



Q4 2018 Earnings Call

February 20, 2019



Forward-looking statements

Safe Harbor Statement

This release contains forward-looking statements, which may concern our plans, objectives, outlook, goals, strategies, future events, future net sales or performance, capital expenditures, financing needs, 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: 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 ongoing trade policy dispute between the United States and China, as well as adverse changes in trade policy, tariff regulation or other trade restrictions; fluctuations in foreign currency exchange rates; the results of our research and development efforts; adverse competitive developments; business development transactions and related integration considerations, including failure to realize, or delays in the realization of anticipated benefits of such transactions; the outcome of ongoing and future litigation, including our asbestos-related product liability litigation; inability to obtain raw materials, including commodities, from single or limited source suppliers in a timely and cost effective manner; and changes in laws and regulations applicable to our business. 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 earnings per diluted share, which the Company defines as earnings per diluted share excluding acquisition-related amortization of intangible assets and discrete items, such as restructuring expenses, asbestos litigation-related charges, gain from antitrust litigation settlement, acquisition and related integration costs, tax expense related to United States tax reform, transition services related to the asset acquisition, purchase accounting inventory adjustments, and gains or losses on asset or business dispositions (collectively, "Discrete Items");
- (2) Adjusted operating margin, which the Company defines as operating margin excluding acquisition-related amortization of intangible assets and Discrete Items;
- (3) Adjusted EBITDA, which the company defines as net income excluding interest expense, income tax expense, depreciation and amortization, and Discrete Items; and
- (4) Adjusted EBITDA margin, which the Company defines as net income margin excluding interest expense, income tax expense, depreciation and amortization, and Discrete Items.

Management believes each of these measures is 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 the potential variability across periods based on the timing, frequency and magnitude. As a result, management believes that adjusted earnings per diluted share, adjusted EBITDA, adjusted operating income, adjusted operating margin and adjusted EBITDA margin enhance the ability of investors to analyze trends in the Company's business and evaluate the Company's performance relative to peer companies. 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 at the end of this document. Management also believes that providing net sales information on a constant currency or FX adjusted basis is useful to investors as it allows for the comparison of net sales for the current period to past periods without the impact of changes in exchange rates (from various local currencies into US dollars) which occurred during the intervening time. To calculate "constant currency" or "FX adjusted" revenues, we converted current period local currency revenues to US dollars at prior period rates, and used the resulting US dollar revenues to calculate growth vs. the prior period reported revenues. Financial measures for 2017 have been adjusted for the adoption of ASU 2017-07, and have been adjusted for the Company's reclassification of pension and OPEB income from selling, general and administrative expense to other income (expense), net.

Introductions



Bruce Hoechner

President &
Chief Executive Officer



Mike Ludwig

Senior Vice President &
Chief Financial Officer



Bob Daigle

Senior Vice President &
Chief Technology Officer

2018 Results

Q4 2018

- Strong start in Q4 offset by weaker demand in December
- Net sales of \$223M, a decrease of 2% from Q3 2018
- Gross margin of 35.2%, an increase of 30 bps over Q3 2018
- Adjusted operating margin* of 16.0%, a decrease of 100 bps from Q3 2018
- Adjusted EPS* of \$1.67 per diluted share, up 18% from Q3 2018

Full-Year 2018

- Continued revenue growth with gross margin challenges due to operational initiatives
- Net sales of \$879M, growth of 7% over 2017
- Gross margin of 35.4%, down 340 bps from 2017
- Adjusted operating margin* of 15.8%, down 250 bps from 2017
- Adjusted EPS* of \$5.77, up slightly over 2017

Preparing for acceleration in Advanced Connectivity & Advanced Mobility demand

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

Advanced Connectivity Growth Driver

Providing enabling solutions for:

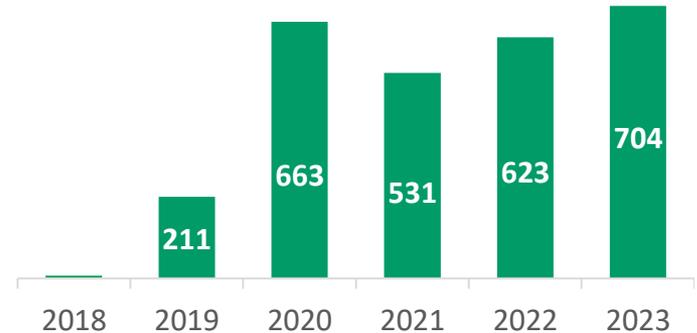
Advanced Connectivity

- 5G wireless infrastructure
- Portable electronics
- Internet of Things (IoT)
- 4G/LTE power amplifiers



