



## Q1 2024 Earnings Call

APRIL 25, 2024



# Forward-looking statements

## Safe Harbor Statement

Statements included in this presentation that are not a description of historical facts are forward-looking statements. Words or phrases such as “believe,” “may,” “could,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “seek,” “plan,” “expect,” “should,” “would” or similar expressions are intended to identify forward-looking statements, and are based on Rogers’ current beliefs and expectations. This release contains forward-looking statements regarding 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. Other risks and uncertainties that could cause such results to differ include the following, without limitation: failure to capitalize on, volatility within, or other adverse changes with respect to the Company's growth drivers, such as delays in adoption or implementation of new technologies; failure to successfully execute on our long-term growth strategy as a standalone company; uncertain business, economic and political conditions in the United States (U.S.) and abroad, particularly in China, South Korea, Germany, Belgium, England and Hungary, 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, as well as the potential for U.S.-China supply chain decoupling; 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 and willingness 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, including the ongoing conflict between Russia and Ukraine, terrorism or public health crises; the impact of sanctions, export controls and other foreign asset or investment restrictions; 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. Should any risks and uncertainties develop into actual events, these developments could have a material adverse effect on the Company. 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 and Additional Information

## 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 operating income, which the Company defines as operating income excluding acquisition and related integration costs, dispositions, intangible amortization, (gains) losses on the sale or disposal of property, plant and equipment, restructuring, severance, impairment and other related costs, non-routine shareholder advisory costs, (income) costs associated with terminated merger, UTIS fire (recoveries) charges, asbestos-related charges (credits), and the related income tax effect on these items;
- (2) Adjusted operating margin, which the Company defines as adjusted operating income as a percentage of total net sales;
- (3) Adjusted operating expenses, which the Company defines as operating expenses excluding acquisition and related integration costs, dispositions, intangible amortization, (gains) losses on the sale or disposal of property, plant and equipment, restructuring, severance, impairment and other related costs, non-routine shareholder advisory costs, (income) costs associated with terminated merger, UTIS fire (recoveries) charges, asbestos-related charges (credits), and the related income tax effect on these items;;
- (4) Adjusted net income, which the Company defines as net income (loss) excluding acquisition and related integration costs, dispositions, intangible amortization, (gains) losses on the sale or disposal of property, plant and equipment, restructuring, severance, impairment and other related costs, non-routine shareholder advisory costs, (income) costs associated with terminated merger, UTIS fire (recoveries) charges, asbestos-related charges (credits), pension settlement charges and the related income tax effect on these items;
- (5) Adjusted earnings per diluted share, which the Company defines as earnings per diluted share excluding acquisition and related integration costs, dispositions, intangible amortization, (gains) losses on the sale or disposal of property, plant and equipment, restructuring, severance, impairment and other related costs, non-routine shareholder advisory costs, (income) costs associated with terminated merger, UTIS fire (recoveries) charges, asbestos-related charges (credits), pension settlement charges, and the related income tax effect on these items, divided by adjusted weighted average shares outstanding - diluted;
- (6) Adjusted EBITDA, which the Company defines as net income (loss) excluding acquisition and related integration costs, dispositions, intangible amortization, (gains) losses on the sale or disposal of property, plant and equipment, restructuring, severance, impairment and other related costs, non-routine shareholder advisory costs, (income) costs associated with terminated merger, UTIS fire (recoveries) charges, asbestos-related charges (credits), pension settlement charges, interest expense, net, income tax expense (benefit), depreciation of fixed assets, equity compensation expense, and the related income tax effect on these items;
- (7) Adjusted EBITDA Margin, which the Company defines as the percentage that results from dividing Adjusted EBITDA by total net sales;
- (8) Free Cash Flow, which the Company defines as net cash provided by (used in) operating activities less non-acquisition capital expenditures.

Management believes adjusted operating income, adjusted operating margin, adjusted operating expenses, adjusted net income, adjusted earnings per diluted share, adjusted EBITDA, adjusted EBITDA margin and free cash flow 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 below.

