.4%	33.1%
Operating income	\$20.0	\$8.8	\$14.6
Operating margin %	9.5%	4.4%	7.5%
Adjusted operating income*	\$38.8	\$35.0	\$22.5
Adjusted operating margin %*	18.4%	17.3%	11.6%
Net income	\$15.2	\$7.0	(\$28.8)
Net income % of net sales	7.2%	3.5%	(14.8%)
Adjusted EBITDA*	\$53.2	\$47.9	\$34.5
Adjusted EBITDA margin %*	25.3%	23.7%	17.8%
EPS	\$0.81	\$0.37	(\$1.55)
Adjusted EPS*	\$1.58	\$1.45	\$1.14

Revenue, Gross Margin and Adjusted EPS Exceeded Guidance and Improved Sequentially

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

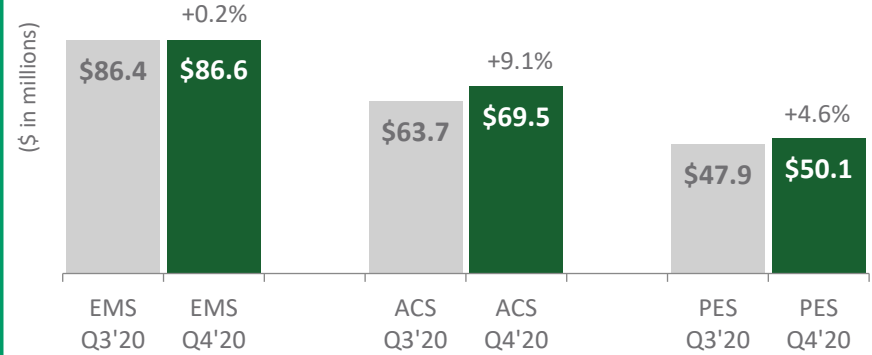
Q4 2020 Revenue Results

Consolidated Revenue



- Revenues of \$210.7 million; 4.3% sequential growth
- Volume & Other growth driven by higher demand in ACS and PES segments; EMS consistent sequentially
- Favorable currency impact from stronger Euro and CNY

Revenue by Business Unit*



- EMS: Continued EV/HEV growth and improved general industrial demand offset by lower portable electronics
- ACS: Strong ADAS demand partially offset by lower defense
- PES: Growth in EV/HEV partially offset by lower industrial power and mass transit

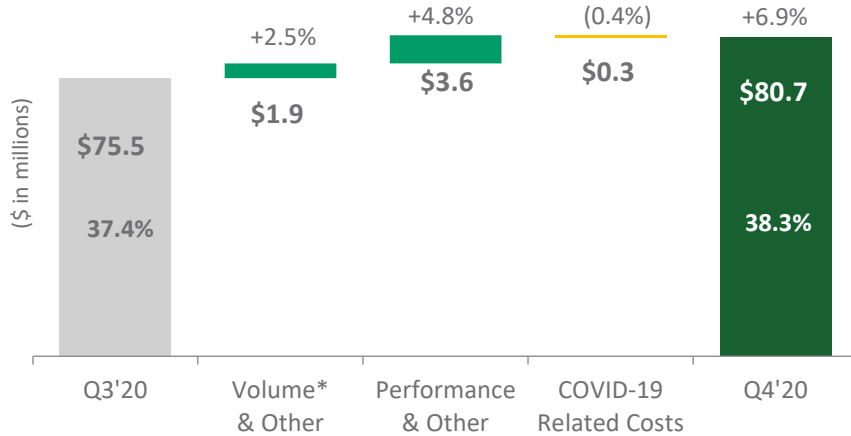
Continued Growth In Key Strategic Markets Enabled Sequential Revenue Increase

*Volume & Other of \$5.7 million represents change in volume, price and mix excluding the impact of FX.
Note: percentages and dollars may not add due to rounding