Projected 5G base station shipments*

(Units in thousands)



Significant growth opportunities for Rogers as market transitions to 5G technology

Advanced Mobility Growth Driver

Providing enabling solutions for:

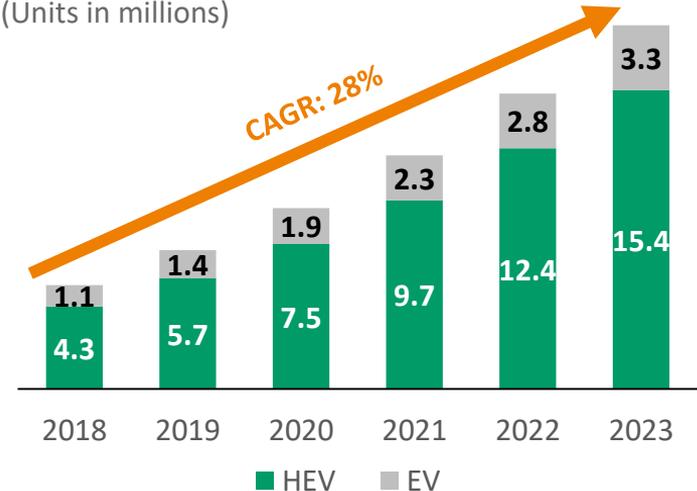
Advanced Mobility

- EV/HEV power modules
- EV batteries
- Vehicle electrification



Projected e-Mobility growth*

(Units in millions)



Expansion of EV/HEV platforms driving Rogers' growth opportunities

Advanced Mobility Growth Driver

Providing enabling solutions for:

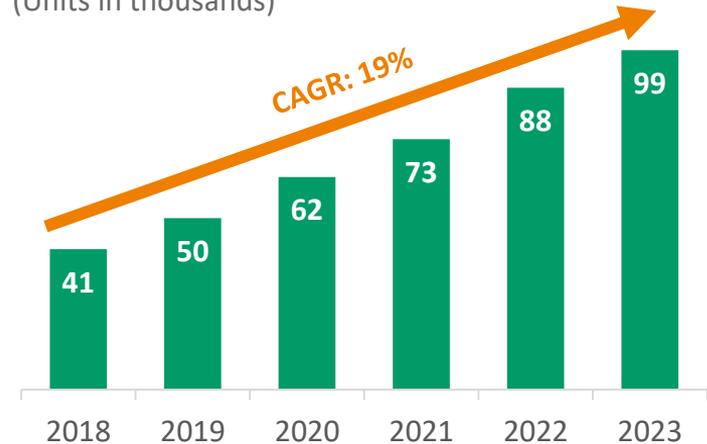
Advanced Mobility

- Advanced driver assistance systems
- Autonomous vehicles
- Vehicle-to-vehicle communication



Projected Automotive Radar Sensor Volume*

(Units in thousands)



Rogers' growth driven by ADAS penetration and evolution to autonomous vehicles

Advanced Connectivity Solutions (ACS)

2018 Update

- Net sales of \$294M, down 2% from FY 2017
- Growth in aerospace & defense and ADAS offset by transitioning wireless infrastructure
- Capacity expansion and next-generation technology for approaching 5G launch & demand for ADAS applications

Strategy

- Continue to leverage innovation to capitalize on market opportunities in key areas:
 - Automotive safety
 - Wireless infrastructure
- Strategic investments in capacity to support growth initiatives

Investing in capacity and capabilities to support strong market growth projections



Power Electronics Solutions (PES)

2018 Update

- Net sales of \$223M, up 21% over FY 2017
- Robust growth in EV/HEV and vehicle electrification
- Strong market acceptance of new e-Mobility solutions

Strategy

- Broaden Advanced Mobility solutions to increase penetration and content
- Capacity expansion to support accelerating demand for EV/HEV applications
- Execute on operational excellence initiatives to increase profitability and expand margins

Focusing on Advanced Mobility growth and margin expansion

Elastomeric Material Solutions (EMS)