# Introductions



**Colin Gouveia**

President &  
Chief Executive Officer



**Ram Mayampurath**

Senior Vice President &  
Chief Financial Officer



**Griffin Gappert**

Vice President and  
Chief Technology Officer



# Today's Key Messages

1

Q1 results met guidance expectations, led by higher A&D and industrial sales.

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2

Seeing improved demand in general industrial and other markets. Continuing to expect a gradual recovery into the second half of 2024.

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3

Implemented cost and expense reduction actions, balanced with maintaining ability to capture near-term demand improvements.

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4

Continuing to drive innovation and measured investments in new capacity to support growth plans.

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**Focused On Growth Strategy While  
Driving Near-term Profitability and Cash Flow Improvements**

# Innovation At Rogers

## A History of Innovation

Technology Leadership

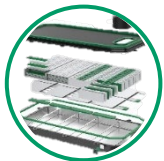
Market Driven

Highly Engineered Materials

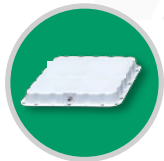
Differentiated Offerings



*Next Generation  
Power Substrates*



*EV Battery Cell  
Pads*



*Antenna  
Miniaturization*



*Next Generation  
ADAS*



*Emerging EV  
Battery Tech*



*Process  
Innovations*

## Accelerating The Innovation Process

### Strengthen Innovation Operating Model

- Scale innovation processes and execution capabilities

### Targeted Multi-Horizon Innovation Strategy

- Extend core business
- Capture emerging opportunities
- Explore future opportunities – leveraging technology

**Building On Our Strong Foundation of Innovation**

# Results Overview

## Q1 2024 SUMMARY

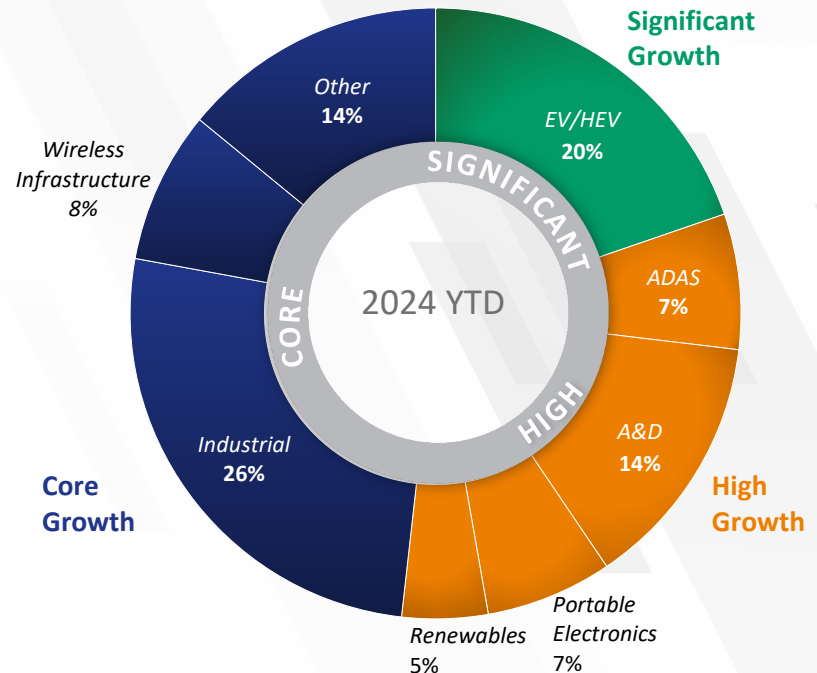
### HIGHLIGHTS

- Stronger A&D demand in AES business from improved program activity
- Industrial market demand appears to have hit bottom and seeing improvement
- Record quarterly EV/HEV sales in EMS business
- New design wins in EV/HEV, renewable energy and portable electronics

