ROGERS CORPORATION

Q3 2020 Earnings Call

October 29, 2020

Forward-looking statements

Safe Harbor Statement

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

Non-GAAP Information

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

(1) Adjusted net income, which the Company defines as net income excluding amortization of acquisition intangible assets and discrete items, such as acquisition and related integration costs, environmental accrual adjustment, 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 net income margin excluding interest expense, income tax expense, depreciation and amortization, stock-based compensation, transition services lease income and discrete items;
(5) Adjusted operating expenses, which the Company defines as operating expenses excluding acquisition-related amortization of intangible assets and discrete items above excluding pension settlement charges; and transition services, net;
(6) Adjusted operating income, which the Company defines as operating income excluding acquisition-related amortization of intangible assets and discrete items above excluding pension settlement charges and transition services, net;
(7) Adjusted operating margin, which the Company defines as operating margin excluding acquisition-related amortization of intangible assets and discrete items above excluding pension settlement charges and transition services, net;
(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 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

Q3 2020 Overview

Financials

Results

- Net sales of $202M, increased 5.6% QoQ
- Gross margin of 37.4%, increased 80 basis points QoQ
- Adjusted EPS* of $1.45, increased 28% QoQ

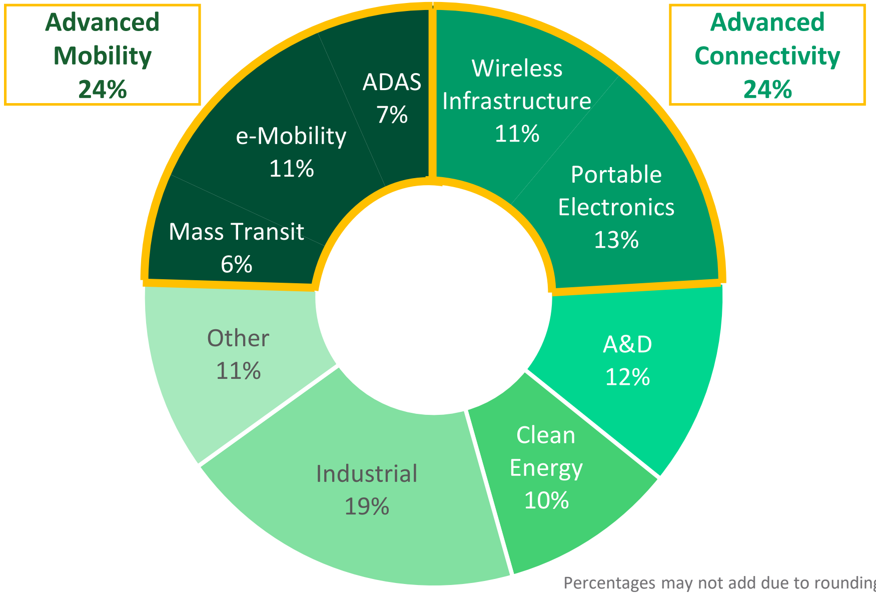
Highlights

- Strong growth in EV/HEV and rebound in ADAS demand
- Growth in portable electronics driven by 5G handsets
- Robust defense sales with new products gaining traction
- Strong gross margin and free cash flow performance

Challenges

- Challenging macro environment continues to temper general industrial, traditional auto and mass transit markets
- Lower wireless infrastructure demand in China due to the impacts of trade restrictions

Revenue by Market Segment - YTD



Percentages may not add due to rounding

Diversified Market Growth and Operational Execution Drives Strong Q3 Results

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

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Market Outlook

Advanced Mobility

- **EV/HEV**: Global demand expected to grow at >35% CAGR and exceed 40M units annually by 2025[1]
- **ADAS:** Market expected to grow at a 15-20% CAGR to 2025[2]

Advanced Connectivity

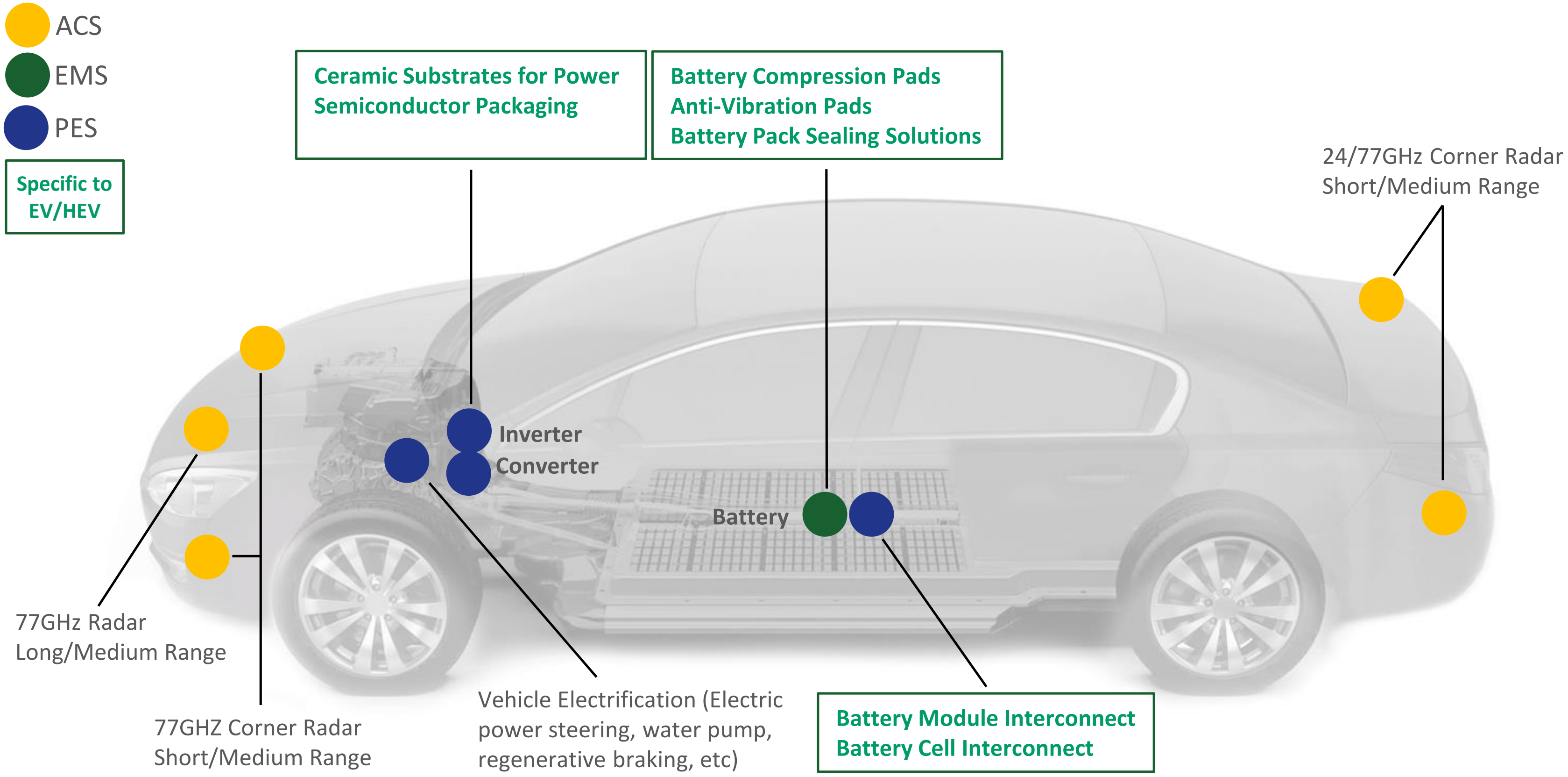
- **Portable Electronics**: 5G smartphones expected to grow at a 35% CAGR to 2025 and total market at a 4% CAGR[3]. Higher content opportunity in 5G smartphones for Rogers' materials.

Other Key Markets

- **Defense**: Growth in technology spending, especially in missile and radar systems, driving near-term and long-term opportunity. Rogers Innovation Centers helping to drive growth with new products.

1 – IHSMarkit July 2020 LVP forecast; 2 - IHSMarkit June 2020 Auto Sensor forecast; 3 - IDC Worldwide Quarterly Mobile Phone Tracker August 2020

Advanced Mobility: Rogers' Product Portfolio



Strategic Priorities

Market-Driven Organization

Innovation Leadership

Operational Excellence

Synergistic M&A

Operational Excellence at Rogers

- Company-wide continuous improvement focus
- Standardized and scalable operating approach that utilizes lean manufacturing to drive improved safety, quality, cost and flexibility
- Global business process improvement to drive operating expense efficiency

Operational Excellence Focus Driving Robust Gross Margin and Cash Flow Performance

Financial Overview

Mike Ludwig, Sr. Vice President and Chief Financial Officer

Q3 2020 Financial Highlights

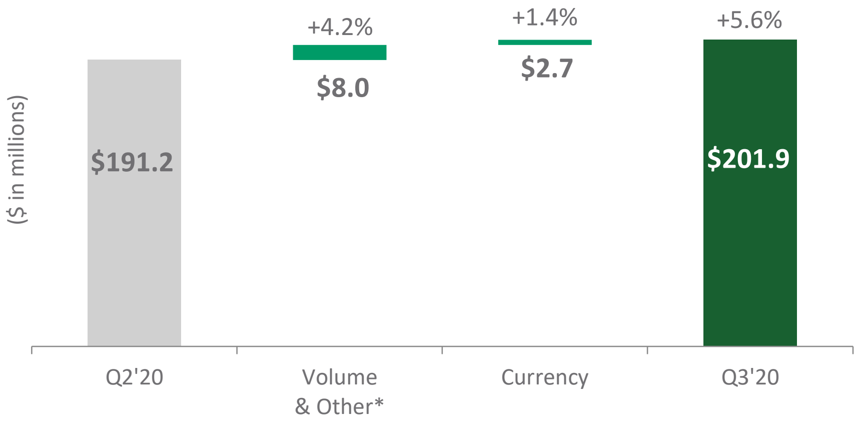
($ in millions, except EPS)	Q3-2020	Q2-2020	Q3-2019
Net sales	**$201.9**	**$191.2**	**$221.8**
Gross margin	**$75.5**	**$70.0**	**$78.9**
Gross margin %	37.4%	36.6%	35.6%
Operating income	**$8.8**	**$21.1**	**$29.9**
Operating margin %	4.4%	11.0%	13.5%
Adjusted operating income*	**$35.0**	**$29.5**	**$36.2**
Adjusted operating margin %*	17.3%	15.4%	16.3%
Net income	**$7.0**	**$14.5**	**$23.4**
Net income % of net sales	3.5%	7.6%	10.5%
Adjusted EBITDA*	**$47.9**	**$42.5**	**$47.4**
Adjusted EBITDA margin %*	23.7%	22.2%	21.4%
EPS	**$0.37**	**$0.78**	**$1.25**
Adjusted EPS*	**$1.45**	**$1.13**	**$1.51**

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.

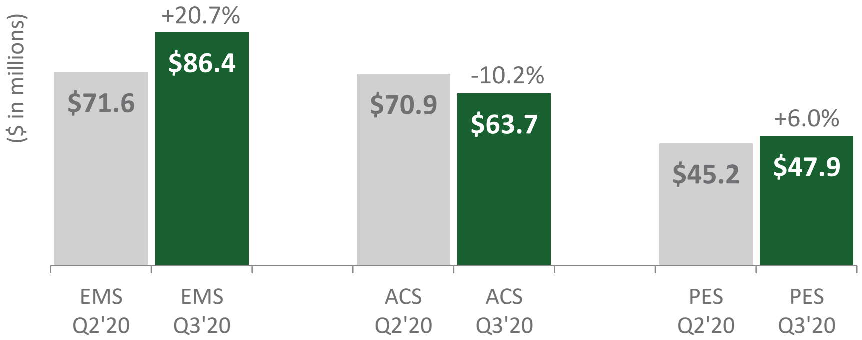
Revenue Results

Consolidated Revenue



- Revenues of $201.9 million; 5.6% sequential growth
- Volume & Other growth driven by higher demand in EMS and PES segments; ACS declined sequentially
- Favorable currency impact from stronger Euro and CNY

Revenue by Business Unit*



- EMS: Strength in portable electronics and EV/HEV batteries
- ACS: Lower wireless infrastructure demand, offset by rebound in ADAS and strong defense sales
- PES: Growth in EV/HEV and renewable energy markets