2018 Update

- Net sales of \$341M, up 9% over FY 2017
- Organic sales growth of 5%; strong demand in portable electronics and automotive
- Acquisitions increased net sales by \$14M

Strategy

- Broaden portfolio through top of pyramid acquisitions, leveraging acquisition synergies
- Continue focus on applications in key markets of portable electronics, automotive (including EV) and general industrial
- Increase international revenues

Focusing on organic growth and synergistic M&A to drive diversification in top of pyramid growth markets

Rogers vision for 2020

Strategic Elements

Market-Driven
Organization

Innovation
Leadership

Synergistic M&A

Operational
Excellence

Financial objectives

Organic
growth:
7-10%

\$1.2B
Revenues

Synergistic
M&A growth:
5-8%

15%
Total growth

20%
Adjusted operating margin

Build and optimize businesses for profitable growth and scale through innovation and acquisitions

Financial overview

Mike Ludwig, Sr. Vice President and Chief Financial Officer



Q4 2018 Financial highlights

(\$ in millions, except EPS)	Q4-2018	Q3-2018	Q4-2017
Net sales	\$222.9	\$226.9	\$209.0
Gross margin	\$78.4	\$79.1	\$75.5
Gross margin %	35.2%	34.9%	36.1%
Operating income	\$26.8	\$29.6	\$18.6
Operating margin %	12.0%	13.1%	8.9%
Adjusted operating income*	\$35.6	\$38.6	\$27.2
Adjusted operating margin %*	16.0%	17.0%	13.0%
Net income	\$24.5	\$19.7	\$7.0
Net income % of net sales	11.0%	8.7%	3.3%
Adjusted EBITDA*	\$44.0	\$47.5	\$38.1
Adjusted EBITDA margin %*	19.7%	20.9%	18.2%
EPS	\$1.31	\$1.06	\$0.37
Adjusted EPS*	\$1.67	\$1.42	\$1.36

**Revenue at top end and EPS well ahead of guidance;
Gross Margin % shows marginal sequential improvement**

*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.

2018 Financial highlights

(\$ in millions, except EPS)	FY-2018	FY-2017
Net sales	\$879.1	\$821.0
Gross margin	\$310.8	\$318.6
Gross margin %	35.4%	38.8%
Operating income	\$112.7	\$129.1
Operating margin %	12.8%	15.7%
Adjusted operating income*	\$138.9	\$150.0
Adjusted operating margin %*	15.8%	18.3%
Net income	\$87.7	\$80.5
Net income % of net sales	10.0%	9.8%
Adjusted EBITDA*	\$173.6	\$189.7
Adjusted EBITDA margin %*	19.7%	23.1%
EPS	\$4.70	\$4.34
Adjusted EPS*	\$5.77	\$5.76

Profitability impacted by revenue mix, strategic investments & operational challenges

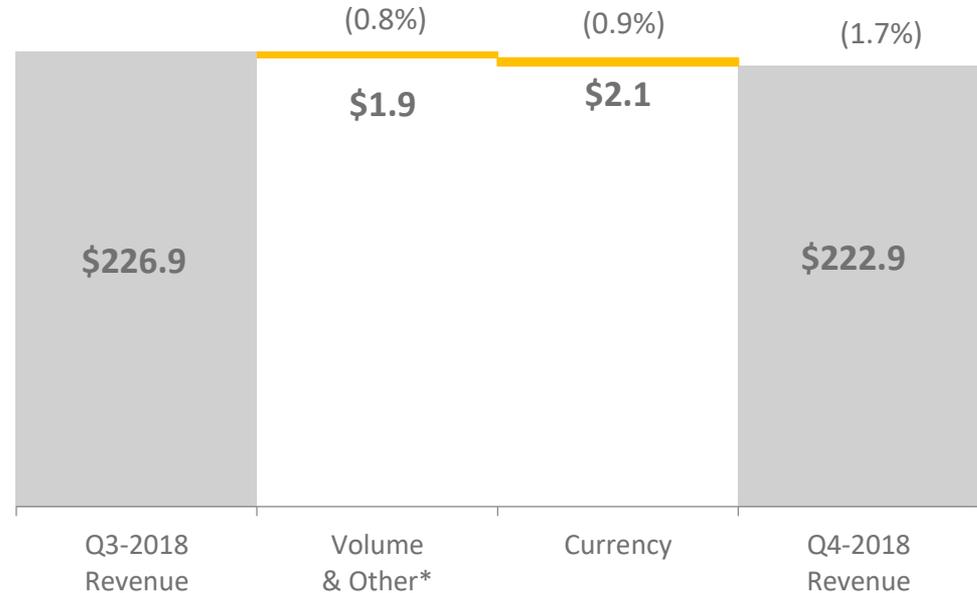
*See reconciliations to adjusted metrics in the appendix: adjusted operating income to operating income, adjusted operating margin to operating margin, adjusted EBITDA to net income and adjusted earnings per diluted share to earnings per diluted share.