### CHALLENGES

- Macro conditions showing improvement, but recovery expected to be gradual
- AES EV/HEV demand impacted by near-term inventory management at key customers
- Unfavorable product mix led to a decline in gross margin

## REVENUE BY MARKET SEGMENT



Percentages may not add due to rounding



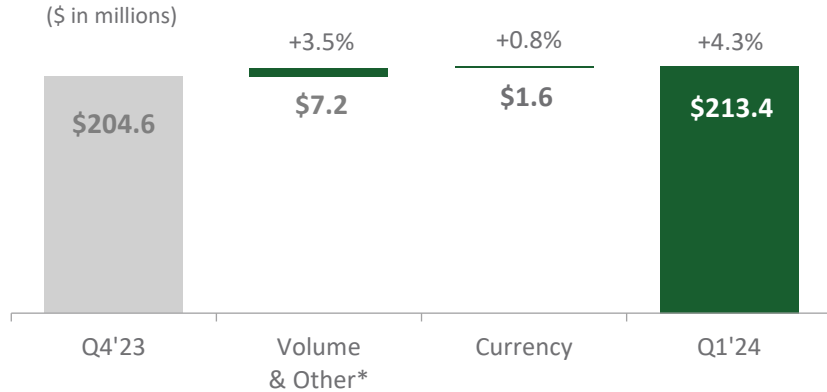
# Q1 2024 Financial Highlights

| (in millions, except for EPS)               | Q1 2024        | Q4 2023        |
|---|----------------|----------------|
| <b>Net Sales</b>                            | <b>\$213.4</b> | <b>\$204.6</b> |
| <b>Gross Margin</b>                         | <b>\$68.2</b>  | <b>\$67.4</b>  |
| Gross Margin %                              | 32.0%          | 32.9%          |
| <b>Operating Income</b>                     | <b>\$11.7</b>  | <b>\$30.5</b>  |
| Operating Margin %                          | 5.5%           | 14.9%          |
| <b>Adjusted Operating Income*</b>           | <b>\$15.9</b>  | <b>\$12.9</b>  |
| Adjusted Operating Margin %*                | 7.5%           | 6.3%           |
| <b>Net Income</b>                           | <b>\$7.8</b>   | <b>\$23.2</b>  |
| Net Income % of Net Sales                   | 3.7%           | 11.3%          |
| <b>Adjusted EBITDA*</b>                     | <b>\$28.3</b>  | <b>\$23.4</b>  |
| Adjusted EBITDA Margin %*                   | 13.3%          | 11.4%          |
| <b>Earnings Per Diluted Share</b>           | <b>\$0.42</b>  | <b>\$1.24</b>  |
| <b>Adjusted Earnings Per Diluted Share*</b> | <b>\$0.58</b>  | <b>\$0.60</b>  |



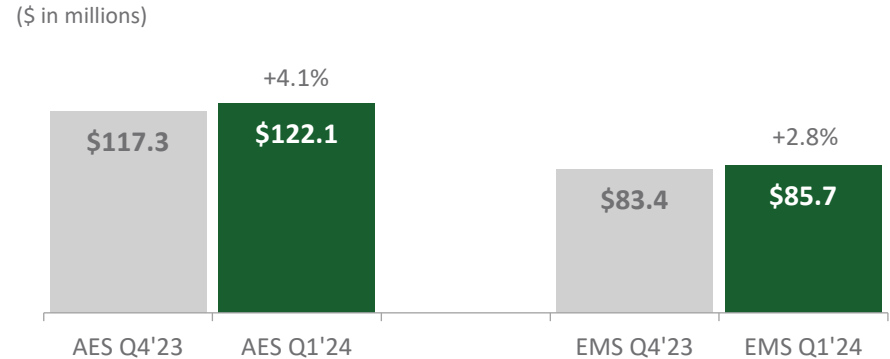
# Q1 2024 Revenue Results

## Consolidated Revenue QoQ



- Revenues of \$213.4 million increased 4.3% versus Q4'23.
- Higher volume primarily from aerospace and defense (A&D) and industrial markets, partially offset by lower AES EV/HEV demand.
- Favorable currency impact primarily from euro and CNY sales.

