



Q1 2021 Earnings Call

April 29, 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 those indicated by 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. (Huawei); 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, asbestos-related charges, gains or losses on the sale or disposal of property, plant and equipment, restructuring, severance, impairment and other related costs, UTIS fire charges 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 amortization of acquisition intangible assets, and discrete items 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 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 expenses, which the Company defines as operating expenses excluding acquisition-related amortization of intangible assets and discrete items;
- (6) Adjusted operating income, which the Company defines as operating income excluding acquisition-related amortization of intangible assets and discrete items;
- (7) Adjusted operating margin, which the Company defines as operating margin excluding acquisition-related amortization of intangible assets and discrete items;
- (8) 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 as alternatives to, financial measures prepared in accordance with GAAP. In addition, these non-GAAP financial measures may differ from, and should not be compared to, 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

Q1 2021 Overview

Financials

Results

- Net sales: \$229M, increased 9% QoQ
- Gross margin: 39.0%, increased 70 basis points QoQ
- EPS: \$1.66, increased 105% QoQ
- Adjusted EPS*: \$1.92, increased 22% QoQ

Highlights

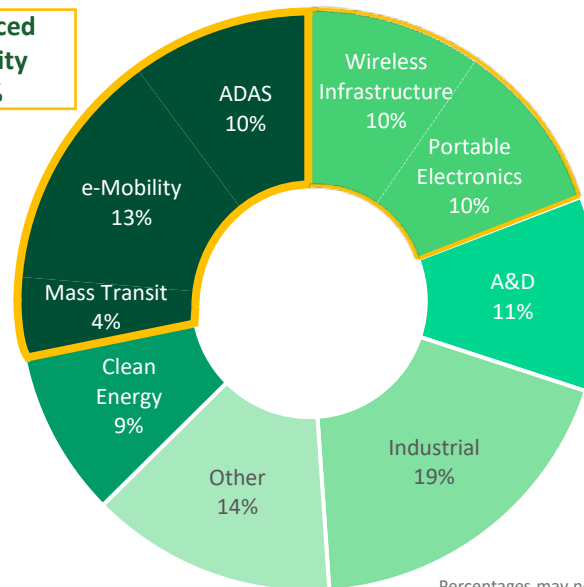
- Continued acceleration in EV/HEV and ADAS sales
- Robust industrial sales from sharp rebound in demand
- Strong clean energy, defense and wireless infrastructure sales
- Record adjusted quarterly EPS driven by continued execution

Challenges

- Sales mostly unaffected by global supply chain disruptions - impacts primarily felt exiting Q1
- Raw material and freight costs tempered strong gross margin performance. Hedging strategy mitigating earnings impact.

Revenue by Market Segment – Q1

**Advanced
Mobility
28%**



Percentages may not add due to rounding

Advanced Mobility Growth, Market Recovery and Execution Drive Strong Q1 Results

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

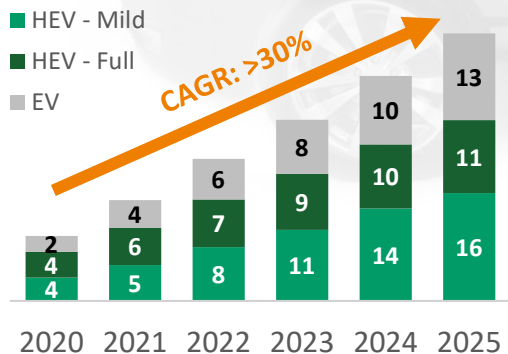
Market Outlook

EV/HEV

- Long-term outlook of >30% CAGR¹. Recent forecast showing accelerated EV/HEV adoption².
- OEMs ramping EV/HEV production, with incentives and regulations adding to momentum
- Rogers investing aggressively in capacity to meet growing demand
- Substrates for power semi packaging: Content opportunity across entire EV/HEV market
- Battery cell pads and other solutions: Content opportunity across all battery types
- Power interconnects provide additional content opportunity with leading EV market entrants

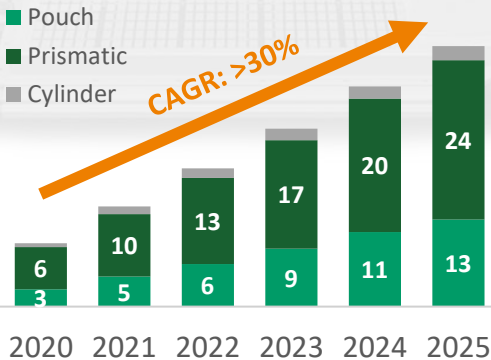
Electric & Hybrid Electric Vehicles¹

(units in millions)