Revenue bridge vs prior quarter

Q4-2018 Update

- Revenues of \$223 million or 1.7% decrease sequentially
- Volume & other impact driven by seasonality in EMS business
- Unfavorable currency of 0.9% on the Euro and Renminbi

(\$ in millions)



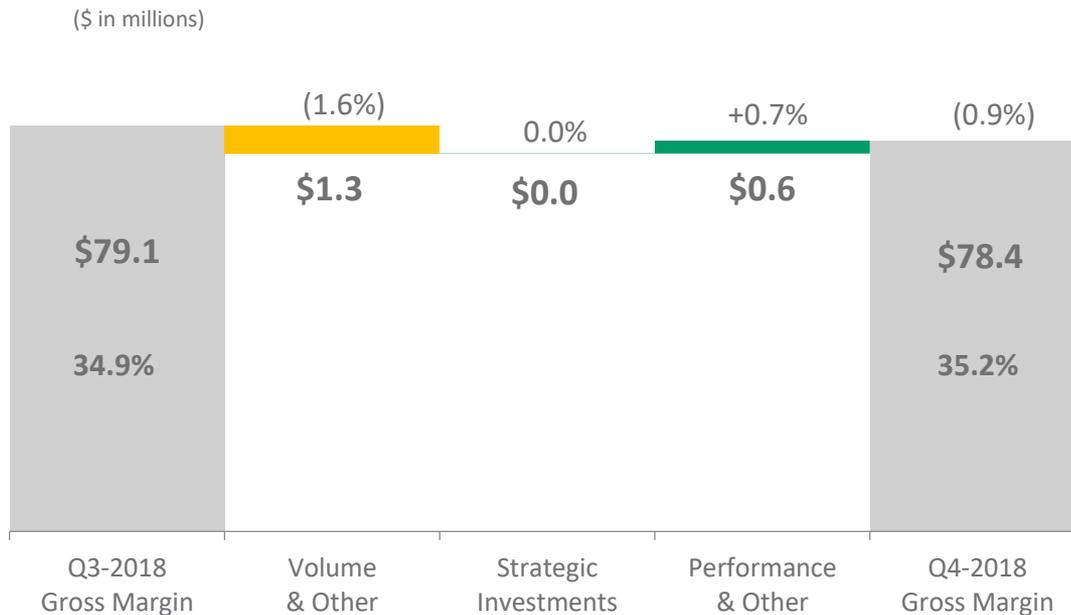
Modest growth in ACS & PES offset by EMS seasonality

*Volume & Other of \$1.9 million represents change excluding the impact of FX.

Gross margin bridge vs prior quarter

Q4-2018 Update

- Volume impacted by EMS seasonality and unfavorable currency
- Performance increase driven by multi-site qualification efforts; partially offset by EMS site consolidation challenges & PES capacity constraints