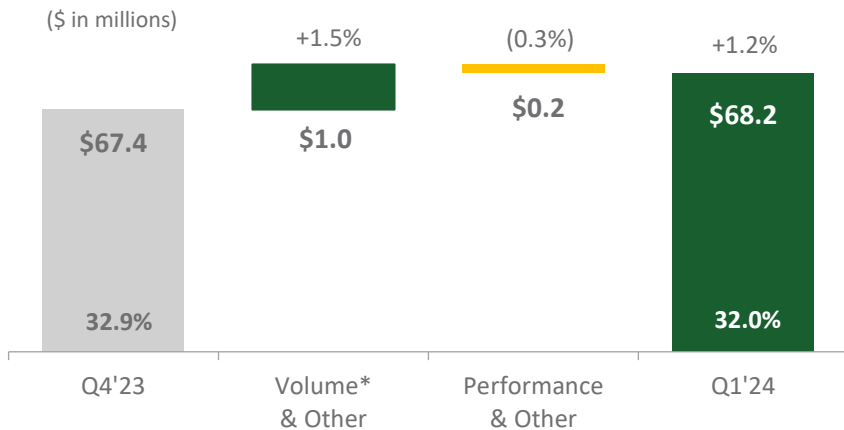
## Revenue By Operating Segment QoQ\*\*



- AES: Higher A&D, wireless infrastructure, industrial and renewable energy sales, partially offset by lower EV/HEV and ADAS sales. Favorable foreign currency \$1.0 million.
- EMS: Higher general industrial, A&D and EV/HEV sales, partially offset by seasonally lower portable electronics sales. Favorable foreign currency of \$0.6 million.

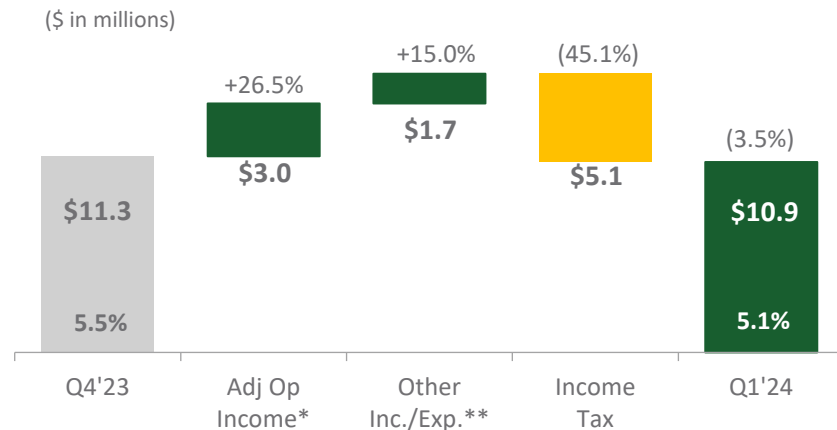
# Q1 2024 Gross Margin and Adjusted Net Income\*

## Gross Margin



- Higher sales volume impacted by unfavorable product mix.
- Cost reduction actions offset by under-utilization in AES from lower EV/HEV production volumes.