Electric & Hybrid Electric Batteries³

(units in millions)

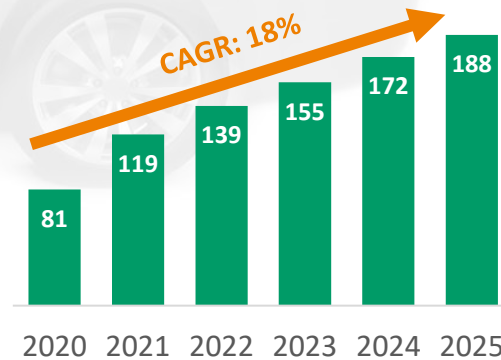


ADAS

- Long-term outlook of 15-20% CAGR⁴
- ADAS features becoming standard on more vehicles
- Safety regulations and OEM commitments driving adoption
- Rogers has strong market positions with all major Tier I suppliers

Auto Radar Sensors⁴

(units in millions)



1 – IHS Markit Light Vehicle Production Forecast Mar 2021; 2 – Boston Consulting Group “Why Electric Cars Can’t Come Fast Enough” April 2021

3 – IHS Markit E-Mobility Battery Cell Forecast Feb 2021; 4 - IHS Markit June 2020 Auto Sensor forecast

Strategic Priorities

Market-Driven Organization

Innovation Leadership

Operational Excellence

Synergistic M&A



Innovation Leadership at Rogers

- Proven track record of developing innovative, market-focused solutions
- Strong, collaborative relationships that solve customers' unmet needs
- Strong product development pipeline driven by global innovation and R&D centers
- Partnerships with universities and research institutions enables efficient R&D model



Driving Growth Through Innovative High-Performance Solutions

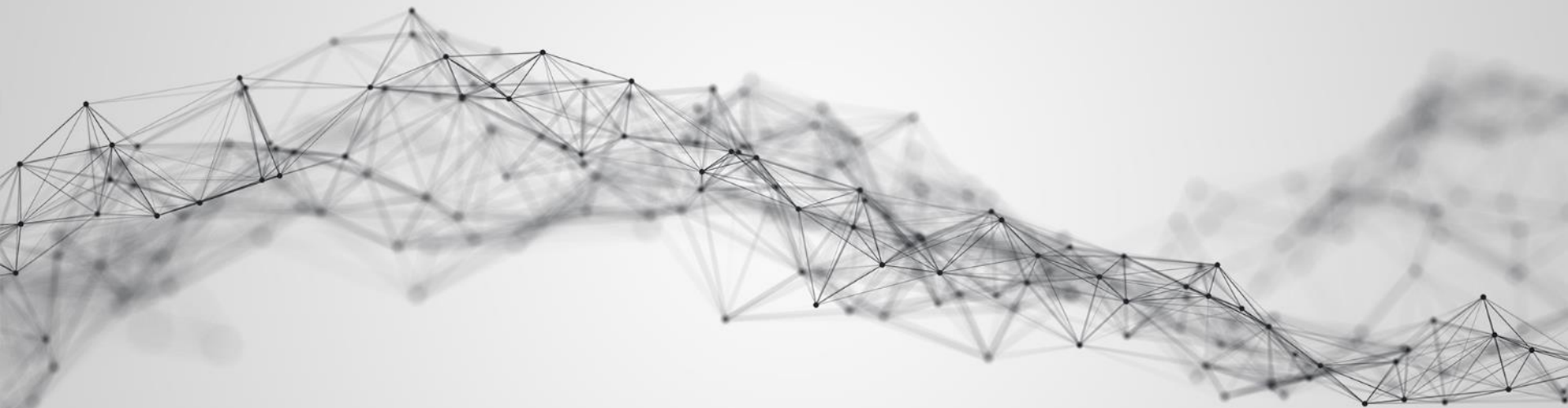
Summary

- 1 Strong Q1 results driven by Advanced Mobility growth and continuing operational execution
- 2 Market recovery gaining strength, with a sharp rebound in industrial demand
- 3 Robust outlook for EV/HEV and ADAS demand; Strong growth outlook in other strategic markets
- 4 Investing aggressively to capitalize on EV/HEV and other market opportunities