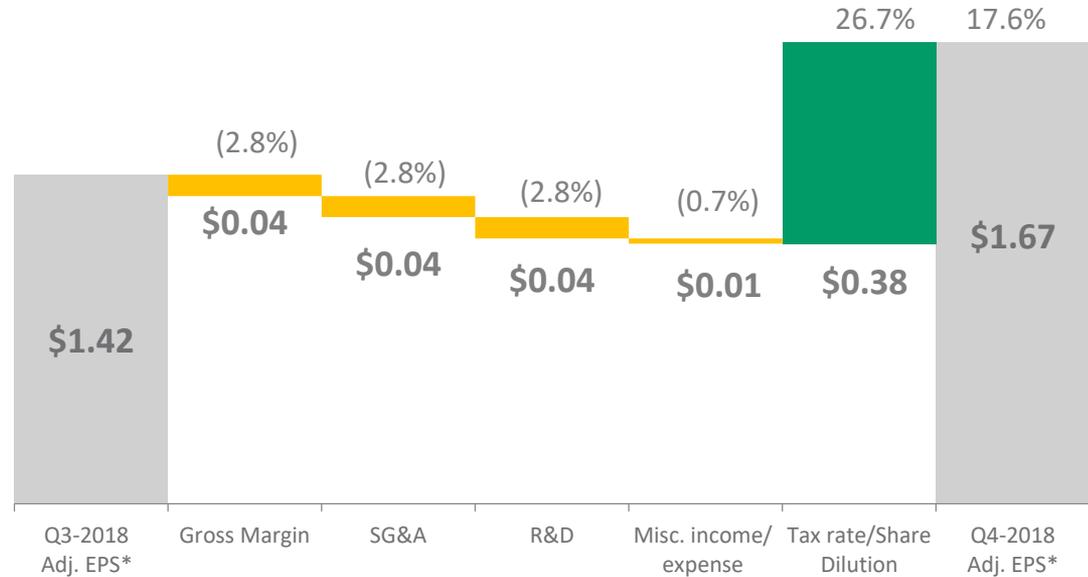


Gross margin % improvement minimized by volume & currency

Adjusted EPS* bridge vs prior quarter

Q4-2018 Update

- Adjusted EPS* of \$1.67
- Gross margin impacted primarily by volume and currency
- SG&A increases from timing
- R&D increase driven by discrete investments in new product initiatives
- GAAP tax rate 3.6% vs. 31.0% in Q3



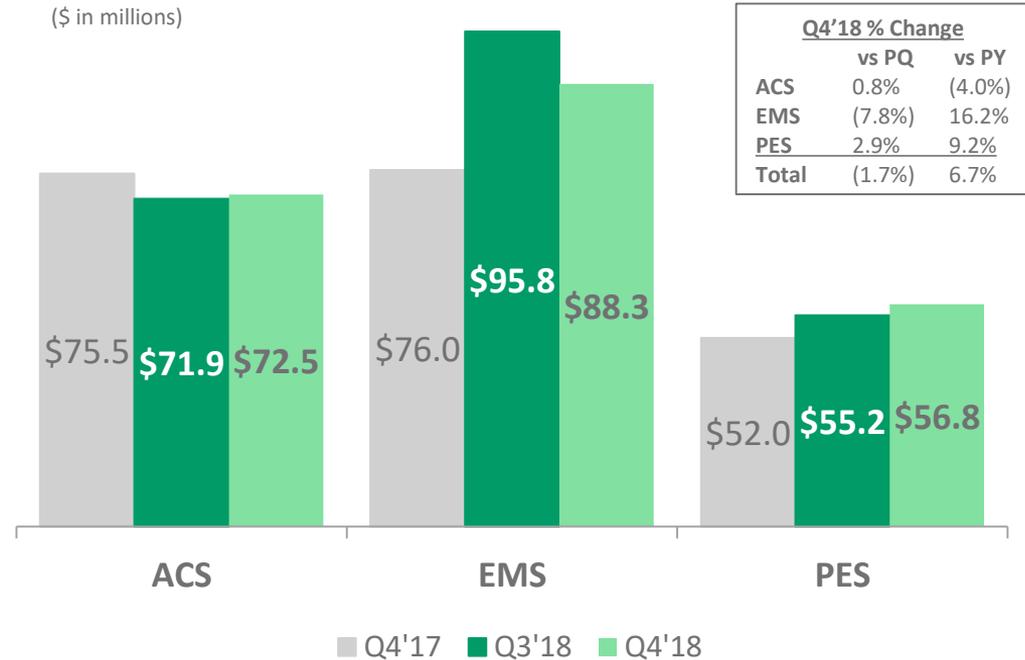
Higher EPS driven by favorable effective tax rate

*Reconciliation of adjusted earnings per diluted share to earnings per diluted share is included in the appendix. Note: adjusted EPS variances displayed net of tax expense.