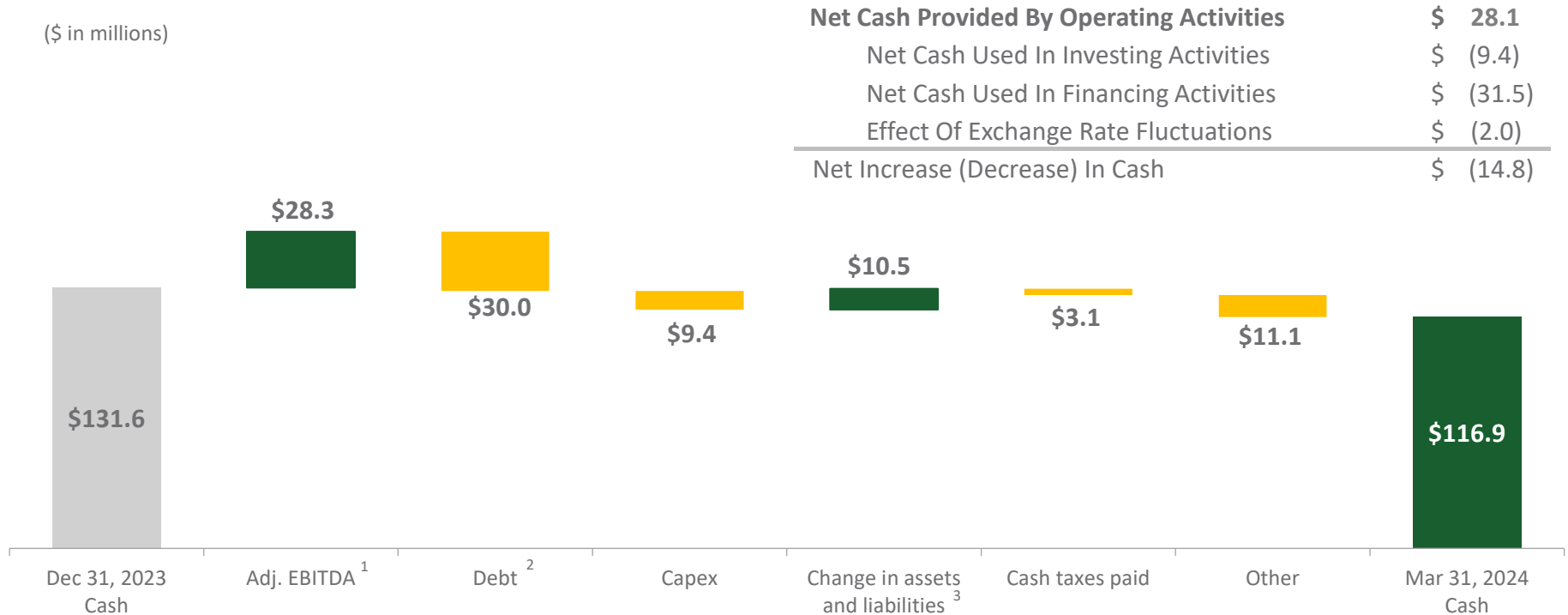
## Adjusted Net Income\*



- Adjusted Op Income\*: Improvement from higher gross profit and lower adjusted operating expenses.
- Other Income/Expense\*\*: Increase due to gains on foreign currency transactions and lower interest expense.

# Cash Utilization

(\$ in millions)



|  |                  |
|--|------------------|
| <b>Net Cash Provided By Operating Activities</b> | <b>\$ 28.1</b>   |
| Net Cash Used In Investing Activities            | \$ (9.4)         |
| Net Cash Used In Financing Activities            | \$ (31.5)        |
| Effect Of Exchange Rate Fluctuations             | \$ (2.0)         |
| <b>Net Increase (Decrease) In Cash</b>           | <b>\$ (14.8)</b> |

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

2 - Represents proceeds from borrowings under revolving credit facility less repayment of debt principal and finance lease obligations.

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

Note: dollars may not add due to rounding.

# Q2 2024 Guidance

Net Sales \$210M - \$220M

Gross Margin 32.5% - 33.5%

Earnings Per Diluted Share \$0.34 - \$0.54

Adjusted Earnings Per Diluted Share\* \$0.50 - \$0.70





# Appendix

# Q1 2024: Adjusted Operating Expenses Reconciliation\*

| (\$ in millions)   | Q1 2024        | Q1 2024       | Q4 2023       | Q4 2023      |
|--|----------------|---------------|---------------|--------------|
| <b>GAAP Operating Expenses and Margin</b>                              | <b>\$56.5</b>  | <b>26.5%</b>  | <b>\$36.8</b> | <b>18.0%</b> |
| Acquisitions and Divestiture Related Costs:                            |                |               |               |              |
| Acquisition and Related Integration Costs                              | -              | -             | -             | -            |
| Dispositions   | -              | -             | (\$1.1)       | (0.5%)       |
| Intangible Amortization  | (\$3.1)        | (1.5%)        | (\$3.3)       | (1.6%)       |
| (Gain) Loss on Sale or Disposal of PPE                                 | -              | -             | \$1.9         | 0.9%         |
| Restructuring, Business Realignment and Other Cost Saving Initiatives: |                |               |               |              |
| Restructuring, Severance, Impairment and Other Related Costs           | (\$1.1)        | (0.5%)        | (\$1.4)       | (0.7%)       |
| Non-Routine Shareholder Advisory Costs                                 | -              | -             | (\$0.6)       | (0.3%)       |
| (Income) Costs Associated with Terminated Merger                       | -              | -             | (\$1.1)       | (0.5%)       |
| Utis Fire (Recoveries) Charges   | -              | -             | \$23.6        | 11.5%        |
| Asbestos Related Charges (Credits)                                     | -              | -             | (\$0.2)       | (0.1%)       |
| <b>Total Adjustments</b>   | <b>(\$4.2)</b> | <b>(2.0%)</b> | <b>\$21.0</b> | <b>10.3%</b> |
| <b>Adjusted Operating Expenses and Margin</b>                          | <b>\$52.3</b>  | <b>24.5%</b>  | <b>\$54.5</b> | <b>26.6%</b> |

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

\*GAAP 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 2024: Adjusted Operating Income and Margin Reconciliation

| (\$ in millions)   | Q1 2024       | Q1 2024     | Q4 2023       | Q4 2023      |
|--|---------------|-------------|---------------|--------------|
| <b>GAAP Operating Income and Margin</b>                                | <b>\$11.7</b> | <b>5.5%</b> | <b>\$30.5</b> | <b>14.9%</b> |
| Acquisitions and Divestiture Related Costs:                            |               |             |               |              |
| Acquisition and Related Integration Costs                              | -             | -           | -             | -            |
| Dispositions   | -             | -           | \$1.1         | 0.5%         |
| Intangible Amortization  | \$3.1         | 1.5%        | \$3.3         | 1.6%         |
| (Gain) Loss on Sale or Disposal of PPE                                 | -             | -           | (\$1.9)       | (0.9%)       |
| Restructuring, Business Realignment and Other Cost Saving Initiatives: |               |             |               |              |
| Restructuring, Severance, Impairment and Other Related Costs           | \$1.1         | 0.5%        | \$1.4         | 0.7%         |
| Non-Routine Shareholder Advisory Costs                                 | -             | -           | \$0.6         | 0.3%         |
| (Income) Costs Associated with Terminated Merger                       | -             | -           | \$1.1         | 0.5%         |
| Utis Fire (Recoveries) Charges   | -             | -           | (\$23.6)      | (11.5%)      |
| Asbestos Related Charges (Credits)                                     | -             | -           | \$0.2         | 0.1%         |
| <b>Total Adjustments</b>   | <b>\$4.2</b>  | <b>2.0%</b> | <b>\$9.5</b>  | <b>8.7%</b>  |
| <b>Adjusted Operating Income and Margin</b>                            | <b>\$15.9</b> | <b>7.5%</b> | <b>\$12.9</b> | <b>6.3%</b>  |