**"Other" business unit not included.

Q4 2020 Gross Margin & Adjusted Net Income* Results

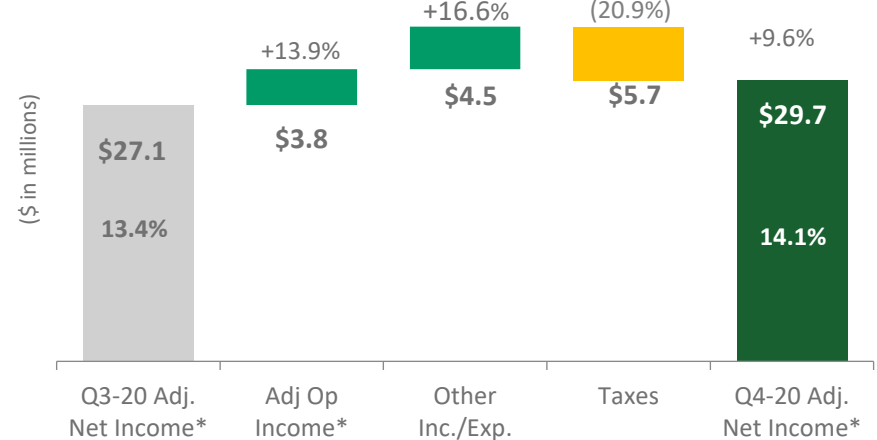
Gross Margin



- Volume: ACS/PES demand increase
- Performance: Operational execution from improved productivity, yield performance and net cost savings
- COVID-19 Costs: Continued personal protective equipment purchases and employee benefits

Volume Benefit and Improved Operational Execution

Adjusted Net Income*



- Adjusted Op Income*: Gross margin improvement partially offset by increased performance-based operating expenses*
- Other Income/Expense: Favorable commodity derivatives, lower interest expense and higher JV equity income
- Taxes: Higher effective tax rate

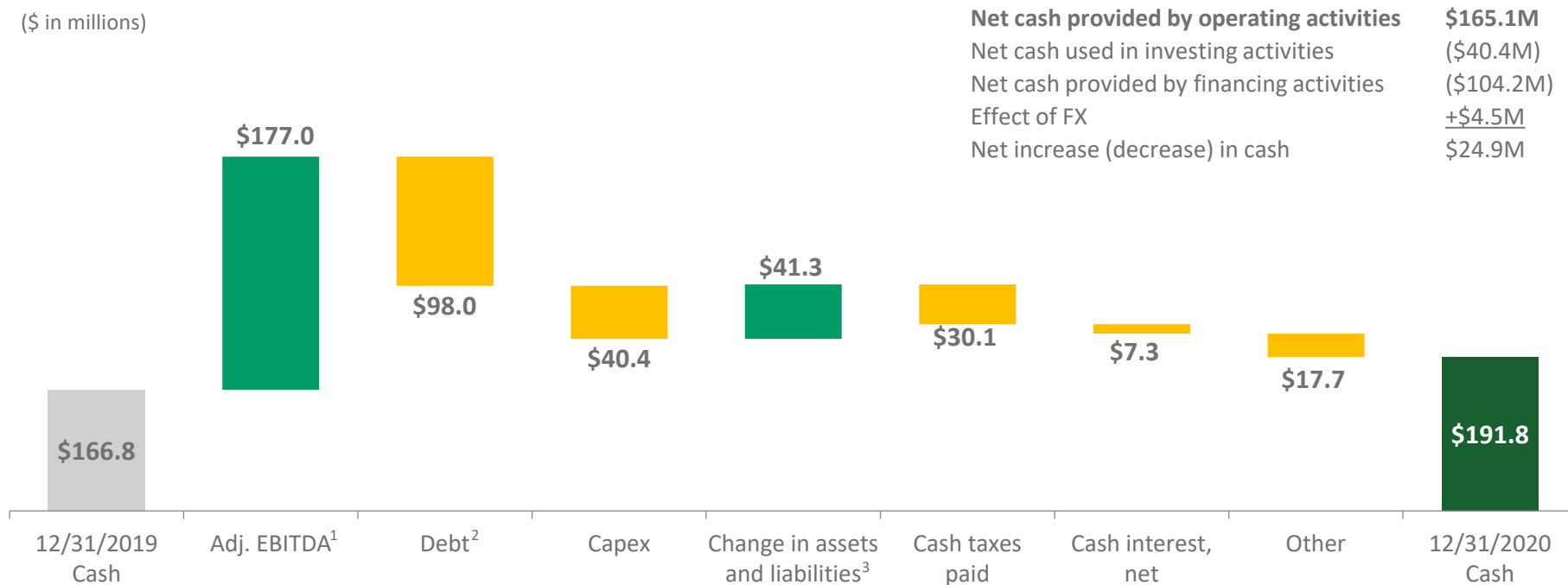
Strong Gross Margin Performance Augmented by Other Income

*Volume & Other of \$1.9 million represents change in sales volume, price, mix and FX.
Note: percentages and dollars may not add due to rounding

*Reconciliation of adjusted net income to GAAP net income, adjusted operating income to GAAP operating income and adjusted operating expenses to GAAP operating expenses are included in the appendix.