Segment revenue*

Q4-2018 Update

- **ACS:** Increase driven by higher demand in aerospace & defense
- **EMS:** Lower seasonal demand in portable electronics augmented by slight declines in general industrial & automotive applications
- **PES:** Strong demand in EV/HEV power modules

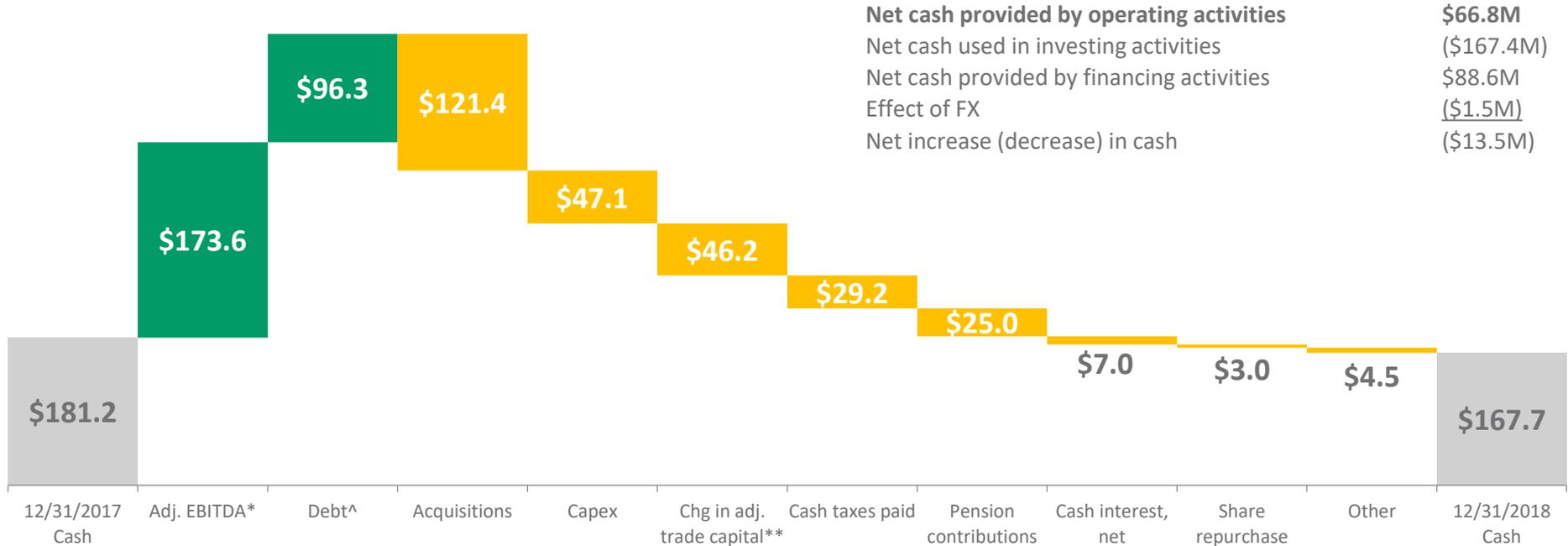


Growth in PES segment offset by EMS seasonality

*Other segment sales are excluded from the tables above.

2018 cash utilization

(\$ in millions)



Cash utilization impacted by investment in acquisitions, working capital and capex

*See reconciliations of adjusted EBITDA to net income in the appendix. **Change in Adjusted Trade Capital consists of (i) change in accounts receivables, (ii) change in contract assets, (iii) change in inventories, and (iv) change in accounts payable and other accrued expenses, each per the statement of cash flows, as adjusted for the impact of the adoption of the new revenue recognition standard. [See calculation in the appendix.] ^Debt represents proceeds from long term borrowings of \$102.5 million partially offset by repayment of debt principal and capital lease obligations of \$6.2 million.

Q1-2019 guidance

(\$ in millions, except EPS)

Net sales	\$220M - \$230M
Gross Margin	35.0% - 36.0%
EPS	\$0.97 - \$1.12
Adjusted EPS*	\$1.25 - \$1.40



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

An abstract graphic consisting of a network of interconnected nodes and lines, forming a shape that resembles a stylized letter 'R'. The nodes are small black dots, and the lines are thin black lines. The graphic is semi-transparent and has a slight shadow, giving it a 3D effect. It is positioned on the left side of the page, extending from the bottom left towards the top right.

