UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 8, 2022

ROGERS CORP ORATION
(Exact name of registrant as specified in its charter)

Massachusetts	**1-4347**	**06-0513860**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2225 W. Chandler Blvd. , Chandler , Arizona 85224
(Address of principal executive offices) (Zip Code)

(480) 917-6000
Registrant’s telephone number, including area code

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $1.00 per share	**ROG**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

Item 7.01 Regulation FD Disclosure.

In a press release dated November 8, 2022, Rogers Corporation (the “Company”) announced its third quarter 2022 results. A copy of that press release is furnished herewith as Exhibit 99.1 and incorporated herein to these Items 2.02 and 7.01 by reference.

In addition, on November 8, 2022, the Company posted a letter to shareholders on the Investor Relations page of the Company's website. A copy of that letter is furnished herewith as Exhibit 99.2 and incorporated by reference into Item 7.01 by reference.

All information in this Form 8-K and the Exhibits attached hereto, including guidance or any other forward-looking statements, speaks as of November 8, 2022, and the Company undertakes no duty to update this information to reflect subsequent events, actual results or changes in the Company’s expectations, unless required by law.

The information in Items 2.02 and 7.01 of this Form 8-K and the Exhibits attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release issued by Rogers Corporation on November 8, 2022.
99.2	Rogers Corporation Shareholder Letter issued on November 8, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		ROGERS CORPORATION
		(Registrant)
Date: November 8, 2022	By:	/s/ Jay B. Knoll
		Jay B. Knoll
		Senior Vice President, Corporate Development, General Counsel and Corporate Secretary

Rogers Corporation Reports Third Quarter 2022 Results

Chandler, Arizona, November 8, 2022: Rogers Corporation (NYSE: ROG) today announced financial results for the third quarter of 2022.

“We are well positioned to move forward as an independent company focused on expanding our leadership in advanced materials solutions for high-growth markets including Hybrid and Electric Vehicles (EV/HEV) and Advanced Driver Assistance Systems (ADAS),” said Bruce D. Hoechner, Rogers' President and CEO. “Over the past year, we have not wavered in our focus on growing our business and implementing our proven strategy for developing innovative solutions and capitalizing on our market opportunities.”

Hoechner added: “While the immediate macroeconomic environment remains challenging, we are steadfast in our commitment to partner with the world’s leading technology firms and manufacturers to deliver cutting-edge materials for next-generation products, while improving margins and maintaining a strong balance sheet. I am confident in our ability to execute our strategy and deliver substantial value to all our stakeholders.”

Financial Overview

GAAP Results	**Q3 2022**	Q2 2022	Q3 2021
Net Sales ($M)	**$247.2**	$252.0	$238.3
Gross Margin	**31.6%**	34.3%	38.5%
Operating Margin	**7.5%**	9.3%	14.2%
Net Income ($M)	**$14.8**	$17.9	$25.1
Net Income Margin	**6.0%**	7.1%	10.5%
Diluted Earnings Per Share	**$0.78**	$0.94	$1.33
Net Cash Provided by Operating Activities	**$13.5**	$2.0	$39.9

Non-GAAP Results[1]	**Q3 2022**	Q2 2022	Q3 2021
Adjusted Operating Margin	**10.8%**	12.1%	17.2%
Adjusted Net Income ($M)	**$21.2**	$23.2	$30.9
Adjusted Earnings Per Diluted Share	**$1.11**	$1.22	$1.64
Adjusted EBITDA ($M)	**$39.7**	$45.4	$54.2
Adjusted EBITDA Margin	**16.0%**	18.0%	22.7%
Free Cash Flow ($M)	**$(20.3)**	$(22.9)	$17.9

Net Sales by Operating Segment *(dollars in millions)*	**Q3 2022**	Q2 2022	Q3 2021
Advanced Electronics Solutions (AES)	**$130.6**	$141.2	$135.0
Elastomeric Material Solutions (EMS)	**$111.0**	$105.1	$98.0
Other	**$5.6**	$5.7	$5.3