Focused Strategy and Continued Execution Driving Strong Financial Results

Financial Overview

Mike Ludwig, Sr. Vice President and Chief Financial Officer



Q1 2021 Financial Highlights

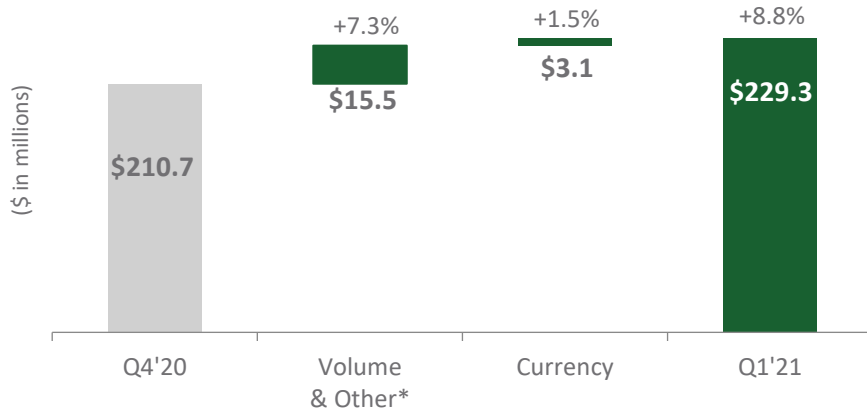
(\$ in millions, except EPS)	Q1-2021	Q4-2020	Q1-2020
Net sales	\$229.3	\$210.7	\$198.8
Gross margin	\$89.5	\$80.7	\$65.6
Gross margin %	39.0%	38.3%	33.0%
Operating income	\$37.2	\$20.0	\$17.5
Operating margin %	16.2%	9.5%	8.8%
Adjusted operating income*	\$43.5	\$38.8	\$22.6
Adjusted operating margin %*	19.0%	18.4%	11.3%
Net income	\$31.2	\$15.2	\$13.3
Net income % of net sales	13.6%	7.2%	6.7%
Adjusted EBITDA*	\$59.8	\$53.2	\$33.4
Adjusted EBITDA margin %*	26.1%	25.3%	16.8%
EPS	\$1.66	\$0.81	\$0.71
Adjusted EPS*	\$1.92	\$1.58	\$0.92

**Revenue and Adjusted EPS Exceeded Guidance;
Strong Sequential Improvement Across All Financial Metrics**

*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.

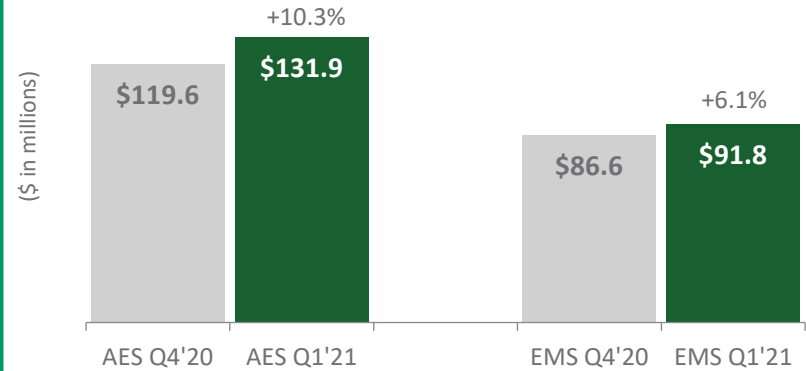
Revenue Results

Consolidated Revenue



- Revenues of \$229.3 million; 8.8% sequential growth
- Volume & Other growth driven by strong demand across AES and EMS segments
- Favorable currency impact from stronger Euro and CNY

Revenue by Business Unit*



- AES: Record demand for ADAS applications; higher sales in EV/HEV, clean energy, defense and wireless infrastructure markets
- EMS: Robust industrial sales and continued strength in EV/HEV partially offset by lower portable electronics demand