Appendix



Q4-2018 adjusted operating income and operating margin reconciliation

	Q4-17(\$)	Q4-17(%)	Q3-18(\$)	Q3-18(%)	Q4-18(\$)	Q4-18(%)
Operating income and operating margin	\$18.6	8.9%	\$29.6	13.1%	\$26.8	12.0%
Restructuring, severance, impairment and other related costs	\$0.8	0.4%	\$2.7	1.2%	\$2.7	1.2%
Acquisition/ divestiture related costs	-	-	\$0.3	0.1%	-	-
Integration costs	\$0.7	0.3%	\$0.5	0.2%	\$0.4	0.2%
Acquisition inventory step up	-	-	\$0.3	0.1%	-	-
Transition service costs related to asset acquisition	-	-	\$0.9	0.4%	\$2.6	1.2%
Lease revenue related to asset acquisition	-	-	(\$0.2)	(0.1%)	(\$0.7)	(0.3%)
Asbestos related charge	\$3.4	1.6%	-	-	\$0.7	0.3%
Gain on legal settlements					(\$1.3)	(0.6%)
Operating income and operating margin plus Discrete Items	\$23.5	11.2%	\$34.2	15.1%	\$31.1	14.0%
Acquisition intangible amortization	\$3.7	1.8%	\$4.4	1.9%	\$4.4	2.0%
Adjusted operating income and operating margin	\$27.2	13.0%	\$38.6	17.0%	\$35.6	16.0%

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

Q4-2018 adjusted EBITDA and adjusted EBITDA margin reconciliation

(\$ in millions)

	Q4-17(\$)	Q4-17(%)	Q3-18(\$)	Q3-18(%)	Q4-18(\$)	Q4-18(%)
Net Income	\$7.0	3.3%	\$19.7	8.7%	\$24.5	11.0%
Interest, net	\$1.3	0.6%	\$2.0	0.9%	\$2.1	1.0%
Income tax expense (benefit)	\$13.5	6.5%	\$8.9	3.9%	\$0.9	0.4%
Depreciation	\$7.6	3.6%	\$8.8	3.9%	\$10.3	4.6%
Intangible amortization	\$3.8	1.8%	\$4.4	2.0%	\$4.4	2.0%
Restructuring, severance, impairment and other related charges	\$0.8	0.4%	\$2.7	1.2%	\$2.7	1.2%
Acquisition related costs	\$0.7	0.3%	\$0.3	0.1%	-	0.0%
Integration costs	-	-	\$0.5	0.2%	\$0.4	0.2%
Acquisition inventory step up	-	-	\$0.3	0.1%	-	-
Lease revenue related to asset acquisition	-	-	(\$0.2)	(0.1%)	(\$0.7)	(0.3%)
Asbestos related charge	\$3.4	1.7%	-	-	\$0.7	-
Gain on legal settlement	-	-	-	-	(\$1.3)	(\$0.6)
Adjusted EBITDA	\$38.1	18.2%	\$47.5	20.9%	\$44.0	19.7%

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

Q4-2018 adjusted EPS reconciliations

	Q4-17 (\$)	Q3-18 (\$)	Q4-18 (\$)
Earnings per diluted share	\$0.37	\$1.06	\$1.31
Restructuring, severance, impairment and other related costs	\$0.03	\$0.11	\$0.11
Acquisition and related integration costs	\$0.02	\$0.04	\$0.02
Acquisition inventory step up	-	\$0.02	-
Lease revenue related to asset acquisition	-	(\$0.01)	(\$0.03)
Asbestos related charge	\$0.12		\$0.03
Transition services costs related to asset acquisition	-	\$0.04	\$0.11
Tax expense primarily related to US tax reform	\$0.69	-	-
Gain on legal settlement	-	-	(\$0.06)
Total Discrete Items	\$0.86	\$0.19	\$0.18
Earnings per diluted share, adjusted for Discrete Items	\$1.23	\$1.24	\$1.49
Acquisition intangible amortization	\$0.13	\$0.18	\$0.18
Adjusted earnings per diluted share	\$1.36	\$1.42	\$1.67

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

2018 adjusted operating income and operating margin reconciliation

	FY-17(\$)	FY-17(%)	FY-18(\$)	FY-18(%)
Operating income and operating margin	\$129.1	15.7%	\$112.7	12.8%
Restructuring, severance, impairment and other related costs	\$3.6	0.4%	\$9.0	1.0%
Acquisition/ divestiture related costs	\$0.6	0.1%	\$1.1	0.1%
Integration costs	\$2.6	0.3%	\$1.5	0.2%
Acquisition inventory step up	\$1.6	0.2%	\$0.3	-
Asbestos related charge	\$3.4	0.4%	\$0.7	0.1%
Transition service costs related to asset acquisition	-	-	\$3.5	0.4%
Lease revenue related to asset acquisition	-	-	(\$0.9)	(0.1%)
Environmental accrual adjustment	-	-	-	-
Gain on sale of non-core assets	(\$5.3)	(0.6%)	(\$0.4)	(0.1%)
Gain on legal settlements	-	-	(\$4.9)	(0.6%)
Operating income and operating margin plus Discrete Items	\$135.6	16.5%	\$122.6	14.0%
Acquisition intangible amortization	\$14.3	1.8%	\$16.3	1.8%
Adjusted operating income and operating margin	\$150.0	18.3%	\$138.9	15.8%

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

2018 adjusted EBITDA and adjusted EBITDA margin reconciliation

(\$ in millions)

	FY-17(\$)	FY-17(%)	FY-18(\$)	FY18(%)
Net Income	\$80.5	9.8%	\$87.7	10.0%
Interest, net	\$6.1	0.7%	\$6.6	0.8%
Income tax expense (benefit)	\$52.5	6.4%	\$22.9	2.6%
Depreciation	\$29.3	3.6%	\$33.5	3.8%
Intangible amortization	\$14.8	1.8%	\$16.5	1.9%
Restructuring, severance, impairment and other related charges	\$3.6	0.4%	\$9.0	1.0%
Acquisition related costs	\$3.2	0.4%	\$1.1	0.1%
Integration costs	\$0.1	-	\$1.5	0.2%
Acquisition inventory step up	\$1.6	0.2%	\$0.3	-
Asbestos related charges	\$3.4	0.4%	\$0.7	0.1%
Lease revenue related to asset acquisition	-	-	(\$0.9)	(0.1%)
Environmental accrual adjustment	-	-	-	-
Tax items	-	-	-	-
Gain on sale of non-core assets	(\$5.3)	(0.6%)	(\$0.4)	-
Gain on legal settlement	-	-	(\$4.9)	(0.6%)
Adjusted EBITDA	\$189.7	23.1%	\$173.6	19.7%

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

2018 adjusted EPS reconciliations

	FY-17 (\$)	FY-18 (\$)
Earnings per diluted share	\$4.34	\$4.70
Restructuring, severance, impairment and other related costs	\$0.13	\$0.37
Acquisition and related integration costs	\$0.11	\$0.11
Acquisition inventory step up	\$0.05	\$0.01
Lease revenue related to asset acquisition	-	(\$0.04)
Transition services costs related to asset acquisition	-	\$0.15
Gain on sale of non-core assets	(\$0.19)	(\$0.02)
Asbestos related charges	\$0.12	\$0.03
Tax expense related to repatriation of earnings from prior years		
Tax expense primarily related to US tax reform	\$0.69	-
Environmental accrual adjustment	-	-
Gain on legal settlement	-	(\$0.20)
Total Discrete Items	\$0.91	\$0.40
Earnings per diluted share, adjusted for Discrete Items	\$5.25	\$5.10
Acquisition intangible amortization	\$0.51	\$0.67
Adjusted earnings per diluted share	\$5.76	\$5.77

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

2018 change in adjusted trade capital

(\$ in millions)

	Change in trade capital	Revenue recognition impact	Change in adjusted trade Capital
Accounts receivable	(\$3.8)	-	(\$3.8)
Contract assets	(\$22.7)	\$22.7	-
Inventories	(\$19.0)	(\$15.5)	(\$34.5)
*Accounts payable and other accrued expenses	(\$7.9)	-	(\$7.9)
Working capital	(\$53.4)	\$7.2	(\$46.2)

*Accounts payable and other accrued expenses of (\$7.9) includes:

1) Incentive compensation paid	(\$17.0)
2) Accounts payable and other accrued	\$9.1

Q1-2019 guidance reconciliation

	Q1-19 (\$)
Guidance Q1-19 earnings per diluted share	\$0.97 - \$1.12
Add back adjustments:	
Discrete Items, Restructuring / other expenses	\$0.10
Acquisition intangible amortization	\$0.18
Guidance Q1-19 adjusted earnings per diluted share	\$1.25 - \$1.40