1 - A reconciliation of GAAP to non-GAAP measures is provided in the schedules included below

Q3 2022 Summary of Results

Net sales of $247.2 million decreased 1.9% versus the prior quarter resulting from the impact of ongoing global supply challenges, China COVID-related restrictions, regional power outages and unfavorable currency exchange rate fluctuations. AES net sales decreased by 7.5% from lower ADAS, wireless infrastructure and defense market revenue, partially offset by higher EV/HEV market sales. EMS net sales increased by 5.6% primarily resulting from seasonally stronger portable electronics market demand, partially offset by lower EV and automotive market revenue. Currency exchange rates unfavorably impacted total company net sales in the third quarter of 2022 by $4.9 million compared to prior quarter net sales.

Gross margin was 31.6%, compared to 34.3% in the prior quarter. The decrease in gross margin was primarily driven by underutilization charges, stemming from lower AES volume, and unfavorable product mix. To address the decline in gross margin the Company has undertaken a series of actions, including adjusting capacity levels in certain businesses and driving efficiency improvements.

Selling, general and administrative (SG&A) expenses decreased by $5.5 million from the prior quarter to $50.7 million. SG&A expenses declined due to lower employee-related costs and professional service fees.

GAAP operating margin of 7.5% decreased by 180 basis points from the prior quarter, primarily due to the reduction in gross margin, partially offset by lower SG&A. Adjusted operating margin of 10.8% decreased by 130 basis points versus the prior quarter.

GAAP earnings per diluted share were $0.78, compared to earnings per diluted share of $0.94 in the previous quarter. The decrease in GAAP earnings was due to lower operating income, partially offset by a decrease in tax expense. On an adjusted basis, earnings were $1.11 per diluted share compared to adjusted earnings of $1.22 per diluted share in the prior quarter.

Ending cash and cash equivalents were $236.5 million, an increase of $11.1 million versus the prior quarter. The ending cash does not include the termination fee from Dupont of $162.5 million, before taxes and transaction-related fees, received in the fourth quarter. In the third quarter, capital expenditures were $33.8 million and net cash provided by operating activities was $13.5 million.

Additional Information

A shareholder letter accompanying today's release can be accessed on the Rogers Corporation website at https://www.rogerscorp.com/investors. The Company will host a conference call for investors in December and an Investor Day in the first half of 2023 to elaborate on growth prospects, outlook, capital allocation and other aspects of the business.

About Rogers Corporation

Rogers Corporation (NYSE:ROG) is a global leader in engineered materials to power, protect and connect our world. Rogers delivers innovative solutions to help our customers solve their toughest material challenges. Rogers’ advanced electronic and elastomeric materials are used in applications for EV/HEV, automotive safety and radar systems, mobile devices, renewable energy, wireless infrastructure, energy-efficient motor drives, industrial equipment and more. Headquartered in Chandler, Arizona, Rogers operates manufacturing facilities in the United States, Asia and Europe, with sales offices worldwide.

Safe Harbor Statement

Statements included in this release 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 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; continuing disruptions to global supply chains and our ability, or the ability of our suppliers, to obtain necessary product components; 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, the United Kingdom, 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 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 or risks arising from the DuPont Merger; 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.

Investor contact:
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Website address: https://www.rogerscorp.com

(Financial statements follow)

Condensed Consolidated Statements of Operations (Unaudited)