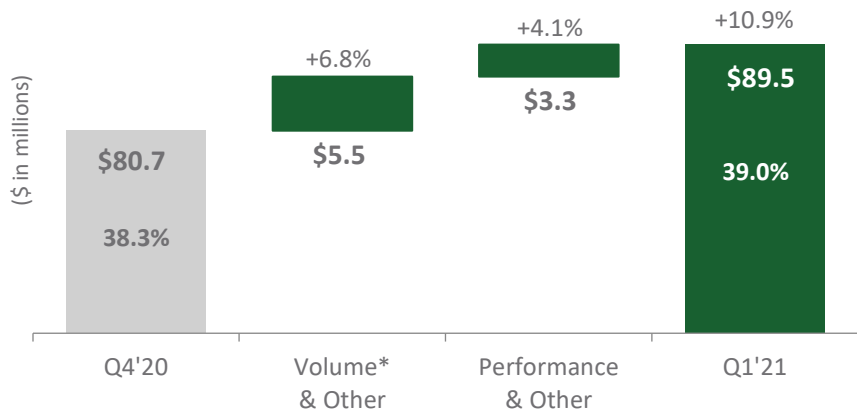
Advanced Mobility and Market Recovery Enabled Sequential Revenue Growth

*Volume & Other of \$15.5 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.

Gross Margin & Adjusted Net Income* Results

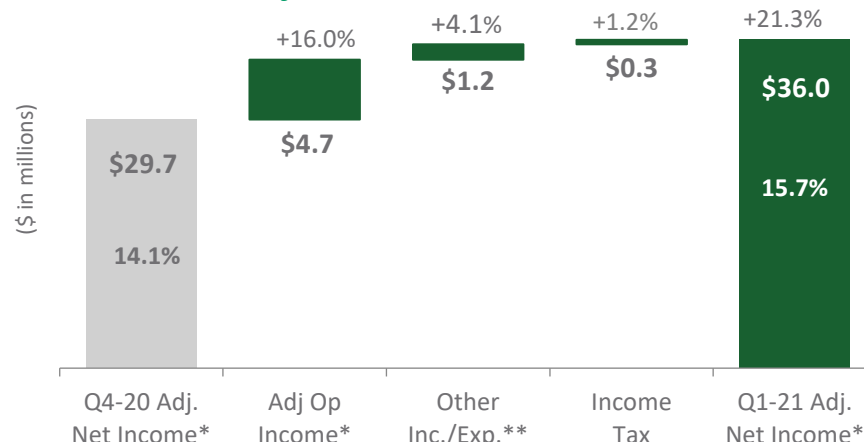
Gross Margin



- Volume: Demand increase partially offset by unfavorable mix
- Performance: Operational execution from improved productivity, yield performance and net cost savings; expansion tempered by higher commodity and freight costs

Volume Benefit and Continued Operational Execution

Adjusted Net Income*



- Adjusted Op Income*: Gross margin improvement partially offset by higher adjusted operating expenses* from increased employee compensation and benefits
- Other Income/Expense**: FX gains and higher JV Income; copper hedge gains consistent sequentially

Improved Gross Margin Performance Augmented by Other Income

*Volume & Other of \$5.5 million represents change in sales volume, price, mix and FX.