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

# Q1 2024: Segment Adjusted Operating Income and Margin Reconciliation

| (\$ in millions)   | AES<br>Q1 2024 | AES<br>Q1 2024 | EMS<br>Q1 2024 | EMS<br>Q1 2024 |
|--|----------------|----------------|----------------|----------------|
| <b>GAAP Operating Income and Margin</b>                                | <b>\$4.4</b>   | <b>3.6%</b>    | <b>\$5.3</b>   | <b>6.2%</b>    |
| Acquisitions and Divestiture Related Costs:                            |                |                |                |                |
| Acquisition and Related Integration Costs                              | -              | -              | -              | -              |
| Dispositions   | -              | -              | -              | -              |
| Intangible Amortization  | <b>\$0.5</b>   | <b>0.4%</b>    | <b>\$2.6</b>   | <b>3.0%</b>    |
| (Gain) Loss on Sale or Disposal of PPE                                 | -              | -              | -              | -              |
| Restructuring, Business Realignment and Other Cost Saving Initiatives: |                |                |                |                |
| Restructuring, Severance, Impairment and Other Related Costs           | <b>\$0.8</b>   | <b>0.7%</b>    | <b>\$0.3</b>   | <b>0.4%</b>    |
| Non-Routine Shareholder Advisory Costs                                 | -              | -              | -              | -              |
| (Income) Costs Associated with Terminated Merger                       | -              | -              | -              | -              |
| Utis Fire (Recoveries) Charges   | -              | -              | -              | -              |
| Asbestos Related Charges (Credits)                                     | -              | -              | -              | -              |
| <b>Total Adjustments</b>   | <b>\$1.3</b>   | <b>1.1%</b>    | <b>\$2.9</b>   | <b>3.4%</b>    |
| <b>Adjusted Operating Income and Margin</b>                            | <b>\$5.7</b>   | <b>4.7%</b>    | <b>\$8.2</b>   | <b>9.6%</b>    |



# Q1 2024: Adjusted Net Income and Margin Reconciliation

| (\$ in millions)   | Q1 2024       | Q1 2024     | Q4 2023       | Q4 2023       |
|--|---------------|-------------|---------------|---------------|
| <b>GAAP Net Income and Margin</b>                                      | <b>\$7.8</b>  | <b>3.7%</b> | <b>\$23.2</b> | <b>11.3%</b>  |
| Acquisitions and Divestiture Related Costs:                            |               |             |               |               |
| Acquisition and Related Integration Costs                              | -             | -           | -             | -             |
| Dispositions   | -             | -           | \$1.1         | 0.5%          |
| Intangible Amortization  | \$3.1         | 1.5%        | \$3.3         | 1.6%          |
| (Gain) Loss on Sale or Disposal of PPE                                 | -             | -           | (\$1.9)       | (0.9%)        |
| Restructuring, Business Realignment and Other Cost Saving Initiatives: |               |             |               |               |
| Restructuring, Severance, Impairment and Other Related Costs           | \$1.1         | 0.5%        | \$1.4         | 0.7%          |
| Non-Routine Shareholder Advisory Costs                                 | -             | -           | \$0.6         | 0.3%          |
| (Income) Costs Associated with Terminated Merger                       | -             | -           | \$1.1         | 0.5%          |
| Utis Fire (Recoveries) Charges   | -             | -           | (\$23.6)      | (11.5%)       |
| Asbestos Related Charges (Credits)                                     | -             | -           | \$0.2         | 0.1%          |
| Pension Settlement Charges   | -             | -           | \$0.1         | 0.0%          |
| Estimated Income Tax Impact of Adjustments                             | (\$1.1)       | (0.5%)      | \$5.6         | 2.7%          |
| <b>Total Adjustments</b>   | <b>\$3.1</b>  | <b>1.5%</b> | <b>\$12.1</b> | <b>(6.0%)</b> |
| <b>Adjusted Net Income and Margin</b>                                  | <b>\$10.9</b> | <b>5.1%</b> | <b>\$11.3</b> | <b>5.5%</b>   |