(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	**September 30, 2022**	September 30, 2021
Net sales	**$ 247,231**	$ 238,263	**$ 747,467**	$ 702,434
Cost of sales	**169,167**	146,609	**497,491**	431,448
Gross margin	**78,064**	91,654	**249,976**	270,986
Selling, general and administrative expenses	**50,653**	47,886	**164,496**	135,258
Research and development expenses	**9,140**	7,531	**25,450**	22,195
Restructuring and impairment charges	**373**	1,007	**1,119**	3,260
Other operating (income) expense, net	**(578)**	1,431	**(2,852)**	3,536
Operating income	**18,476**	33,799	**61,763**	106,737
Equity income in unconsolidated joint ventures	**1,162**	1,773	**4,237**	5,884
Pension settlement charges	**—**	(534)	**—**	(534)
Other income (expense), net	**977**	(469)	**1,563**	3,738
Interest expense, net	**(2,942)**	(441)	**(5,559)**	(1,452)
Income before income tax expense	**17,673**	34,128	**62,004**	114,373
Income tax expense	**2,835**	8,999	**12,683**	29,371
Net income	**$ 14,838**	$ 25,129	**$ 49,321**	$ 85,002
Basic earnings per share	**$ 0.79**	$ 1.34	**$ 2.62**	$ 4.54
Diluted earnings per share	**$ 0.78**	$ 1.33	**$ 2.60**	$ 4.51
Shares used in computing:				
Basic earnings per share	**18,818**	18,740	**18,804**	18,727
Diluted earnings per share	**18,999**	18,874	**18,997**	18,831

Condensed Consolidated Statements of Financial Position (Unaudited)

(DOLLARS AND SHARES IN THOUSANDS, EXCEPT PAR VALUE)	**September 30, 2022**	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	**$ 236,461**	$ 232,296
Accounts receivable, less allowance for doubtful accounts of $1,227 and $1,223	**162,929**	163,092
Contract assets	**41,809**	36,610
Inventories	**173,610**	133,384
Prepaid income taxes	**4,008**	1,921
Asbestos-related insurance receivables, current portion	**3,361**	3,176
Other current assets	**15,500**	13,586
Total current assets	**637,678**	584,065
Property, plant and equipment, net of accumulated depreciation of $368,270 and $367,850	**374,984**	326,967
Investments in unconsolidated joint ventures	**12,974**	16,328
Deferred income taxes	**41,873**	32,671
Goodwill	**338,312**	370,189
Other intangible assets, net of amortization	**150,148**	176,353
Pension assets	**5,461**	5,123
Asbestos-related insurance receivables, non-current portion	**55,516**	59,391
Other long-term assets	**8,844**	27,479
Total assets	**$ 1,625,790**	$ 1,598,566
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	**$ 57,200**	$ 64,660
Accrued employee benefits and compensation	**35,978**	48,196
Accrued income taxes payable	**4,046**	9,632
Asbestos-related liabilities, current portion	**4,048**	3,841
Other accrued liabilities	**36,644**	37,620
Total current liabilities	**137,916**	163,949
Borrowings under revolving credit facility	**290,000**	190,000
Pension and other postretirement benefits liabilities	**1,495**	1,618
Asbestos-related liabilities, non-current portion	**60,167**	64,491
Non-current income tax	**8,013**	7,131
Deferred income taxes	**24,599**	29,451
Other long-term liabilities	**13,747**	23,031
Shareholders' equity		
Capital stock - $1 par value; 50,000 authorized shares; 18,812 and 18,730 shares issued and outstanding	**18,812**	18,730
Additional paid-in capital	**165,276**	163,583
Retained earnings	**1,031,146**	981,825
Accumulated other comprehensive loss	**(125,381)**	(45,243)
Total shareholders' equity	**1,089,853**	1,118,895
Total liabilities and shareholders' equity	**$ 1,625,790**	$ 1,598,566

Reconciliation of non-GAAP financial measures to the comparable GAAP measures

Non-GAAP financial measures:

This earnings release 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 margin, which the Company defines as operating margin excluding acquisition-related amortization of intangible assets and discrete items, which are acquisition and related integration costs, gains or losses on the sale or disposal of property, plant and equipment, restructuring, severance, impairment and other related costs, UTIS fire and recovery charges, costs associated with the proposed DuPont acquisition, and the related income tax effect on these items (collectively, “discrete items”);

(2) Adjusted net income, which the Company defines as net income excluding amortization of acquisition intangible assets, pension settlement charges and discrete items;