Full Year 2020 Cash Utilization

(\$ in millions)



Net cash provided by operating activities	\$165.1M
Net cash used in investing activities	(\$40.4M)
Net cash provided by financing activities	(\$104.2M)
Effect of FX	+\$4.5M
Net increase (decrease) in cash	\$24.9M

Cash Increase Driven by Strong Adjusted EBITDA¹ Performance

1 - See reconciliation of adjusted EBITDA to GAAP net income in the appendix.

2 - Debt represents proceeds from borrowings under revolving credit facility less repayment of debt principal and finance lease obligations. Finance lease obligations of approximately \$0.3 million included in "Other" category.

3 - Change in assets and liabilities per the statements of cash flows.

Note: percentages and dollars may not add due to rounding

Q1-2021 Guidance

Net sales \$215M - \$225M

Gross Margin 38.5% - 39.5%

EPS \$1.48 - \$1.63

Adjusted EPS* \$1.72 - \$1.87



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



Appendix



Full Year 2020 Financial Highlights

(\$ in millions, except EPS)	FY-2020	FY-2019
Net sales	\$802.6	\$898.3
Gross margin	\$291.8	\$314.3
Gross margin %	36.4%	35.0%
Operating income	\$67.3	\$110.5
Operating margin %	8.4%	12.3%
Adjusted operating income*	\$125.8	\$141.4
Adjusted operating margin %*	15.7%	15.7%
Net income	\$50.0	\$47.3
Net income % of net sales	6.2%	5.3%
Adjusted EBITDA*	\$177.0	\$188.2
Adjusted EBITDA margin %*	22.1%	21.0%
EPS	\$2.67	\$2.53
Adjusted EPS*	\$5.08	\$6.14

**Revenue and Earnings Affected by Weakened Market Demand from Covid-19;
Gross Margin Improvement Driven by Strong Operational Execution**

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

Q4-2020: Adjusted operating margin reconciliation

(\$ in millions)	Q4-19(\$)	Q4-19(%)	Q3-20(\$)	Q3-20(%)	Q4-20(\$)	Q4-20(%)
GAAP operating margin	\$14.6	7.5%	\$8.8	4.4%	\$20.0	9.5%
Restructuring, severance, impairment and other related costs	\$0.8	0.4%	\$10.7	5.3%	\$4.0	1.9%
Acquisition and related integration costs	\$0.5	0.3%	\$0.1	0.1%	-	-
Transition services, net	\$0.1	0.1%	-	-	-	-
Asbestos-related charges	\$1.7	0.9%	-	-	(\$0.7)	(0.3%)
Environmental accrual adjustment	\$0.8	0.4%	-	-	-	-
Gain from indemnity claim and antitrust litigation settlements	(\$0.7)	(0.4%)	-	-	-	-
Loss on sale or disposal of property, plant and equipment	\$0.4	0.2%	-	-	-	-
Total discrete items	\$3.6	1.8%	\$10.8	5.3%	\$3.3	1.6%
Operating margin adjusted for discrete items	\$18.1	9.4%	\$19.6	9.7%	\$23.3	11.1%
Acquisition intangible amortization	\$4.4	2.3%	\$15.4	7.6%	\$15.4	7.3%
Adjusted operating margin	\$22.5	11.6%	\$35.0	17.3%	\$38.8	18.4%