# Q1 2024: Adjusted Earnings Per Diluted Share Reconciliation

|  | Q1 2024         | Q4 2023  |
|--|-----------------|----------|
| <b>GAAP Earnings Per Diluted Share</b>                                 | <b>\$0.42</b>   | \$1.24   |
| Acquisitions and Divestiture Related Costs:                            |                 |          |
| Acquisition and Related Integration Costs                              | -               | -        |
| Dispositions   | -               | \$0.06   |
| Intangible Amortization  | <b>\$0.17</b>   | \$0.18   |
| (Gain) Loss on Sale or Disposal of PPE                                 | -               | (\$0.10) |
| Restructuring, Business Realignment and Other Cost Saving Initiatives: |                 |          |
| Restructuring, Severance, Impairment and Other Related Costs           | <b>\$0.06</b>   | \$0.08   |
| Non-Routine Shareholder Advisory Costs                                 | -               | \$0.03   |
| (Income) Costs Associated with Terminated Merger                       | -               | \$0.06   |
| Utis Fire (Recoveries) Charges   | -               | (\$1.26) |
| Asbestos Related Charges (Credits)                                     | -               | \$0.01   |
| Pension Settlement Charges   | -               | \$0.01   |
| Estimated Income Tax Impact of Adjustments                             | <b>(\$0.06)</b> | (\$0.30) |
| <b>Total Adjustments</b>   | <b>\$0.17</b>   | (\$0.64) |
| <b>Adjusted Earnings Per Diluted Share</b>                             | <b>\$0.58</b>   | \$0.60   |

# Q1 2024: Adjusted EBITDA and Margin Reconciliation

| (\$ in millions)   | Q1 2024        | Q4 2023        |
|--|----------------|----------------|
| <b>GAAP Net Income</b>   | <b>\$7.8</b>   | <b>\$23.2</b>  |
| Acquisitions and Divestiture Related Costs:                            |                |                |
| Acquisition and Related Integration Costs                              | -              | -              |
| Dispositions   | -              | \$1.1          |
| Intangible Amortization  | <b>\$3.1</b>   | \$3.3          |
| (Gain) Loss on Sale or Disposal of PPE                                 | -              | (\$1.9)        |
| Restructuring, Business Realignment and Other Cost Saving Initiatives: |                |                |
| Restructuring, Severance, Impairment and Other Related Costs           | <b>\$1.1</b>   | \$1.4          |
| Non-Routine Shareholder Advisory Costs                                 | -              | \$0.6          |
| (Income) Costs Associated with Terminated Merger                       | -              | \$0.7          |
| Utis Fire (Recoveries) Charges   | -              | (\$23.6)       |
| Asbestos Related Charges (Credits)                                     | -              | \$0.2          |
| Pension Settlement Charges   | -              | \$0.1          |
| Interest expense, net  | <b>\$0.8</b>   | \$1.4          |
| Income Tax Expense   | <b>\$3.8</b>   | \$5.4          |
| Depreciation   | <b>\$8.2</b>   | \$7.9          |
| Equity Compensation Expense  | <b>\$3.5</b>   | \$3.4          |
| <b>Adjusted EBITDA</b>   | <b>\$28.3</b>  | <b>\$23.4</b>  |
| Divided by Total Net Sales   | <b>\$213.4</b> | <b>\$204.6</b> |
| <b>Adjusted EBITDA Margin</b>  | <b>13.3%</b>   | <b>11.4%</b>   |

# Q1 2024: Free Cash Flow Reconciliation

| (\$ in millions)                          | Q1 2024       | Q4 2023       |
|---|---------------|---------------|
| Net Cash Provided By Operating Activities | \$28.1        | \$71.9        |
| Non-Acquisition Capital Expenditures      | (\$9.4)       | (\$22.5)      |
| <b>Free Cash Flow</b>                     | <b>\$18.7</b> | <b>\$49.4</b> |

# Q2 2024: Guidance Reconciliation

| (\$ in millions)                    | Q2 2024         |
|-------------------------------------|-----------------|
| GAAP Earnings Per Diluted Share     | \$0.34 – \$0.54 |
| Intangible Amortization             | \$0.13          |
| Other Adjustments                   | \$0.03          |
| Adjusted Earnings Per Diluted Share | \$0.50 - \$0.70 |