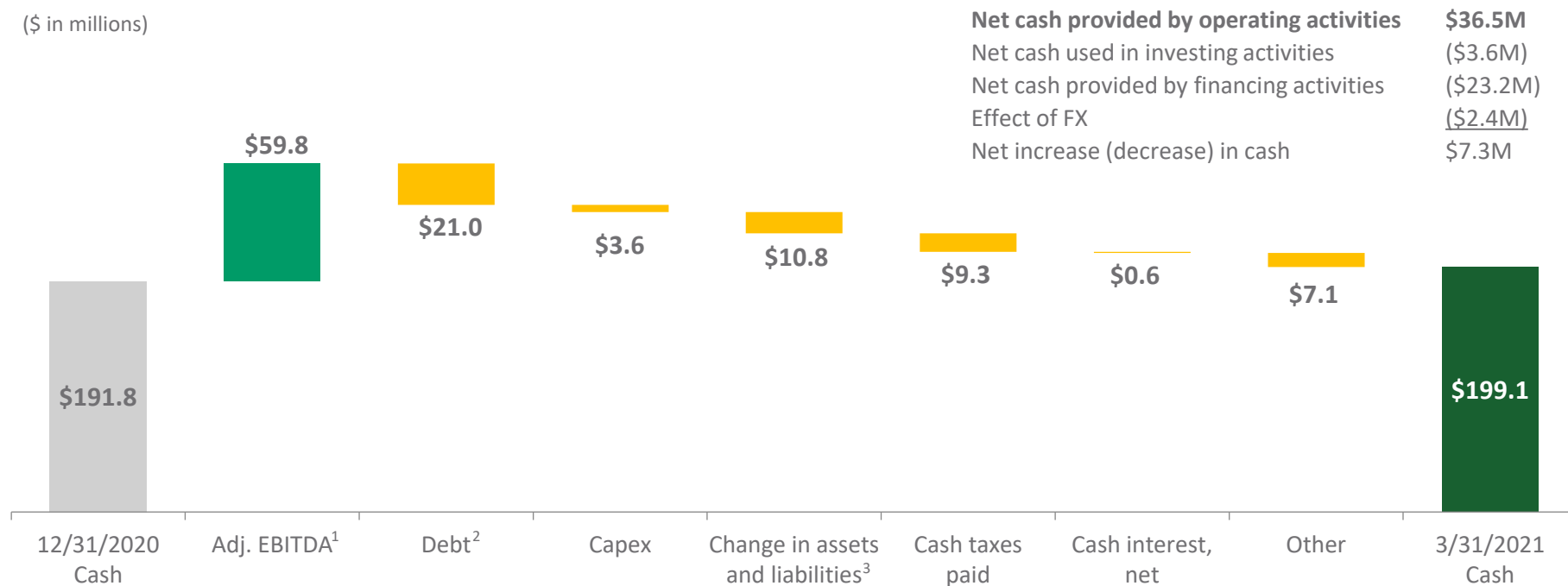
Note: percentages and dollars may not add due to rounding

*See appendix for reconciliation of adjusted measures to GAAP measures

**Comprised of equity income in unconsolidated joint ventures, other income (expense), net and interest expense, net from Consolidated Statements of Operations

Cash Utilization

(\$ in millions)



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

Q2-2021 Guidance

Net sales \$230M - \$240M

Gross Margin 38.5% - 39.5%

EPS \$1.58 - \$1.73

Adjusted EPS* \$1.80 - \$1.95



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



Appendix



Q1-2021: Adjusted operating margin reconciliation

(\$ in millions)	Q1-20(\$)	Q1-20(%)	Q4-20(\$)	Q4-20(%)	Q1-21(\$)	Q1-21(%)
GAAP operating margin	\$17.5	8.8%	\$20.0	9.5%	\$37.2	16.2%
Restructuring, severance, impairment and other related costs	\$1.1	0.5%	\$4.0	1.9%	\$1.9	0.8%
Acquisition and related integration costs	\$0.4	0.2%	-	-	-	-
Asbestos-related charges	-	-	(\$0.7)	(0.3%)	-	-
Gain on sale or disposal of property, plant and equipment	-	-	-	-	(\$0.1)	(0.0%)
UTIS fire charges	-	-	-	-	\$1.3	0.6%
Total discrete items	\$1.5	0.7%	\$3.3	1.6%	\$3.2	1.4%
Operating margin adjusted for discrete items	\$18.9	9.5%	\$23.3	11.1%	\$40.4	17.6%
Acquisition intangible amortization	\$3.6	1.8%	\$15.4	7.3%	\$3.1	1.4%
Adjusted operating margin	\$22.6	11.3%	\$38.8	18.4%	\$43.5	19.0%

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

Q1-2021: Adjusted EBITDA and adjusted EBITDA margin reconciliation

(\$ in millions)	Q1-20(\$)	Q4-20(\$)	Q1-21(\$)
GAAP net income	\$13.3	\$15.2	\$31.2
Interest expense, net	\$1.2	\$0.6	\$0.6
Income tax expense	\$3.4	\$8.1	\$10.5
Depreciation	\$7.3	\$7.4	\$7.2
Amortization	\$3.7	\$15.5	\$3.1
Stock-based compensation expense	\$3.1	\$3.2	\$4.0
Restructuring, severance, impairment and other related costs	\$1.1	\$3.9	\$1.9
Acquisition and related integration costs	\$0.4	-	-
Asbestos-related charges	-	(\$0.7)	-
Gain on sale or disposal of property, plant and equipment	-	-	(\$0.1)
UTIS fire charges	-	-	\$1.3
Adjusted EBITDA	\$33.4	\$53.2	\$59.8
Divided by Total Net Sales	\$198.8	\$210.7	\$229.3
Adjusted EBITDA Margin	16.8%	25.3%	26.1%