(3) Adjusted earnings per diluted share, which the Company defines as earnings per diluted share excluding amortization of acquisition intangible assets, pension settlement charges and discrete items divided by adjusted weighted average shares outstanding - diluted;

(4) Adjusted EBITDA, which the Company defines as net income excluding interest expense, net, income tax expense, depreciation and amortization, stock-based compensation expense, pension settlement charges and discrete items;

(5) Adjusted EBITDA Margin, which the Company defines as the percentage that results from dividing Adjusted EBITDA by total net sales;

(6) Free cash flow, which the Company defines as net cash provided by operating activities less non-acquisition capital expenditures.

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

Reconciliation of GAAP operating margin to adjusted operating margin*:

	2022		2021
Operating margin	**Q3**	Q2	Q3
GAAP operating margin	**7.5%**	9.3%	14.2%
Acquisition and related integration costs	**—%**	0.1%	0.4%
Restructuring, severance, impairment and other related costs	**0.5%**	0.4%	0.7%
UTIS fire (recovery)/charges	**(0.2)%**	(0.7)%	0.6%
Costs associated with the proposed DuPont acquisition	**1.4%**	1.4%	—%
Total discrete items	**1.7%**	1.1%	1.7%
Operating margin adjusted for discrete items	**9.2%**	10.4%	15.9%
Acquisition intangible amortization	**1.7%**	1.7%	1.3%
Adjusted operating margin	**10.8%**	12.1%	17.2%

**Percentages in table may not add due to rounding.*

Reconciliation of GAAP net income to adjusted net income:

(amounts in millions)	**2022**		2021
Net income	**Q3**	Q2	Q3
GAAP net income	**$ 14.8**	$ 17.9	$ 25.1
Acquisition and related integration costs	**0.1**	0.1	1.0
Pension settlement charges	**—**	—	0.5
Restructuring, severance, impairment and other related costs	**1.3**	1.0	1.7
UTIS fire (recovery)/charges	**(0.6)**	(1.7)	1.4
Costs associated with the proposed DuPont acquisition	**3.4**	3.4	—
Acquisition intangible amortization	**4.1**	4.2	3.1
Income tax effect of non-GAAP adjustments and intangible amortization	**(2.0)**	(1.7)	(2.0)
Adjusted net income	**$ 21.2**	$ 23.2	$ 30.9

**Values in table may not add due to rounding.*

Reconciliation of GAAP earnings per diluted share to adjusted earnings per diluted share*:

	2022		2021
Earnings per diluted share	**Q3**	Q2	Q3
GAAP earnings per diluted share	**$ 0.78**	$ 0.94	$ 1.33
Acquisition and related integration costs	**—**	—	0.04
Pension settlement charges	**—**	—	0.02
Restructuring, severance, impairment and other related costs	**0.05**	0.04	0.07
UTIS fire (recovery)/charges	**(0.02)**	(0.07)	0.06
Costs associated with the proposed DuPont acquisition	**0.14**	0.14	—
Total discrete items	**$ 0.17**	$ 0.11	$ 0.19
Earnings per diluted share adjusted for discrete items	**0.95**	1.05	1.52
Acquisition intangible amortization	**$ 0.16**	$ 0.17	$ 0.12
Adjusted earnings per diluted share	**$ 1.11**	$ 1.22	$ 1.64

**Values in table may not add due to rounding.*

Reconciliation of GAAP net income to adjusted EBITDA*:

	2022		2021
(amounts in millions)	**Q3**	Q2	Q3
GAAP Net income	**$ 14.8**	$ 17.9	$ 25.1
Interest expense, net	**2.9**	1.5	0.4
Income tax expense	**2.8**	6.1	9.0
Depreciation	**7.3**	8.0	7.0
Amortization	**4.1**	4.2	3.1
Stock-based compensation expense	**3.5**	4.9	4.8
Acquisition and related integration costs	**0.1**	0.1	1.0
Pension settlement charges	**—**	—	0.5
Restructuring, severance, impairment and other related costs	**1.3**	1.0	1.8
UTIS fire (recovery)/charges	**(0.6)**	(1.7)	1.4
Costs associated with the proposed DuPont acquisition	**3.4**	3.4	—
Adjusted EBITDA	**$ 39.7**	$ 45.4	$ 54.2