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

Q4-2020: Adjusted EBITDA and adjusted EBITDA margin reconciliation

(\$ in millions)	Q4-19(\$)	Q3-20(\$)	Q4-20(\$)
GAAP net income	(\$28.8)	\$7.0	\$15.2
Interest expense, net	\$1.1	\$3.6	\$0.6
Income tax expense	(\$9.5)	\$0.6	\$8.1
Depreciation	\$7.6	\$7.3	\$7.4
Amortization	\$4.4	\$15.4	\$15.5
Stock-based compensation expense	\$3.0	\$3.3	\$3.2
Restructuring, severance, impairment and other related costs	\$0.8	\$10.6	\$3.9
Acquisition and related integration costs	\$0.5	\$0.1	-
Transition services lease income	(\$0.1)	-	-
Pension settlement charges	\$53.2	-	-
Asbestos-related charges	\$1.7	-	(\$0.7)
Environmental accrual adjustment	\$0.8	-	-
Gain from indemnity claim and antitrust settlements	(\$0.7)	-	-
Loss on sale or disposal of property, plant and equipment	\$0.4	-	-
Adjusted EBITDA	\$34.5	\$47.9	\$53.2
Divided by Total Net Sales	\$193.8	\$201.9	\$210.7
Adjusted EBITDA Margin	17.8%	23.7%	25.3%

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

Q4-2020: Adjusted EPS reconciliation

	Q4-19 (\$)	Q3-20 (\$)	Q4-20 (\$)
GAAP earnings per diluted share	(\$1.55)	\$0.37	\$0.81
Restructuring, severance, impairment and other related costs	\$0.03	\$0.43	\$0.16
Acquisition and related integration costs	\$0.02	\$0.01	-
Transition services, net	\$0.01	-	-
Pension settlement charges	\$2.35	-	-
Asbestos-related charges	\$0.07	-	(\$0.03)
Environmental accrual adjustment	\$0.03	-	-
Gain from indemnity claims and antitrust litigation settlement	(\$0.03)	-	-
Loss on sale or disposal of property, plant and equipment	\$0.02	-	-
Impact of including dilutive securities (a)	\$0.01	-	-
Total discrete items	\$2.51	\$0.44	\$0.14
Earnings per diluted share adjusted for discrete items	\$0.96	\$0.81	\$0.95
Acquisition intangible amortization	\$0.18	\$0.64	\$0.64
Adjusted earnings per diluted share	\$1.14	\$1.45	\$1.58

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

Q4-2020: Adjusted net income reconciliation

(\$ in millions)	Q4-19 (\$)	Q4-19(%)	Q3-20(\$)	Q3-20(%)	Q4-20(\$)	Q4-20(%)
GAAP Net Income	(\$28.8)	(14.8%)	\$7.0	3.5%	\$15.2	7.2%
Restructuring, severance, impairment and other related costs	\$0.8	0.4%	\$10.7	5.3%	\$4.0	1.9%
Acquisition and related integration costs	\$0.5	0.3%	\$0.1	0.1%	-	-
Transition services, net	\$0.1	0.1%	-	-	-	-
Pension settlement charges	\$53.2	27.5%	-	-	-	-
Asbestos-related charges	\$1.7	0.9%			(\$0.7)	(0.3%)
Environmental accrual adjustment	\$0.8	0.4%				
Gain from indemnity claim and antitrust litigation settlements	(\$0.7)	(0.4%)				
Loss on sale or disposal of property, plant and equipment	\$0.4	0.2%	-	-	-	-
Acquisition intangible amortization	\$4.4	2.3%	\$15.4	7.6%	\$15.4	7.3%
Income tax effect of non-GAAP adjustments and intangible amortization	(\$11.1)	(5.7%)	(\$6.1)	(3.0%)	(\$4.3)	(2.0%)
Adjusted net income	\$21.3	11.0%	\$27.1	13.4%	\$29.7	14.1%

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

Q4-2020: Adjusted operating expenses reconciliation*

(\$ in millions)	Q4-19(\$)	Q4-19(%)	Q3-20(\$)	Q3-20(%)	Q4-20(\$)	Q4-20(%)
GAAP operating expenses	\$49.6	25.6%	\$66.7	33.0%	\$60.7	28.8%
Restructuring, severance, impairment and other related costs	(\$0.8)	(0.4%)	(\$10.7)	(5.3%)	(\$4.0)	(1.9%)
Acquisition and related integration costs	(\$0.5)	(0.3%)	(\$0.1)	(0.1%)	-	-
Transition services, net	(\$0.1)	(0.1%)	-	-	-	-
Asbestos-related charges	(\$1.7)	(0.9%)			\$0.7	0.3%
Environmental accrual adjustment	(\$0.8)	(0.4%)	-	-	-	-
Gain from indemnity claim and antitrust litigation settlements	\$0.7	0.4%				
Loss on sale or disposal of property, plant and equipment	(\$0.4)	(0.2%)	-	-	\$0.0	0.0%
Total discrete items	(\$3.6)	(1.8%)	(\$10.8)	(5.3%)	(\$3.3)	(1.6%)
Operating expenses adjusted for discrete items	\$46.1	23.8%	\$55.9	27.7%	\$57.4	27.2%
Acquisition intangible amortization	(\$4.4)	(2.3%)	(\$15.4)	(7.6%)	(\$15.4)	(7.3%)
Adjusted operating expenses	\$41.7	21.5%	\$40.5	20.1%	\$42.0	19.9%

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 condensed consolidated statements of operations.

Q4-2020: Free cash flow reconciliation*

(\$ in millions)	Q4-19(\$)	Q3-20(\$)	Q4-20(\$)
Net cash provided by operating activities	\$45.7	\$58.7	\$51.4
Non-acquisition capital expenditures	(\$12.8)	(\$10.8)	(\$11.4)
Free cash flow	\$32.9	\$47.9	\$39.9

Note: dollars may not add due to rounding.

*Free cash flow defined as net cash provided by operating activities less non-acquisition capital expenditures per condensed consolidated statements of cash flows.

2020: Adjusted operating margin reconciliation

(\$ in millions)	FY-19(\$)	FY-19(%)	FY-20(\$)	FY-20(%)
GAAP operating margin	\$110.5	12.3%	\$67.3	8.4%
Restructuring, severance, impairment and other related costs	\$7.7	0.9%	\$16.4	2.0%
Acquisition and related integration costs	\$1.9	0.2%	\$1.0	0.1%
Transition services, net	\$0.9	0.1%	-	-
Pension settlement charges	-	-	\$0.1	-
Asbestos-related charges	\$1.7	0.2%	(\$0.7)	(0.1%)
Environmental accrual adjustment	\$0.8	0.1%	(\$0.2)	-
Gain from indemnity claim and antitrust litigation settlements	(\$0.7)	(0.1%)	-	-
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	\$0.5	0.1%	-	-
Loss on sale or disposal of property, plant and equipment	\$0.6	0.1%	-	-
Total discrete items	\$13.4	1.5%	\$16.6	2.1%
Operating margin adjusted for discrete items	\$123.9	13.8%	\$83.9	10.4%
Acquisition intangible amortization	\$17.6	2.0%	\$42.0	5.2%
Adjusted operating margin	\$141.4	15.7%	\$125.8	15.7%

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

2020: Adjusted EBITDA and adjusted EBITDA margin reconciliation

(\$ in millions)	FY-19(\$)	FY-20(\$)
GAAP net income	\$47.3	\$50.0
Interest expense, net	\$6.9	\$7.1
Income tax expense	\$7.8	\$18.5
Depreciation	\$31.4	\$29.3
Amortization	\$17.8	\$42.1
Stock-based compensation expense	\$12.3	\$13.5
Restructuring, severance, impairment and other related costs	\$7.7	\$16.2
Acquisition and related integration costs	\$1.9	\$1.0
Transition service lease income	(\$1.0)	-
Pension settlement charges	\$53.2	\$0.1
Asbestos-related charges	\$1.7	(\$0.7)
Environmental accrual adjustment	\$0.8	(\$0.2)
Gain from indemnity claim and antitrust settlements	(\$0.7)	-
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	\$0.5	-
Loss on sale or disposal of property, plant and equipment	\$0.6	-
Adjusted EBITDA	\$188.2	\$177.0
Divided by Total Net Sales	\$898.3	\$802.6
Adjusted EBITDA Margin	21.0%	22.1%

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

2020: Adjusted EPS reconciliation

	FY-19 (\$)	FY-20 (\$)
GAAP earnings per diluted share	\$2.53	\$2.67
Restructuring, severance, impairment and other related costs	\$0.31	\$0.67
Acquisition and related integration costs	\$0.08	\$0.04
Transition services, net	\$0.04	-
Pension settlement charges	\$2.35	-
Asbestos-related charges	\$0.07	(\$0.03)
Environmental accrual adjustment	\$0.03	(\$0.01)
Gain from indemnity claim and antitrust litigation settlement	(\$0.03)	
Loss on sale or disposal of property, plant and equipment	\$0.03	
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	\$0.02	-
Total discrete items	\$2.90	\$0.67
Earnings per diluted share adjusted for discrete items	\$5.42	\$3.35
Acquisition intangible amortization	\$0.72	\$1.73
Adjusted earnings per diluted share	\$6.14	\$5.08

Note: dollars may not add due to rounding.

2020: Adjusted net income reconciliation

(\$ in millions)	FY-19 (\$)	FY-19(%)	FY-20(\$)	FY-20(%)
GAAP Net Income	\$47.3	5.3%	\$50.0	6.2%
Restructuring, severance, impairment and other related costs	\$7.7	0.9%	\$16.4	2.0%
Acquisition and related integration costs	\$1.9	0.2%	\$1.0	0.1%
Transition service, net	\$0.9	0.1%	-	-
Pension settlement charges	\$53.2	5.9%	\$0.1	-
Asbestos-related charges	\$1.7	0.2%	(\$0.7)	(0.1%)
Environmental accrual adjustment	\$0.8	0.1%	(\$0.2)	-
Gain from indemnity claim and antitrust litigation settlements	(\$0.7)	(0.1%)	-	-
Loss on sale or disposal of property, plant and equipment	\$0.6	0.1%	-	-
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	\$0.5	0.1%	-	-
Acquisition intangible amortization	\$17.6	2.0%	\$42.0	5.2%
Income tax effect of non-GAAP adjustments and intangible amortization	(\$16.7)	(1.9%)	(\$13.5)	(1.7%)
Adjusted net income	\$114.8	12.8%	\$95.0	11.8%

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

2020: Adjusted operating expenses reconciliation*

(\$ in millions)	FY-19(\$)	FY-19(%)	FY-20(\$)	FY-20(%)
GAAP operating expenses	\$203.8	22.7%	\$224.5	28.0%
Restructuring, severance, impairment and other related costs	(\$7.7)	(0.9%)	(\$16.4)	(2.0%)
Acquisition and related integration costs	(\$1.9)	(0.2%)	(\$1.0)	(0.1%)
Transition services, net	(\$0.9)	(0.1%)	-	-
Asbestos-related charges	(\$1.7)	(0.2%)	\$0.7	0.1%
Environmental accrual adjustment	(\$0.8)	(0.1%)	\$0.2	0.0%
Gain from indemnity claim and antitrust litigation settlements	\$0.7	0.1%	-	-
Loss on sale or disposal of property, plant and equipment	(\$0.6)	(0.1%)	(\$0.0)	(0.0%)
Change in foreign jurisdiction tax regulation on equity awards attributable to a prior period	(\$0.5)	(0.1%)	-	-
Total discrete items	(\$13.4)	(1.5%)	(\$16.5)	(2.1%)
Operating expenses adjusted for discrete items	\$190.4	21.2%	\$208.0	25.9%
Acquisition intangible amortization	(\$17.6)	(2.0%)	(\$41.9)	(5.2%)
Adjusted operating expenses	\$172.9	19.2%	\$166.0	20.7%

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 condensed consolidated statements of operations.

2020: Free cash flow reconciliation*

(\$ in millions)	FY-19(\$)	FY-20(\$)
Net cash provided by operating activities	\$161.3	\$165.1
Non-acquisition capital expenditures	(\$51.6)	(\$40.4)
Free cash flow	\$109.7	\$124.7

Note: dollars may not add due to rounding.

*Free cash flow defined as net cash provided by operating activities less non-acquisition capital expenditures per condensed consolidated statements of cash flows.

Q1-2021: Guidance reconciliation

	Q1-21 (\$)
GAAP earnings per diluted share	\$1.48 – \$1.63
Discrete items	\$0.11
Acquisition intangible amortization	\$0.13
Adjusted earnings per diluted share	\$1.72 - \$1.87

Note: dollars may not add due to rounding.