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

Q1-2021: Adjusted EPS reconciliation

	Q1-20(\$)	Q4-20(\$)	Q1-21(\$)
GAAP earnings per diluted share	\$0.71	\$0.81	\$1.66
Restructuring, severance, impairment and other related costs	\$0.04	\$0.16	\$0.08
Acquisition and related integration costs	\$0.02	-	-
Asbestos-related charges	-	(\$0.03)	-
Gain on sale or disposal of property, plant and equipment	-	-	(\$0.00)
UTIS fire charges	-	-	\$0.05
Total discrete items	\$0.06	\$0.14	\$0.13
Earnings per diluted share adjusted for discrete items	\$0.77	\$0.95	\$1.79
Acquisition intangible amortization	\$0.15	\$0.64	\$0.13
Adjusted earnings per diluted share	\$0.92	\$1.58	\$1.92

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

Q1-2021: Adjusted net income reconciliation

(\$ in millions)	Q1-20(\$)	Q1-20(%)	Q4-20(\$)	Q4-20(%)	Q1-21(\$)	Q1-21(%)
GAAP Net Income	\$13.3	6.7%	\$15.2	7.2%	\$31.2	13.6%
Restructuring, severance, impairment and other related costs	\$1.1	0.5%	\$4.0	1.9%	\$1.9	0.8%
Acquisition and related integration costs	\$0.4	0.2%	-	-	-	-
Asbestos-related charges	-	-	(\$0.7)	(0.3%)	-	-
Gain on sale or disposal of property, plant and equipment	-	-	-	-	(\$0.1)	0.0%
UTIS fire charges	-	-	-	-	\$1.3	0.6%
Acquisition intangible amortization	\$3.6	1.8%	\$15.4	7.3%	\$3.1	1.4%
Income tax effect of non-GAAP adjustments and intangible amortization	(\$1.2)	(0.6%)	(\$4.3)	(2.0%)	(\$1.5)	(0.7%)
Adjusted net income	\$17.2	8.6%	\$29.7	14.1%	\$36.0	15.7%

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

Q1-2021: Adjusted operating expenses reconciliation*

(\$ in millions)	Q1-20(\$)	Q1-20(%)	Q4-20(\$)	Q4-20(%)	Q1-21(\$)	Q1-21(%)
GAAP operating expenses	\$48.2	24.2%	\$60.7	28.8%	\$52.3	22.8%
Restructuring, severance, impairment and other related costs	(\$1.1)	(0.5%)	(\$4.0)	(1.9%)	(\$1.9)	(0.8%)
Acquisition and related integration costs	(\$0.4)	(0.2%)	-	-	-	-
Asbestos-related charges	-	-	\$0.7	0.3%	-	-
Gain on sale or disposal of property, plant and equipment	-	-	\$0.0	0.0%	\$0.1	0.0%
UTIS fire charges	-	-	-	-	(\$1.3)	(0.6%)
Total discrete items	(\$1.5)	(0.8%)	(\$3.3)	(1.6%)	(\$3.2)	(1.4%)
Operating expenses adjusted for discrete items	\$46.7	23.5%	\$57.4	27.2%	\$49.1	21.4%
Acquisition intangible amortization	(\$3.6)	(1.8%)	(\$15.4)	(7.3%)	(\$3.1)	(1.4%)
Adjusted operating expenses	\$43.1	21.7%	\$42.0	19.9%	\$46.0	20.1%

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.

Q1-2021: Free cash flow reconciliation*

(\$ in millions)	Q1-20(\$)	Q4-20(\$)	Q1-21(\$)
Net cash provided by operating activities	\$8.6	\$51.4	\$36.5
Non-acquisition capital expenditures	(\$11.2)	(\$11.4)	(\$3.6)
Free cash flow	(\$2.5)	\$39.9	\$32.9

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.

Q2-2021: Guidance reconciliation

	Q2-21 (\$)
GAAP earnings per diluted share	\$1.58 – \$1.73
Discrete items	\$0.09
Acquisition intangible amortization	\$0.13
Adjusted earnings per diluted share	\$1.80 - \$1.95

Note: dollars may not add due to rounding.