**Values in table may not add due to rounding.*

Calculation of adjusted EBITDA margin*:

	2022		2021
	Q3	Q2	Q3
Adjusted EBITDA (in millions)	**$ 39.7**	$ 45.4	$ 54.2
Divided by Total Net Sales (in millions)	**247.2**	252.0	238.3
Adjusted EBITDA Margin	**16.0 %**	18.0 %	22.7 %

**Values in table may not add due to rounding.*

Reconciliation of net cash provided by operating activities to free cash flow*:

	2022		2021
(amounts in millions)	**Q3**	Q2	Q3
Net cash provided by operating activities	**$ 13.5**	$ 2.0	$ 39.9
Non-acquisition capital expenditures	**(33.8)**	(25.0)	(22.0)
Free cash flow	**$ (20.3)**	$ (22.9)	$ 17.9

**Values in table may not add due to rounding.*

# # # #

Exhibit 99.2

Dear Fellow Stockholders,

We want to take this opportunity to communicate our expectations as we look toward the future, following the terminated DuPont transaction. We are investing to capture growth opportunities that are happening now, and our key market drivers are gaining momentum. The relationships we have with our customers are deep and fruitful and our innovations continue to reflect the most exciting breakthroughs in material science. While we are continuing to sharpen our operational focus and manage through the same macroeconomic challenges and uncertainties that all global companies are facing, we are starting this next chapter with a strong foundation and exciting prospects for future growth.

Throughout Rogers' 190-year heritage we have been a leader in advanced materials-based solutions that enable our customers to solve difficult challenges and achieve growth. These solutions have evolved over the years, and today we are a global provider of engineered materials used in electric and hybrid electric vehicles (EV/HEV), advanced driver assistance systems (ADAS), clean energy systems, 5G smartphones and other advanced industrial technologies. Our journey reflects Rogers' fundamental strengths in innovation and customer collaboration, as well as our ability to take leadership positions in established and fast-growing markets by anticipating and adapting to industry trends.

Like other inflection points in our history, Rogers is focused on taking advantage of this opportunity. Today, our addressable markets are larger than ever, and our extensive product portfolio remains highly compelling to customers across end-markets. We have clear competitive differentiation and strong leadership positions, and are taking strategic actions to improve profitability. We are well positioned to grow revenue, manage through near-term headwinds and deliver sustainable value to shareholders. We're excited about the path ahead.

Path Forward

We have not wavered in our commitment to implementing our strategic plan, even during the course of the last year. Our whole team is energized to advance our business and prioritizing the following pillars of our strategic plan:

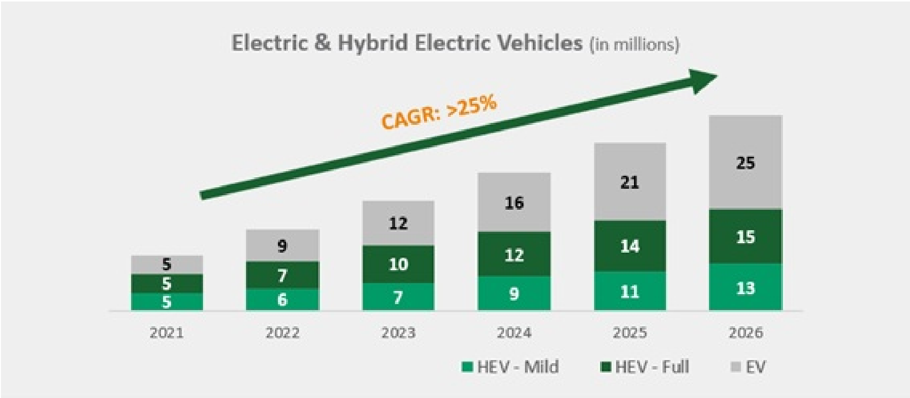
- Market Driven: aligning the organization with high-growth markets
- Innovation Leadership: leveraging market-driven innovation for new applications
- Operational Excellence: driving profitability improvements in a complex macro environment
- Strategic M&A: augmenting growth across the business

As we execute on our strategy – investing in high-value growth opportunities to profitably expand the business – we expect to double our annual revenues over the next five years.