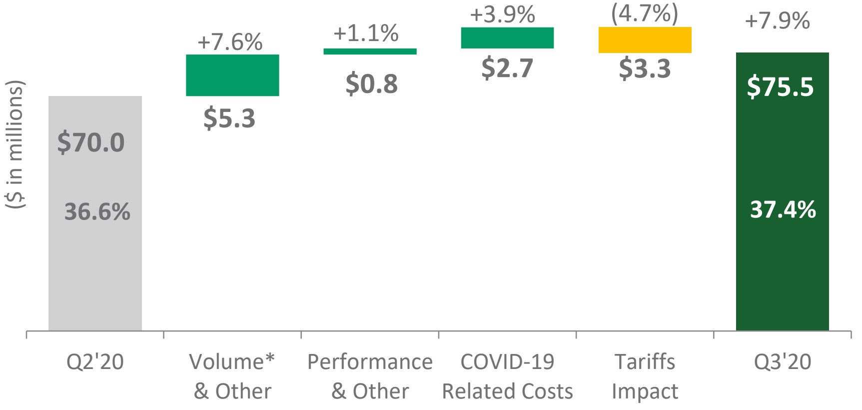
Diverse Portfolio and Key Strategic Markets Enabled Sequential Revenue Growth

*Volume & Other of $8.0 million represents change in volume, price and mix excluding the impact of FX.

*"Other" business unit not included.

Gross Margin and Adjusted Net Income* Results

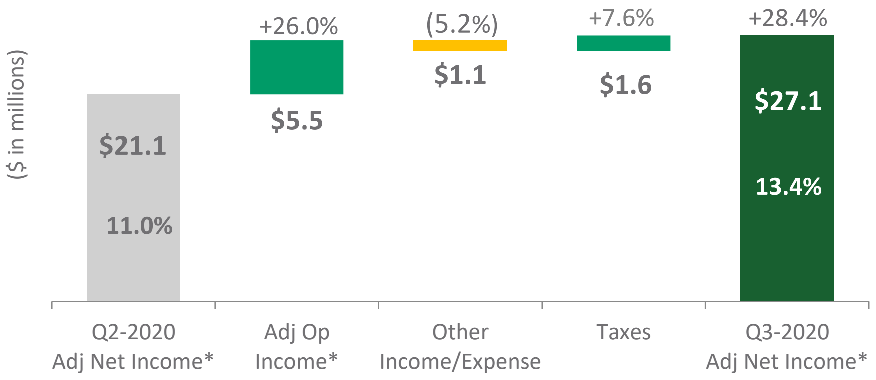
Gross Margin



- Volume & Other: Higher demand and favorable product mix
- Performance: Operational execution from yield/cost savings
- COVID-19 Costs: Termination of related employee benefits
- Tariffs: One-time benefit of previously paid duties in Q2

Volume/Mix Benefit and Improved Operational Performance

Adjusted Net Income*



- Adjusted Op Income*: Gross margin improvement; adjusted operating expenses flat*
- Other income/expense: Swap termination charge partially offset by favorable FX and commodity derivatives
- Taxes: Benefit from utilization of certain tax credits

Strong Gross Margin Performance, Cost Management and Lower Tax Rate

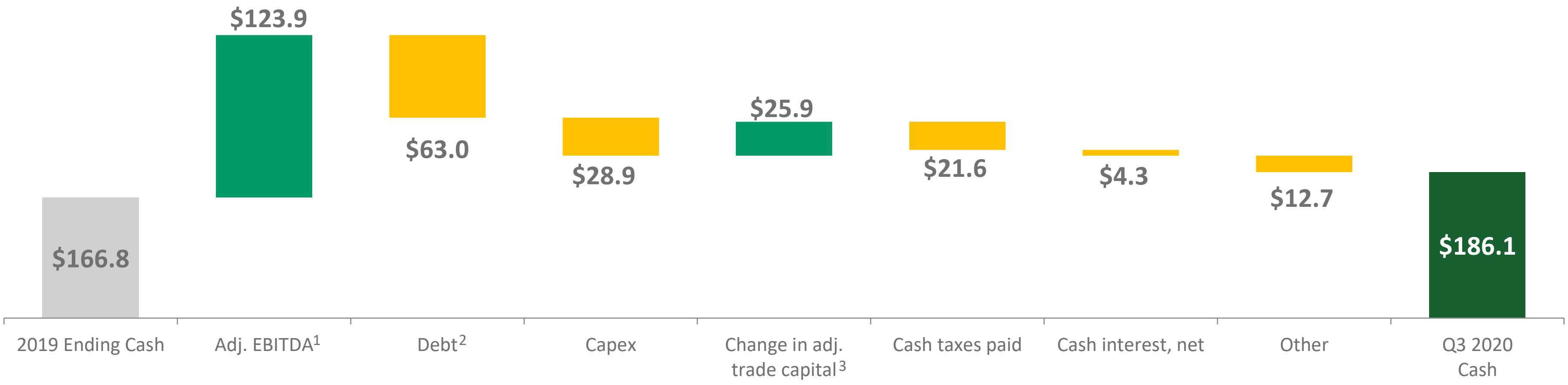
*Volume & Other of $5.3 million represents change in sales volume, price, mix and FX.

*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.

Cash Utilization

($ in millions)

Net cash provided by operating activities	**$113.7M**
Net cash used in investing activities	($28.9M)
Net cash provided by financing activities	($67.0M)
Effect of FX	+$1.6M
Net increase (decrease) in cash	$19.3M



Cash Increased Due to Solid Adjusted EBITDA[1] and Adjusted Trade Capital[2] 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 adjusted trade capital represents change in assets and liabilities, per the statements of cash flows.
Note: percentages and dollars may not add due to rounding

Q4-2020 Guidance

Net sales	$195M - $210M
Gross Margin	37.0% - 38.0%
EPS (Includes non-cash intangible amortization charge*)	$0.50 - $0.70
Adjusted EPS**	$1.30 - $1.50

*Includes $11.7 million of accelerated intangible amortization expense associated with the DSP business
**See reconciliation of adjusted earnings per diluted share to GAAP earnings per diluted share in the appendix.

Appendix

Q3-2020: Adjusted operating margin reconciliation

($ in millions)	Q3-19($)	Q3-19(%)	Q2-20($)	Q2-20(%)	Q3-20($)	Q3-20(%)
GAAP operating margin	$29.9	13.5%	$21.1	11.0%	$8.8	4.4%
Restructuring, severance, impairment and other related costs	$1.3	0.6%	$0.6	0.3%	$10.7	5.3%
Acquisition and related integration costs	$0.5	0.2%	$0.4	0.2%	$0.1	0.1%
Transition services, net	$0.1	0.0%	($0.2)	(0.1%)	-	-
Loss on sale or disposal of property, plant and equipment	-	-	$0.1	0.0%	-	-
Total discrete items	$1.9	0.8%	$0.9	0.5%	$10.8	5.3%
Operating margin adjusted for discrete items	$31.8	14.3%	$22.0	11.5%	$19.6	9.7%
Acquisition intangible amortization	$4.4	2.0%	$7.5	3.9%	$15.4	7.6%
Adjusted operating margin	$36.2	16.3%	$29.5	15.4%	$35.0	17.3%

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

Q3-2020: Adjusted EBITDA and adjusted EBITDA margin reconciliation

($ in millions)	Q3-19($)	Q3-19(%)	Q2-20($)	Q2-20(%)	Q3-20($)	Q3-20(%)
GAAP net income	$23.4	10.5%	$14.5	7.6%	$7.0	3.5%
Interest expense, net	$1.8	0.8%	$1.8	0.9%	$3.6	1.8%
Income tax expense	$5.3	2.4%	$6.4	3.3%	$0.6	0.3%
Depreciation	$7.6	3.4%	$7.4	3.8%	$7.3	3.6%
Amortization	$4.4	2.0%	$7.6	4.0%	$15.4	7.6%
Stock-based compensation expense	$3.2	1.4%	$3.9	2.0%	$3.3	1.6%
Restructuring, severance, impairment and other related costs	$1.3	0.6%	$0.6	0.3%	$10.6	5.3%
Acquisition and related integration costs	$0.5	0.2%	$0.4	0.2%	$0.1	0.1%
Environmental accrual adjustment	-	-	($0.2)	(0.1%)	-	-
Transition services lease income	($0.1)	0.0%	-	-	-	-
Loss on sale or disposal of property, plant and equipment	-	-	$0.1	0.0%	-	-
Adjusted EBITDA	$47.4	21.4%	$42.5	22.2%	$47.9	23.7%

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

Q3-2020: Adjusted EPS reconciliation

	Q3-19 ($)	Q2-20 ($)	Q3-20 ($)
GAAP earnings per diluted share	$1.25	$0.78	$0.37
Restructuring, severance, impairment and other related costs	$0.05	$0.02	$0.43
Acquisition and related integration costs	$0.02	$0.02	$0.01
Environmental accrual adjustment	-	($0.01)	-
Transition services, net	$0.01	-	-
Total discrete items	$0.08	$0.04	$0.44
Earnings per diluted share adjusted for discrete items	$1.33	$0.82	$0.81
Acquisition intangible amortization	$0.18	$0.31	$0.64
Adjusted earnings per diluted share	$1.51	$1.13	$1.45

Note: dollars may not add due to rounding.

Q3-2020: Adjusted net income reconciliation

($ in millions)	Q3-19 ($)	Q3-19(%)	Q2-20($)	Q2-20(%)	Q3-20($)	Q3-20(%)
GAAP Net Income	$23.4	10.5%	$14.5	7.6%	$7.0	3.5%
Restructuring, severance, impairment and other related costs	$1.3	0.6%	$0.6	0.3%	$10.7	5.3%
Acquisition and related integration costs	$0.5	0.2%	$0.4	0.2%	$0.1	0.1%
Environmental accrual adjustment	-	-	($0.2)	(0.1%)	-	-
Transition service, net	$0.1	0.0%	-	-	-	-
Loss on sale or disposal of property, plant and equipment	-	-	$0.1	0.0%	-	-
Acquisition intangible amortization	$4.4	2.0%	$7.5	3.9%	$15.4	7.6%
Income tax effect of non-GAAP adjustments and intangible amortization	($1.5)	(0.6%)	($1.9)	(1.0%)	($6.1)	(3.0%)
Adjusted net income	$28.2	12.7%	$21.1	11.0%	$27.1	13.4%

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

Q3-2020: Adjusted operating expenses reconciliation*

($ in millions)	Q3-19($)	Q3-19(%)	Q2-20($)	Q2-20(%)	Q3-20($)	Q3-20(%)
GAAP operating expenses	$49.0	22.1%	$48.9	25.6%	$66.7	33.0%
Restructuring, severance, impairment and other related costs	($1.3)	(0.6%)	($0.6)	(0.3%)	($10.7)	(5.3%)
Acquisition and related integration costs	($0.5)	(0.2%)	($0.4)	(0.2%)	($0.1)	(0.1%)
Environmental accrual adjustment	-	-	$0.2	0.1%	-	-
Transition services, net	($0.1)	0.0%	-	-	-	-
Loss on sale or disposal of property, plant and equipment	-	-	($0.1)	(0.0%)	-	-
Total discrete items	($1.9)	(0.8%)	($0.9)	(0.5%)	($10.8)	(5.3%)
Operating expenses adjusted for discrete items	$47.1	21.2%	$48.0	25.1%	$55.9	27.7%
Acquisition intangible amortization	($4.4)	(2.0%)	($7.5)	(3.9%)	($15.4)	(7.6%)
Adjusted operating expenses	$42.7	19.2%	$40.4	21.2%	$40.5	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.

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Q3-2020: Free cash flow reconciliation*

($ in millions)	Q3-19($)	Q2-20($)	Q3-20($)
Net cash provided by operating activities	$48.2	$46.3	$58.7
Non-acquisition capital expenditures	($14.8)	($7.0)	($10.8)
Free cash flow	$33.4	$39.3	$47.9

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.

Q4-2020: Guidance reconciliation

	Q4-20 ($)
GAAP earnings per diluted share	$0.50 – $0.70
Discrete items	$0.17
Acquisition intangible amortization (includes non-cash intangible amortization charge*)	$0.63
Adjusted earnings per diluted share	$1.30 - $1.50

Note: dollars may not add due to rounding.
* Includes $11.7 million of accelerated intangible amortization expense associated with the DSP business.