High Growth Markets

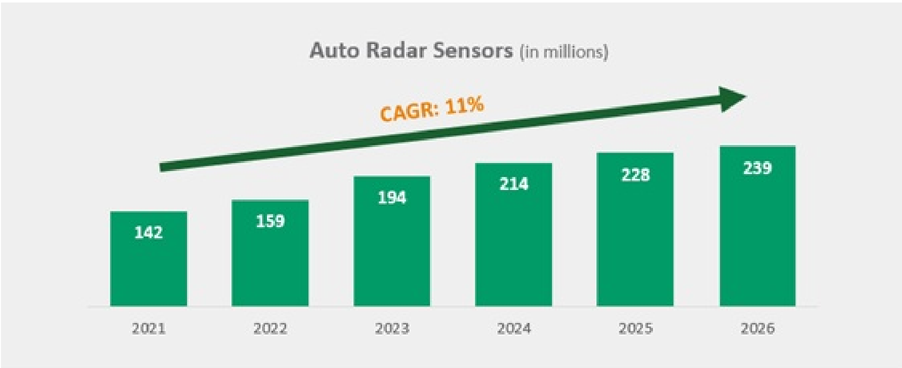
Our strategic positioning in significant emerging markets will continue to fuel growth as we reap the benefits of our technological innovation and strong partnerships with leading players in the automotive, clean energy, consumer electronics and other industries. We expect these markets to continue to be a key catalyst for our sales growth over the next several years.

- We are especially well positioned in the electric vehicle market, which is expected to see a greater than 25% CAGR through 2025 and account for 57% of global auto production in 2026, up from 19% in 2021. We have multiple content opportunities in EV/HEV, including battery cell pads and related solutions, ceramic substrates and power interconnects. These offerings solve some of our customers' most complex challenges and improve vehicle efficiency and performance. We continue to see robust customer traction across our solutions, driven by design wins with some of the most recognizable names in the industry and emerging EV leaders who are ramping their production volumes. These wins continue to add to our strong market position and helped drive our year-to-date EV/HEV product sales growth 40% over the prior year. We continue to invest aggressively to capitalize on EV/HEV opportunities.



Source: IHS Markit Light Vehicle Forecast, Sep 2022

Global automobile production continues to rebound. At the same time, automakers are further enhancing ADAS features, propelled by consumer demand, regulatory requirements and commitments by automakers. These trends, combined with the growing demand for increasing levels of vehicle autonomy, are expected to grow at a low double-digit CAGR over the next five years. Our advanced laminate materials are key enablers of radar sensors that detect objects on the road and are the foundation for autonomous driving systems. Importantly, we continue to build on our current position with new design wins, including those for next-generation automotive radar systems.



Source: IHS Markit Auto Sensor Forecast, Aug 2022

We are also investing for the future in other growing markets such as clean energy, portable electronics and defense. We have multiple content opportunities in the attractive clean energy market; the combined solar and wind market is expected to grow at a >10% CAGR over the next five years. For the portable electronics market, sales of 5G smartphones, which have significant content opportunities for Rogers' elastomeric materials, are expected to grow at a mid-teens CAGR over the next five years. And the longer-term outlook in the defense market continues to be promising as increased funding for advanced radar systems is expected to drive greater demand for Rogers' high performance circuit materials.

Innovation

Innovation is a key competitive advantage for Rogers and the foundation of our leadership position across markets. Our expertise in material science and ability to work with our customers through integrated engineer-to-engineer relationships enable us to create best-in-class solutions that meet their most critical needs. We have continued to invest strategically in our research and development capabilities to ensure we stay in lockstep with customers as they navigate complex and rapidly changing markets. The results of our investments in innovation are evident in the quality of design wins we've received this past year across many parts of our business, including EV battery cell pads, ceramic substrates used in power semiconductor packaging, power interconnects and next-generation ADAS technology. We will continue to leverage our R&D centers around the globe, as well as our partnerships with universities and other research institutions, to further expand our product pipeline in an efficient and cost-effective manner and maintain our competitive differentiation.

Operational Excellence

To improve profitability – a top priority for us – we have implemented a number of strategic actions to sharpen our operational focus and ensure we can successfully manage through this complex and uncertain macroeconomic environment, the largest contributor to the profitability challenges we have faced and are continuing to experience today. Key actions and priorities to improve margins in the coming quarters include:

- Manufacturing optimization, including adjusting capacity in certain businesses to reflect current demand levels, optimizing our output and factory footprint, moving manufacturing closer to key end markets.
- Driving efficiencies, including making process improvements, implementing new technologies and automation to improve throughput and optimizing equipment efficiency to maximize capacity yield across the network.
- Improving supply chain efficiency, including improved sourcing of raw materials, driving logistics savings and becoming vertically integrated where it makes sense.

Taken together, these actions will help us improve visibility and profitability in the near term, while macro conditions remain an ongoing challenge, and return to historic levels of profitability over time as conditions improve.

Strong Balance Sheet and Capital Allocation

While we are managing costs and improving operational excellence, our strong balance sheet enables us to continue investing to capitalize on the exciting market opportunities in front of us, just as we have been for the past several years.

For example, in 2022 we continue to invest in new manufacturing lines for our advanced battery cell pad technologies. When fully ramped in 2023, this will significantly increase our existing PORON® capacity, enabling us to capture the growing demand in the global EV/HEV market.

We have also invested in expanding capacity at existing facilities, including for our ceramic substrate technology, where we are driving productivity and efficiency improvements that will allow us to meet the sharp increase in power semiconductor packaging demand that is expected over the next several years.

Additionally, strategic M&A will remain an important piece of our growth strategy. We will continue to look for opportunities to expand our capabilities and product portfolio through synergistic acquisitions in our key global markets. As an example, in 2021 we completed the acquisition of Silicone Engineering, a leading European manufacturer of silicone material solutions, which expanded our portfolio and silicone footprint in Europe.

The ongoing organic investments, coupled with M&A opportunities, are our priority and will help us maintain our leadership positions, strategically accelerate our topline growth and generate value for shareholders.

Rogers' Future

In conclusion, we have a clear strategy in place to manage through the macroeconomic headwinds, improve profitability and continue to gain share in attractive and fast-growing markets. By executing on our strategic plan, we expect to double our revenue in the next five years and generate sustainable, long-term value for our shareholders. We plan to host an investor and analyst call in December and an Investor Day in the first half of 2023 to elaborate on our growth prospects, outlook, capital allocation and other aspects of our business. We are excited about the path ahead and look forward to delivering on the opportunity of Rogers in the future.

Regards,
Bruce D. Hoechner
President and CEO

Forward Looking Statements

This letter contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect Rogers' current expectations and projections with respect to, among other things, its financial condition, results of operations, plans, objectives, future performance, and business. These statements may be preceded by, followed by or include the words "aim," "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "outlook," "plan," "potential," "project," "projection," "seek," "can," "could," "may," "should," "would," "will," the negatives thereof and other words and terms of similar meaning. Forward-looking statements include all statements that are not historical facts. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Among these factors are risks related to the "Risk Factors" identified in our Annual Report on Form 10-K for 2021 and our Quarterly Report on Form 10-Q for the third quarter of 2022. There is no assurance that any forward-looking statements will materialize. You are cautioned not to place undue reliance on forward-looking statements, which reflect expectations only as of this date. Rogers does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise.