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DELTA REPORT

10-Q

ROG - ROGERS CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1550
CHANGES	197
DELETIONS	588
ADDITIONS	765

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023 March 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______________ to _______________

Commission file number 1-4347

ROGERS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Massachusetts	**06-0513860**
(State or Other Jurisdiction of Incorporation or Organization)	(I. R. S. Employer Identification No.)

2225 W. Chandler Blvd., Chandler, Arizona 85224-6155
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(480) 917-6000**

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 Capital Stock, par value $1.00 per share	**ROG**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's capital stock as of October 23, 2023 April 22, 2024 was 18,616,519. 18,656,607.

ROGERS CORPORATION
FORM 10-Q

September 30, 2023 March 31, 2024

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Part I – Financial Information

Part II – Other Information

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. 1934, as amended. Refer to "Forward-Looking Statements" in Item 2, Management's Discussion and Analysis of Results of Operations and Financial Position for additional information.

ROGERS CORPORATION
Defined Terms(1)

Term	Definition
4th Amended Credit Agreement	4th Amended and Restated Credit Agreement, dated as of October 16, 2020, among Rogers Corporation, the lenders from time to time party hereto, JPMorgan Chase Bank, N.A., as Administrative Agent and HSBC Bank USA, National Association, Citibank, N.A., Citizens Bank, N.A., PNC Bank, National Association, Wells Fargo Bank, as Co-Syndication Agents
5th Amended Credit Agreement	5th Amended and Restated Credit Agreement, dated as of March 24, 2023, among Rogers Corporation, the lenders from time to time party hereto, JPMorgan Chase Bank, N.A., as Administrative Agent and HSBC Bank USA, National Association, Wells Fargo Bank, National Association, Citibank, N.A. and Citizens Bank, N.A., as Co-Syndication Agents
ADAS	Advanced driver assistance systems
AES	Advanced Electronics Solutions
APAC	Asia - Pacific
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
EMEA	Europe, the Middle East and Africa
EMS	Elastomeric Material Solutions
ESPP	Employee Stock Purchase Plan
EURIBOR	Euro Interbank Offered Rate
EV	Electric vehicles
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
GAAP	Accounting principles generally accepted in the United States
HEV	Hybrid electric vehicles
LIBOR	London Interbank Offered Rate
NYFRB	Federal Reserve Bank of New York
OECD	Organization for Economic Co-operation and Development
R&D	Research and development
RIC	Rogers Inoac Corporation
RIS	Rogers Inoac Suzhou Corporation
SEC	U.S. Securities and Exchange Commission
SG&A	Selling, general and administrative
SOFR	Secured Overnight Financing Rate
SONIA	Sterling Overnight Index Average
TIBOR	Tokyo Interbank Offered Rate
Union Plan	Rogers Corporation Employees' Pension Plan
U.S.	United States of America

(1)Certain terms used within this Form 10-Q are defined in the table above.

Part I – Financial Information

Item 1. Financial Statements

ROGERS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(Dollars and shares in thousands, millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Net sales	**$ 229,148**	$ 247,231	**$ 703,816**	$ 747,467
Cost of sales	**148,788**	169,167	**464,138**	497,491
Gross margin	**80,360**	78,064	**239,678**	249,976

Selling, general and administrative expenses	**44,336**	50,653	**150,549**	164,496
Research and development expenses	**7,827**	9,140	**25,511**	25,450
Restructuring and impairment charges	**1,921**	373	**16,361**	1,119
Other operating (income) expense, net	**(846)**	(578)	**(7,507)**	(2,852)
Operating income	**27,122**	18,476	**54,764**	61,763
Equity income in unconsolidated joint ventures	**641**	1,162	**1,559**	4,237
Other income (expense), net	**761**	977	**9**	1,563
Interest expense, net	**(2,328)**	(2,942)	**(8,627)**	(5,559)
Income before income taxes	**26,196**	17,673	**47,705**	62,004
Income tax expense (benefit)	**7,161**	2,835	**14,311**	12,683
Net income	**$ 19,035**	$ 14,838	**$ 33,394**	$ 49,321
Basic earnings per share	**$ 1.02**	$ 0.79	**$ 1.79**	$ 2.62
Diluted earnings per share	**$ 1.02**	$ 0.78	**$ 1.79**	$ 2.60
Shares used in computing:				
Basic earnings per share	**18,627**	18,818	**18,619**	18,804
Diluted earnings per share	**18,685**	18,999	**18,668**	18,997

The accompanying notes are an integral part of the condensed consolidated financial statements.

ROGERS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

(Dollars in thousands)

	Three Months Ended		**Nine Months Ended**	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Net income	**$ 19,035**	$ 14,838	**$ 33,394**	$ 49,321
Foreign currency translation adjustment	**(17,906)**	(35,035)	**(3,860)**	(80,383)
Pension and other postretirement benefits:				
Actuarial net loss incurred, net of tax (Note 4)	**—**	—	**—**	(15)
Amortization of loss, net of tax (Note 4)	**93**	87	**280**	260
Other comprehensive income (loss)	**(17,813)**	(34,948)	**(3,580)**	(80,138)
Comprehensive income (loss)	**$ 1,222**	$ (20,110)	**$ 29,814**	$ (30,817)

	Three Months Ended	
	March 31, 2024	March 31, 2023
Net sales	**$ 213.4**	$ 243.8
Cost of sales	**145.2**	164.1
Gross margin	**68.2**	79.7
Selling, general and administrative expenses	**47.5**	60.1
Research and development expenses	**8.9**	9.6

Restructuring and impairment charges	**0.1**	10.5
Other operating (income) expense, net	**—**	(0.2)
Operating income (loss)	**11.7**	(0.3)
Equity income in unconsolidated joint ventures	**0.3**	0.1
Other income (expense), net	**0.4**	0.1
Interest expense, net	**(0.8)**	(3.5)
Income (loss) before income taxes	**11.6**	(3.6)
Income tax expense (benefit)	**3.8**	(0.1)
Net income (loss)	**$ 7.8**	$ (3.5)
Basic earnings (loss) per share	**$ 0.42**	$ (0.19)
Diluted earnings (loss) per share	**$ 0.42**	$ (0.19)
Shares used in computing:		
Basic earnings (loss) per share	**18.6**	18.6
Diluted earnings (loss) per share	**18.7**	18.6

The accompanying notes are an integral part of the condensed consolidated financial statements.

ROGERS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION COMPREHENSIVE INCOME (LOSS)

(Unaudited)

(Dollars and shares in thousands, except par value)

millions)

	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	**$ 126,455**	$ 235,850
Accounts receivable, less allowance for credit losses of $1,147 and $1,007	**185,750**	177,413
Contract assets	**46,476**	38,853
Inventories	**157,073**	182,402
Prepaid income taxes	**3,337**	4,042
Asbestos-related insurance receivables, current portion	**3,881**	3,881
Other current assets	**31,825**	17,426
Total current assets	**554,797**	659,867
Property, plant and equipment, net of accumulated depreciation of $391,898 and $381,584	**341,696**	358,415
Investments in unconsolidated joint ventures	**10,346**	14,082
Deferred income taxes	**58,922**	50,649
Goodwill	**352,214**	352,365
Other intangible assets, net of amortization	**124,496**	133,724
Pension assets	**5,523**	5,251
Asbestos-related insurance receivables, non-current portion	**55,926**	55,926
Other long-term assets	**16,946**	15,935

Total assets	**$ 1,520,866**	$ 1,646,214
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	**$ 46,852**	$ 57,342
Accrued employee benefits and compensation	**33,778**	34,158
Accrued income taxes payable	**7,018**	5,504
Asbestos-related liabilities, current portion	**4,968**	4,968
Finance lease obligations, current portion	**345**	498
Other accrued liabilities	**23,176**	40,067
Total current liabilities	**116,137**	142,537
Borrowings under revolving credit facility	**80,000**	215,000
Pension and other postretirement benefits liabilities	**1,618**	1,501
Asbestos-related liabilities, non-current portion	**59,739**	60,065
Finance lease obligations, non-current portion	**1,147**	1,295
Non-current income tax	**9,560**	9,985
Deferred income taxes	**23,720**	23,557
Other long-term liabilities	**18,333**	19,808
Commitments and contingencies (Note 10 and Note 12)		
Shareholders' equity		
Capital stock - $1 par value; 50,000 authorized shares; 18,616 and 18,574 shares issued and outstanding	**18,616**	18,574
Additional paid-in capital	**148,992**	140,702
Retained earnings	**1,131,848**	1,098,454
Accumulated other comprehensive loss	**(88,844)**	(85,264)
Total shareholders' equity	**1,210,612**	1,172,466
Total liabilities and shareholders' equity	**$ 1,520,866**	$ 1,646,214

	Three Months Ended	
	March 31, 2024	March 31, 2023
Net income (loss)	**$ 7.8**	$ (3.5)
Foreign currency translation adjustment	**(9.2)**	9.7
Pension and other postretirement benefits:		
Amortization of loss, net of tax (Note 2)	**0.1**	—
Other comprehensive income (loss)	**(9.1)**	9.7
Comprehensive income (loss)	**$ (1.3)**	$ 6.2

The accompanying notes are an integral part of the condensed consolidated financial statements.

ROGERS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FINANCIAL POSITION

(Unaudited)

(Dollars and shares in thousands) millions, except par value)

	Nine Months Ended

		September 30, 2023		September 30, 2022
Operating Activities:				
Net income	**$**	**33,394**	$	49,321
Adjustments to reconcile net income (loss) to cash provided by operating activities:				
Depreciation and amortization		**39,823**		34,352
Equity compensation expense		**10,874**		11,576
Deferred income taxes		**(8,297)**		(14,076)
Equity in undistributed income of unconsolidated joint ventures		**(1,559)**		(4,237)
Dividends received from unconsolidated joint ventures		**4,254**		4,677
Pension and other postretirement benefits		**205**		23
Gain on sale of business		**(704)**		—
(Gain) loss on sale or disposal of property, plant and equipment		**(679)**		(15)
Impairment charges		**—**		212
UTIS fire fixed asset and inventory write-offs		**—**		199
Provision (benefit) for credit losses		**124**		331
Changes in assets and liabilities:				
Accounts receivable		**(17,531)**		(23,759)
Proceeds from insurance/government subsidies related to operations		**5,705**		1,153
Contract assets		**(8,635)**		(9,320)
Inventories		**22,427**		(47,500)
Pension and postretirement benefit contributions		**(9)**		(141)
Other current assets		**2,075**		(4,919)
Accounts payable and other accrued expenses		**(20,205)**		(12,083)
Other, net		**(1,740)**		16,040
Net cash provided by operating activities		**59,522**		1,834
Investing Activities:				
Acquisition of business, net of cash received		**—**		(1,300)
Disposition of business		**1,693**		—
Capital expenditures		**(34,539)**		(87,000)
Proceeds from the sale of property, plant and equipment, net		**745**		7,252
Proceeds from insurance claims		**1,755**		—
Net cash used in investing activities		**(30,346)**		(81,048)
Financing Activities:				
Proceeds from borrowings under revolving credit facility		**—**		100,000
Repayment of debt principal and finance lease obligations		**(135,328)**		(202)
Line of credit issuance costs		**(1,742)**		—
Payments of taxes related to net share settlement of equity awards		**(2,542)**		(10,751)
Proceeds from issuance of shares to employee stock purchase plan		**—**		950
Net cash provided by (used in) financing activities		**(139,612)**		89,997
Effect of exchange rate fluctuations on cash		**1,041**		(6,618)
Net increase (decrease) in cash and cash equivalents		**(109,395)**		4,165
Cash and cash equivalents at beginning of period		**235,850**		232,296
Cash and cash equivalents at end of period	**$**	**126,455**	$	236,461

Supplemental Disclosures:		
Accrued capital additions	**$ 2,493**	$ 9,330
Cash paid during the year for:		
Interest, net of amounts capitalized	**$ 8,851**	$ 5,491
Income taxes	**$ 6,261**	$ 19,617

	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	**$ 116.9**	$ 131.7
Accounts receivable, less allowance for credit losses of $1.0 and $1.1	**159.2**	161.9
Contract assets	**40.3**	45.2
Inventories, net	**150.9**	153.5
Asbestos-related insurance receivables, current portion	**4.3**	4.3
Other current assets	**29.8**	30.3
Total current assets	**501.4**	526.9
Property, plant and equipment, net of accumulated depreciation of $386.2 and $385.7	**363.4**	366.3
Operating lease right-of-use assets	**18.6**	18.9
Goodwill	**357.2**	359.8
Other intangible assets, net of amortization	**120.3**	123.9
Asbestos-related insurance receivables, non-current portion	**52.2**	52.2
Investments in unconsolidated joint ventures	**10.9**	11.1
Deferred income taxes	**55.7**	49.7
Other long-term assets	**8.3**	8.4
Total assets	**$ 1,488.0**	$ 1,517.2
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	**$ 51.7**	$ 50.3
Accrued employee benefits and compensation	**29.5**	31.1
Accrued income taxes payable	**7.3**	2.0
Operating lease obligations, current portion	**3.8**	3.5
Asbestos-related liabilities, current portion	**5.5**	5.5
Other accrued liabilities	**19.2**	24.0
Total current liabilities	**117.0**	116.4
Borrowings under revolving credit facility	**—**	30.0
Operating lease obligations, non-current portion	**15.1**	15.4
Asbestos-related liabilities, non-current portion	**56.0**	56.0
Non-current income tax	**7.2**	7.2
Deferred income taxes	**22.7**	22.9
Other long-term liabilities	**10.2**	10.3
Commitments and contingencies (Note 6 and Note 10)		
Shareholders' equity		
Capital stock - $1 par value; 50.0 authorized shares; 18.7 and 18.6 shares issued and outstanding	**18.7**	18.6
Additional paid-in capital	**153.8**	151.8
Retained earnings	**1,162.8**	1,155.0

Accumulated other comprehensive loss	**(75.5)**	(66.4)
Total shareholders' equity	**1,259.8**	1,259.0
Total liabilities and shareholders' equity	**$ 1,488.0**	$ 1,517.2

The accompanying notes are an integral part of the condensed consolidated financial statements.

ROGERS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited)

(Dollars and shares in thousands) millions)

	Three Months Ended		Nine Months Ended	
	Three Months Ended			
	Three Months Ended			
	March 31, 2024			
	March 31, 2024			
	March 31, 2024			
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Capital Stock				
Capital Stock				
Capital Stock				
Capital Stock				
Balance, beginning of period				
Balance, beginning of period				
Balance, beginning of period				
Shares issued for vested restricted stock units, net of shares withheld for taxes				
Shares issued for vested restricted stock units, net of shares withheld for taxes				
Shares issued for vested restricted stock units, net of shares withheld for taxes				
Shares repurchased				
Shares repurchased				
Shares repurchased				
Balance, end of period				
Balance, end of period				
Balance, end of period				
Additional Paid-In Capital				
Additional Paid-In Capital				
Additional Paid-In Capital				
Balance, beginning of period				
Balance, beginning of period				

Balance, beginning of period	Balance, beginning of period	**$ 18,616**	$ 18,811	**$ 18,574**	$ 18,730
Shares issued for vested restricted stock units, net of shares withheld for taxes	Shares issued for vested restricted stock units, net of shares withheld for taxes	**—**	1	**35**	69
Shares issued for employee stock purchase plan		**—**	—	**—**	6
Shares issued to directors		**—**	—	**7**	7
Shares issued for vested restricted stock units, net of shares withheld for taxes					
Shares issued for vested restricted stock units, net of shares withheld for taxes					
Balance, end of period		**18,616**	18,812	**18,616**	18,812
Additional Paid-In Capital					
Balance, beginning of period		**145,219**	161,885	**140,702**	163,583
Shares issued for vested restricted stock units, net of shares withheld for taxes		**(29)**	(129)	**(2,577)**	(10,820)
Shares issued for employee stock purchase plan		**—**	—	**—**	944
Shares issued to directors		**—**	—	**(7)**	(7)
Equity compensation expense	Equity compensation expense	**3,802**	3,520	**10,874**	11,576
Equity compensation expense					
Equity compensation expense					
Shares repurchased					
Shares repurchased					
Shares repurchased					
Balance, end of period					
Balance, end of period					
Balance, end of period	Balance, end of period	**148,992**	165,276	**148,992**	165,276
Retained Earnings	**Retained Earnings**				
Retained Earnings					
Retained Earnings					
Balance, beginning of period	Balance, beginning of period	**1,112,813**	1,016,308	**1,098,454**	981,825
Net income		**19,035**	14,838	**33,394**	49,321
Balance, beginning of period					
Balance, beginning of period					
Net income (loss)					
Net income (loss)					
Net income (loss)					
Balance, end of period					
Balance, end of period					
Balance, end of period	Balance, end of period	**1,131,848**	1,031,146	**1,131,848**	1,031,146

Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss				
Accumulated Other Comprehensive Loss					
Accumulated Other Comprehensive Loss					
Balance, beginning of period					
Balance, beginning of period					
Balance, beginning of period	Balance, beginning of period	**(71,031)**	(90,433)	**(85,264)**	(45,243)
Other comprehensive income (loss)	Other comprehensive income (loss)	**(17,813)**	(34,948)	**(3,580)**	(80,138)
Other comprehensive income (loss)					
Other comprehensive income (loss)					
Balance, end of period					
Balance, end of period					
Balance, end of period	Balance, end of period	**(88,844)**	(125,381)	**(88,844)**	(125,381)
Total Shareholders' Equity	**Total Shareholders' Equity**	**$ 1,210,612**	$ 1,089,853	**$ 1,210,612**	$ 1,089,853
Total Shareholders' Equity					
Total Shareholders' Equity					

The accompanying notes are an integral part of the condensed consolidated financial statements.

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ROGERS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(Dollars in millions)

	Three Months Ended	
	March 31, 2024	March 31, 2023
Operating Activities:		
Net income (loss)	**$ 7.8**	$ (3.5)
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation and amortization	**11.3**	14.6
Equity compensation expense	**3.5**	2.1
Deferred income taxes	**(5.9)**	(7.4)
Equity in undistributed income of unconsolidated joint ventures	**(0.3)**	(0.1)
Dividends received from unconsolidated joint ventures	**1.2**	1.5
Other non-cash charges, net	**0.1**	0.1
Changes in assets and liabilities:		
Accounts receivable	**(2.8)**	2.6
Proceeds from insurance related to operations	**4.1**	0.5
Contract assets	**4.1**	(7.9)
Inventories, net	**1.3**	3.9
Other current assets	**0.4**	5.4

Accounts payable and other accrued expenses	**2.0**	(8.8)
Other, net	**1.3**	(1.2)
Net cash provided by operating activities	**28.1**	1.8
Investing Activities:		
Capital expenditures	**(9.4)**	(16.4)
Disposition of business	**—**	1.0
Net cash used in investing activities	**(9.4)**	(15.4)
Financing Activities:		
Repayment of debt principal and finance lease obligations	**(30.1)**	(25.1)
Line of credit issuance costs	**—**	(1.8)
Payments of taxes related to net share settlement of equity awards	**(1.1)**	(2.5)
Share repurchases	**(0.3)**	—
Net cash used in financing activities	**(31.5)**	(29.4)
Effect of exchange rate fluctuations on cash	**(2.0)**	0.8
Net decrease in cash and cash equivalents	**(14.8)**	(42.2)
Cash and cash equivalents at beginning of period	**131.7**	235.9
Cash and cash equivalents at end of period	**$ 116.9**	$ 193.7
Supplemental Disclosures:		
Accrued capital additions	**$ 5.4**	$ 2.1
Cash paid during the year for:		
Interest, net of amounts capitalized	**$ 0.5**	$ 3.5
Income taxes, net of refunds	**$ 3.1**	$ 4.0

The accompanying notes are an integral part of the condensed consolidated financial statements.

ROGERS CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Basis of Presentation

As used herein, the terms "Company," "Rogers," "we," "us," "our" and similar terms mean Rogers Corporation and its consolidated subsidiaries, unless the context indicates otherwise.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) GAAP for interim financial information. Accordingly, these statements do not include all of the information and footnotes required by GAAP for complete financial statements. In our opinion, the accompanying condensed consolidated financial statements include all normal recurring adjustments necessary for their fair presentation in accordance with GAAP. All significant intercompany balances and transactions have been eliminated.

Interim results are not necessarily indicative of results for a full year. For further information regarding our accounting policies, refer to the audited consolidated financial statements and footnotes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Note 2 – Fair Value Measurements

The accounting guidance for fair value measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.

- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

From time to time we enter into various instruments that require fair value measurement, including foreign currency contracts and copper derivative contracts. Derivative instruments measured at fair value on a recurring basis, categorized by the level of inputs used in the valuation, were as follows:

	Derivative Instruments at Fair Value as of September 30, 2023			
(Dollars in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total(1)**
Foreign currency contracts	**$ —**	**$ (53)**	**$ —**	**$ (53)**
Copper derivative contracts	**$ —**	**$ 299**	**$ —**	**$ 299**

	Derivative Instruments at Fair Value as of December 31, 2022			
(Dollars in thousands)	Level 1	Level 2	Level 3	Total(1)
Foreign currency contracts	$ —	$ (82)	$ —	$ (82)
Copper derivative contracts	$ —	$ 500	$ —	$ 500

(1) All balances were recorded in the “Other current assets” or “Other accrued liabilities” line items in the condensed consolidated statements of financial position.

For additional information on derivative contracts, refer to “Note 3 – Hedging Transactions and Derivative Financial Instruments.”

Note 3 – Hedging Transactions and Derivative Financial Instruments

We are exposed to certain risks related to our ongoing business operations. The primary risks being managed through our use of derivative instruments are foreign currency exchange rate risk and commodity pricing risk (primarily related to copper). We do not use derivative instruments for trading or speculative purposes. The valuation of derivative contracts used to manage each of foreign currency and commodity risks is described below:

- *Foreign Currency* – The fair value of any foreign currency option derivative is based upon valuation models applied to current market information such as strike price, spot rate, maturity date and volatility, and by reference to market values resulting from an over-the-counter market or obtaining market data for similar instruments with similar characteristics.

- *Commodity* –The fair value of copper derivatives is computed using a combination of intrinsic and time value valuation models, which are collectively a function of five primary variables: price of the underlying instrument, time to expiration, strike price, interest rate and volatility. The intrinsic valuation model reflects the difference between the strike price of the underlying copper derivative instrument and the current prevailing copper prices in an over-the-counter market at period end. The time value valuation model incorporates changes in the price of the underlying copper derivative instrument, the time value of money, the underlying copper derivative instrument’s strike price and the remaining time to the underlying copper derivative instrument’s expiration date from the period end date.

The guidance for the accounting and disclosure of derivatives and hedging transactions requires companies to recognize all of their derivative instruments as either assets or liabilities at fair value in the condensed consolidated statements of financial position. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies for hedge accounting treatment as defined under the applicable accounting guidance. For derivative instruments that are designated and qualify for hedge accounting treatment as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) in the condensed consolidated statements of comprehensive income (loss). This gain or loss is reclassified into earnings in the same line item of the condensed consolidated statements of operations associated with the forecasted transaction and in the same period or periods during which the hedged transaction affects earnings.

Foreign Currency

During the three months ended September 30, 2023, we entered into U.S. dollar, euro, Korean won, and Japanese yen forward contracts. We entered into these foreign currency forward contracts to mitigate certain global transactional exposures. These contracts do not qualify for hedge accounting treatment. As a result, any fair value adjustments required on these contracts are recorded in “Other income (expense), net” in our condensed consolidated statements of operations in the period in which the adjustment occurred.

As of September 30, 2023, the notional values of the remaining foreign currency forward contracts were as follows:

Notional Values of Foreign Currency Derivatives		
USD/CNH	$	18,999,562
EUR/USD	€	10,440,705
KRW/USD	₩	3,994,650,000
JPY/EUR	¥	50,000,000

Commodity

As of September 30, 2023, we had 12 outstanding contracts to hedge exposure related to the purchase of copper in our AES operating segment. These contracts are held with financial institutions and are intended to offset rising copper prices and do not qualify for hedge accounting treatment. As a result, any fair value adjustments required on these contracts are recorded in "Other income (expense), net" in our condensed consolidated statements of operations in the period in which the adjustment occurred.

As of September 30, 2023, the volume of our copper contracts outstanding was as follows:

Volume of Copper Derivatives	
October 2023 - December 2023	69 metric tons per month
January 2024 - March 2024	69 metric tons per month
April 2024 - June 2024	69 metric tons per month
July 2024 - September 2024	69 metric tons per month

Effects on Financial Statements

The impacts from our derivative instruments on the statement of operations and statements of comprehensive income (loss) were as follows:

		Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**Financial Statement Line Item**	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Foreign Currency Contracts					
Contracts not designated as hedging instruments	Other income (expense), net	**$ 268**	$ (101)	**$ 1,103**	$ (1,019)
Copper Derivative Contracts					
Contracts not designated as hedging instruments	Other income (expense), net	**$ (182)**	$ (171)	**$ (602)**	$ (969)

Note 4 2 – Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss by component were as follows:

(Dollars and accompanying footnotes in thousands)	**Foreign Currency Translation Adjustments**	**Pension and Other Postretirement Benefits(1)**	**Total**
(Dollars and accompanying footnotes in millions)			
Balance as of December 31, 2023			
Other comprehensive income (loss) before reclassifications			

(Dollars and accompanying footnotes in millions)	**Foreign Currency Translation Adjustments**	**Pension and Other Postretirement Benefits(1)**	**Total**

Amounts reclassified from accumulated other comprehensive loss				
Net current-period other comprehensive income (loss)				
Balance as of March 31, 2024				
Balance as of December 31, 2022				
Balance as of December 31, 2022				
Balance as of December 31, 2022	**Balance as of December 31, 2022**	**$ (75,575)**	**$ (9,689)**	**$ (85,264)**
Other comprehensive income (loss) before reclassifications	**Other comprehensive income (loss) before reclassifications**	**(3,860)**	**—**	**(3,860)**
Amounts reclassified from accumulated other comprehensive loss	**Amounts reclassified from accumulated other comprehensive loss**	**—**	**280**	**280**
Net current-period other comprehensive income (loss)	**Net current-period other comprehensive income (loss)**	**(3,860)**	**280**	**(3,580)**
Balance as of September 30, 2023		**$ (79,435)**	**$ (9,409)**	**$ (88,844)**
Balance as of December 31, 2021		$ (35,641)	$ (9,602)	$ (45,243)
Other comprehensive income (loss) before reclassifications		(80,383)	(15)	(80,398)
Amounts reclassified from accumulated other comprehensive loss		—	260	260
Net current-period other comprehensive income (loss)		(80,383)	245	(80,138)
Balance as of September 30, 2022		$ (116,024)	$ (9,357)	$ (125,381)
Balance as of March 31, 2023				

(1) Net of taxes of $1,846 $1.8 million for both March 31, 2024 and $1,926 as of September 30, 2023 and December 31, 2022, respectively. December 31, 2023. Net of taxes of $2,056 $1.9 million for both March 31, 2023 and $2,125 as of September 30, 2022 and December 31, 2021, respectively. December 31, 2022.

Note 5 3 – Derivatives and Hedging

The valuation of our derivative contracts used to manage their respective risks is described below:

- *Foreign Currency* – The fair value of any foreign currency option derivative is based upon valuation models applied to current market information such as strike price, spot rate, maturity date and volatility, and by reference to market values resulting from an over-the-counter market or obtaining market data for similar instruments with similar characteristics.
- *Commodity* –The fair value of copper derivatives is computed using a combination of intrinsic and time value valuation models, which are collectively a function of five primary variables: price of the underlying instrument, time to expiration, strike price, interest rate and volatility. The intrinsic valuation model reflects the difference between the strike price of the underlying copper derivative instrument and the current prevailing copper prices in an over-the-counter market at period end. The time value valuation model incorporates changes in the price of the underlying copper derivative instrument, the time value of money, the underlying copper derivative instrument's strike price and the remaining time to the underlying copper derivative instrument's expiration date from the period end date.

As of March 31, 2024, we did not have any derivative contracts that qualified for hedge accounting treatment.

Foreign Currency

During the three months ended March 31, 2024, we entered into U.S. dollar, euro, Korean won, and Japanese yen forward contracts. We entered into these foreign currency forward contracts to mitigate certain global transactional exposures. These contracts do not qualify for hedge accounting treatment. As a result, any fair value adjustments required on these contracts are recorded in "Other income (expense), net" in our condensed consolidated statements of operations in the period in which the adjustment occurred.

As of March 31, 2024, the notional values of the remaining foreign currency forward contracts were as follows:

Notional Values of Foreign Currency Derivatives		
USD/CNH	$	20,700,000
EUR/USD	€	14,700,000
KRW/USD	₩	5,372,800,000
JPY/EUR	¥	250,000,000

Commodity

As of March 31, 2024, we had 12 outstanding contracts to hedge exposure related to the purchase of copper in our AES operating segment. These contracts are held with financial institutions and are intended to offset rising copper prices and do not qualify for hedge accounting treatment. As a result, any fair value adjustments required on these contracts are recorded in "Other income (expense), net" in our condensed consolidated statements of operations in the period in which the adjustment occurred.

As of March 31, 2024, the volume of our copper contracts outstanding was as follows:

Volume of Copper Derivatives	
April 2024 - June 2024	69 metric tons per month
July 2024 - September 2024	69 metric tons per month
October 2024 - December 2024	69 metric tons per month
January 2025 - March 2025	69 metric tons per month

Effects on Financial Statements

The impacts from our derivative instruments on the statement of operations and statements of comprehensive income were as follows:

		Three Months Ended	
(Dollars in millions)	**Financial Statement Line Item**	**March 31, 2024**	March 31, 2023
Foreign Currency Contracts			
Contracts not designated as hedging instruments	Other income (expense), net	**$ (0.1)**	$ —
Copper Derivative Contracts			
Contracts not designated as hedging instruments	Other income (expense), net	**$ —**	$ —

The accounting guidance for fair value measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.

- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair values of derivative instruments measured at fair value on a recurring basis, categorized by contract type and level of inputs used in the valuation, were as follows:

	Derivative Instruments at Fair Value as of March 31, 2024			
(Dollars in millions)	**Level 1**	**Level 2**	**Level 3**	**Total(1)**
Foreign currency contracts	**$ —**	**$ (0.1)**	**$ —**	**$ (0.1)**
Copper derivative contracts	**$ —**	**$ 0.5**	**$ —**	**$ 0.5**

	Derivative Instruments at Fair Value as of December 31, 2023			
(Dollars in millions)	Level 1	Level 2	Level 3	Total(1)
Foreign currency contracts	$ —	$ (0.2)	$ —	$ (0.2)
Copper derivative contracts	$ —	$ 0.4	$ —	$ 0.4

(1) All balances were recorded in the “Other current assets” or “Other accrued liabilities” line items in the condensed consolidated statements of financial position.

Note 4 – Inventories

Inventories, which are valued at The “Inventories, net” line item in the lower condensed consolidated statements of cost or net realizable value, financial position consisted of the following:

(Dollars in thousands)		**September 30, 2023**	December 31, 2022			
(Dollars in millions)				*(Dollars in millions)*	**March 31, 2024**	December 31, 2023
Raw materials	Raw materials	**$ 71,133**	$ 87,851			
Work-in-process	Work-in-process	**48,377**	45,100			
Finished goods	Finished goods	**37,563**	49,451			
Total inventories	Total inventories	**$ 157,073**	$182,402			

Note 5 - Balance Sheet Items

Restricted Cash

Our restricted cash balance, which is subject to contractual restrictions and not readily available, is recorded in the “Cash and cash equivalents” line item in the condensed consolidated statements of financial position, and serves as collateral for letters of credit related to our environmental and workers’ compensation liabilities. Our restricted cash balance as of March 31, 2024 and December 31 2023 was as follows:

(Dollars in millions)	**March 31, 2024**	December 31, 2023
Restricted Cash	**$ 2.2**	$ 2.2

Accounts Receivable

The “Accounts receivable, net” line item in the condensed consolidated statements of financial position consisted of the following:

(Dollars in millions)	**March 31, 2024**	December 31, 2023
Accounts Receivable - Trade	**$ 146.6**	$ 143.2
Accounts Receivable - Other	**12.6**	18.7
Total	**$ 159.2**	$ 161.9

Accounts Payable

The "Accounts payable" line item in the condensed consolidated statements of financial position consisted of the following:

(Dollars in millions)	March 31, 2024	December 31, 2023
Accounts Payable - Trade	$ 47.6	$ 46.3
Accounts Payable - Other	4.1	4.0
Total	$ 51.7	$ 50.3

Note 6 - Leases

Finance Leases

Amortization expense related to our finance lease right-of-use assets, which is primarily included in the "Cost of sales" line item of the condensed consolidated statements of operations, was immaterial for each of the three-month periods ended March 31, 2024 and 2023. Interest expense related to our finance lease obligations, which is included in the "Interest expense, net" line item of the condensed consolidated statements of operations, was immaterial for each of the three-month periods ended March 31, 2024 and 2023.

Operating Leases

We have operating leases primarily related to manufacturing and R&D facilities as well as vehicles. Our expenses and payments for operating leases were as follows:

	Three Months Ended	
(Dollars in millions)	March 31, 2024	March 31, 2023
Operating leases expense	$ 1.3	$ 1.0
Short-term leases expense	$ 0.2	$ 0.1
Payments on operating lease obligations	$ 1.0	$ 0.8

Lease Balances in Statements of Financial Position

The assets and liabilities balances related to finance and operating leases reflected in the condensed consolidated statements of financial position were as follows:

(Dollars in millions)	Financial Statement Line Item	March 31, 2024	December 31, 2023
Finance lease right-of-use assets	Property, plant and equipment, net	$ 1.4	$ 1.5
Operating lease right-of-use assets	Operating lease right-of-use assets	$ 18.6	$ 18.9
Finance lease obligations, current portion	Other accrued liabilities	$ 0.4	$ 0.4
Finance lease obligations, non-current portion	Other long-term liabilities	$ 1.0	$ 1.1
Total finance lease obligations		$ 1.4	$ 1.5
Operating lease obligations, current portion	Operating lease obligations, current portion	$ 3.8	$ 3.5
Operating lease obligations, non-current portion	Operating lease obligations, non-current portion	$ 15.1	$ 15.4
Total operating lease obligations		$ 18.9	$ 18.9

Net Future Minimum Lease Payments

The following table includes future minimum lease payments under finance and operating leases together with the present value of the net future minimum lease payments as of March 31, 2024:

	Finance			Operating		
(Dollars in millions)	Leases Signed	Less: Leases Not Yet Commenced	Leases in Effect	Leases Signed	Less: Leases Not Yet Commenced	Leases in Effect
2024	$ 0.3	$ —	$ 0.3	$ 3.9	$ (0.1)	$ 3.8
2025	1.5	(1.1)	0.4	5.2	(1.1)	4.1
2026	1.6	(1.2)	0.4	4.5	(1.2)	3.3
2027	1.4	(1.2)	0.2	3.7	(1.1)	2.6
2028	1.3	(1.2)	0.1	2.6	(0.8)	1.8

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Thereafter		5.1		(5.0)		0.1		11.9		(4.8)	7.1
Total lease payments		11.2		(9.7)		1.5		31.8		(9.1)	22.7
Less: Interest		(1.8)		1.7		(0.1)		(6.1)		2.3	(3.8)
Present Value of Net Future Minimum Lease Payments	$	9.4	$	(8.0)	$	1.4	$	25.7	$	(6.8)	$ 18.9

The following table includes information regarding the lease term and discount rates utilized in the calculation of the present value of net future minimum lease payments:

	March 31, 2024	December 31, 2023
Weighted Average Remaining Lease Term		
Finance leases	**3.9 years**	4.0 years
Operating leases	**6.7 years**	7.0 years
Weighted Average Discount Rate		
Finance leases	**4.22%**	4.14%
Operating leases	**5.37%**	5.35%

Note 6 7 – Goodwill and Other Intangible Assets

Goodwill

The changes in the net carrying amount of goodwill by operating segment were as follows:

(Dollars in thousands)		**Advanced Electronics Solutions**		**Elastomeric Material Solutions**		**Other**		**Total**
December 31, 2022	$	115,352	$	234,789	$	2,224	$	352,365
Foreign currency translation adjustment		(520)		369		—	$	(151)
September 30, 2023	**$**	**114,832**	**$**	**235,158**	**$**	**2,224**	**$**	**352,214**

(Dollars in millions)		**Advanced Electronics Solutions**		**Elastomeric Material Solutions**		**Other**		**Total**
December 31, 2023	$	117.7	$	239.9	$	2.2	$	359.8
Foreign currency translation adjustment		(1.5)		(1.1)		—	$	(2.6)
March 31, 2024	**$**	**116.2**	**$**	**238.8**	**$**	**2.2**	**$**	**357.2**

Other Intangible Assets

The gross and net carrying amounts, as well as the accumulated amortization amount of other intangible assets were as follows:

		September 30, 2023			December 31, 2022		
	(Dollars in thousands)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		March 31, 2024			December 31, 2023		
(Dollars in millions)	*(Dollars in millions)*	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	Customer relationships	**$175,214**	**$ 87,232**	**$ 87,982**	$178,605	$ 85,569	$ 93,036
Technology	Technology	**75,898**	**55,788**	**20,110**	82,349	59,052	23,297
Trademarks and trade names	Trademarks and trade names	**18,840**	**7,040**	**11,800**	19,098	6,639	12,459

Covenants not to compete	Covenants not to compete	**1,479**	**1,051**	**428**	1,919	1,199	720
Total definite-lived other intangible assets	Total definite-lived other intangible assets	**271,431**	**151,111**	**120,320**	281,971	152,459	129,512
Indefinite-lived other intangible asset	Indefinite-lived other intangible asset	**4,176**	**—**	**4,176**	4,212	—	4,212
Total other intangible assets	Total other intangible assets	**$275,607**	**$ 151,111**	**$124,496**	$286,183	$ 152,459	$133,724

In the table above, gross carrying amounts and accumulated amortization may differ from prior periods due to foreign exchange rate fluctuations.

Amortization expense was $3.4 million $3.1 million and $4.1 million $3.3 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $10.0 million and $12.6 million for the nine months ended September 30, 2023 and 2022, 2023, respectively. The estimated future amortization expense is $3.3 million for the remainder of 2023 $9.3 million, $10.8 million, $10.4 million, $10.0 million, and $12.2 million, $10.6 million, $10.2 million and $9.9 million for $7.8 million in 2024, 2025, 2026, 2027 and 2027, 2028, respectively. These amounts could vary based on changes in foreign currency exchange rates.

The weighted average amortization period as of September 30, 2023 March 31, 2024, by definite-lived other intangible asset class, was as follows: is presented in the table below:

Definite-Lived Other Intangible Asset Class	**Weighted Average Remaining Amortization Period**
Customer relationships	7.5 7.3 years
Technology	3.4 3.2 years
Trademarks and trade names	10.0 9.8 years
Covenants not to compete	0.6 0.4 years
Total definite-lived other intangible assets	**7.0 6.9 years**

Note 7 8 – Earnings Per Share Pension Benefits and Other Postretirement Benefits

Basic earnings per share Pension and Other Postretirement Benefit Plans

As of March 31, 2024, we had one qualified noncontributory defined benefit pension plan, the Union Plan, which was frozen and ceased accruing benefits in 2013. Additionally, we sponsor other postretirement benefit plans, including multiple fully insured or self-funded medical plans and life insurance plans for certain retirees. The measurement date for all plans is based on the weighted average number December 31st for each respective plan year.

Components of common shares outstanding. Diluted earnings per share is based on the weighted average number of common shares outstanding and all dilutive potential common shares outstanding. Net Periodic Benefit Cost (Credit)

The following table sets forth components of net periodic benefit (credit) cost were as follows:

	Pension Benefits	
	Three Months Ended March 31,	
(Dollars in millions)	**2024**	2023
Interest cost	**0.2**	0.3
Expected return of plan assets	**(0.3)**	(0.4)
Amortization of net loss (gain)	**0.1**	0.1
Net periodic benefit cost (credit)	**$ —**	$ —

Employer Contributions

There were no required or voluntary contributions made to the computation Union Plan for each of basic and diluted earnings per share:

	Three Months Ended		Nine Months Ended	
(Dollars and shares in thousands, except per share amounts)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Numerator:				
Net income	**$ 19,035**	$ 14,838	**$ 33,394**	$ 49,321
Denominator:				
Weighted-average shares outstanding - basic	**18,627**	18,818	**18,619**	18,804
Effect of dilutive shares	**58**	181	**49**	193
Weighted-average shares outstanding - diluted	**18,685**	18,999	**18,668**	18,997
Basic earnings per share	**$ 1.02**	$ 0.79	**$ 1.79**	$ 2.62
Diluted earnings per share	**$ 1.02**	$ 0.78	**$ 1.79**	$ 2.60

Dilutive shares are calculated using the treasury stock method and primarily include unvested restricted stock units. Anti-dilutive shares are excluded from the calculation of diluted shares and diluted earnings per share. For the three months ended September 30, 2023 March 31, 2024 and 2022, 8,000 shares 2023. Additionally, we are not required to make additional contributions to the Union Plan for the remainder of 2024.

As there is no funding requirement for the other postretirement benefit plans, we funded these benefit payments as incurred, which were immaterial for each of the three months ended March 31, 2024 and no shares were excluded, respectively. 2023, using cash from operations.

Note 9 – Debt

On March 24, 2023, we entered into a Fifth Amended Credit Agreement with each of the lenders party thereto, JPMorgan Chase Bank, N.A. as administrative agent, and HSBC Bank USA, National Association, Wells Fargo Bank, National Association, Citibank, N.A. and Citizens Bank, N.A. as Co-Syndication Agents. The Fifth Amended Credit Agreement amends and restates the Fourth Amended Credit Agreement, and provides for (1) a revolving credit facility with up to $450.0 million of revolving loans, with sub-limits for multicurrency borrowings, letters of credit and swing-line notes, and (2) a $225.0 million expansion feature. Borrowings may be used to finance working capital needs, for letters of credit and for general corporate purposes in the ordinary course of business, including the financing of permitted acquisitions (as defined in the Fifth Amended Credit Agreement). The Fifth Amended Credit Agreement extends the maturity, the date on which all amounts borrowed or outstanding under the Fifth Amended Credit Agreement are due, from March 31, 2024 to March 24, 2028.

All obligations under the Fifth Amended Credit Agreement are guaranteed by each of our existing and future material domestic subsidiaries, as defined in the Fifth Amended Credit Agreement (the Guarantors). The obligations are also secured by a Fifth Amended and Restated Pledge and Security Agreement, dated as of March 24, 2023, entered into by us and the Guarantors which grants to the administrative agent, for the benefit of the lenders, a security interest, subject to certain exceptions, in substantially all of the non-real estate assets of ours and the Guarantors. These assets include, but are not limited to, receivables, equipment, intellectual property, inventory, and stock in certain subsidiaries.

Borrowings under the Fifth Amended Credit Agreement bear interest based on one of two options. Alternate base rate loans will bear interest at a rate that includes a base reference rate plus a spread of 62.5 to 100.0 basis points, depending on our leverage ratio. The base reference rate will be the greater of the (1) prime rate, (2) federal funds effective rate plus 50 basis points, and (3) one-month Term SOFR plus 110 basis points. Loans bearing an interest rate determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBOR, or the Adjusted TIBOR (each as defined in the Fifth Amended Credit Agreement) will bear interest based on the screen rate plus a spread of 162.5 to 200.0 basis points, depending on our leverage ratio. Based on our leverage ratio as of March 31, 2024, the spread was 162.5 basis points.

In addition to interest payable on the principal amount of indebtedness outstanding, we incur an annual fee of 25 to 35 basis points (based upon our leverage ratio), paid quarterly, of the unused amount of the lenders' commitments under the Fifth Amended Credit Agreement.

The Fifth Amended Credit Agreement contains customary representations and warranties, covenants, mandatory prepayments and events of default under which the Company's payment obligations may be accelerated. The financial covenants include a

requirement to maintain (1) a total net leverage ratio of no more than 3.25 to 1.00, subject to a one-time election to increase the maximum total net leverage ratio to 3.75 to 1.00 for one fiscal year in connection with a permitted acquisition, and (2) an interest coverage ratio of no less than 3.00 to 1.00. We are permitted to net up to $50.0 million of unrestricted domestic cash and cash equivalents in the calculation of the total net leverage ratio. The Fifth Amended Credit Agreement generally permits us to pay cash dividends to our shareholders, provided that (i) no default or event of default has occurred and is continuing or would result from the dividend payment and (ii) our total net leverage ratio does not exceed 2.75 to 1.00. If our total net leverage ratio exceeds 2.75 to 1.00, we may nonetheless make up to $20.0 million in restricted payments, including cash dividends, during the fiscal year, provided that no default or event of default has occurred and is continuing or would result from the payments. Our total net leverage ratio did not exceed 2.75 to 1.00 and our interest coverage ratio was greater than or equal to 3.00 to 1.00 as of March 31, 2024.

There were no borrowings under the Fifth Amended Credit Agreement during the three months ended March 31, 2024 or the three months ended March 31, 2023. We are not required to make any quarterly principal payments under the Fifth Amended Credit Agreement. We made a $30.0 million discretionary principal payment during the three months ended March 31, 2024, and we made a $25.0 million discretionary principal payment during the three months ended March 31, 2023.

We had no outstanding borrowings under our revolving credit facility as of March 31, 2024, and $30.0 million as of December 31, 2023. We had $2.0 million and $2.1 million of outstanding line of credit issuance costs as of March 31, 2024 and December 31, 2023, respectively, which will be amortized over the life of the Fifth Amended Credit Agreement.

Note 8 10 – Capital Stock Commitments and Equity Compensation Contingencies

Equity Compensation We are currently engaged in the following material environmental and legal proceedings:

Performance-Based Restricted Stock Units Asbestos

Overview

We, like many other industrial companies, have been named as a defendant in a number of lawsuits filed in courts across the country by persons alleging personal injury from exposure to products containing asbestos. We have never mined, milled, manufactured or marketed asbestos; rather, we made and provided to industrial users a limited number of products that contained encapsulated asbestos, but we stopped manufacturing these products in the late 1980s. Most of the claims filed against us involve numerous defendants, sometimes as many as several hundred. In virtually all of the cases against us, the plaintiffs are seeking unspecified damages above a jurisdictional minimum against multiple defendants who may have manufactured, sold or used asbestos-containing products to which the plaintiffs were allegedly exposed and from which they purportedly suffered injury. Most of these cases are being litigated in Maryland, Illinois, Missouri and New York; however, we are also defending cases in other states. We continue to vigorously defend these cases, primarily on the basis of the plaintiffs' inability to establish compensable loss as a result of exposure to our products. The indemnity and defense costs of our asbestos-related product liability litigation to date have been substantially covered by insurance.

The following table summarizes the change in number of asbestos claims outstanding for the three months ended March 31, 2024:

	Asbestos Claims
Claims outstanding as of January 1, 2024	506
New claims filed	35
Pending claims concluded(1)	(36)
Claims outstanding as of March 31, 2024	**505**

(1) For the three months ended March 31, 2024, 32 claims were dismissed and 4 claims were settled. Settlements totaled approximately $1.5 million for the three months ended March 31, 2024.

Impact on Financial Statements

We recognize a liability for asbestos-related contingencies that are probable of occurrence and reasonably estimable. In connection with the recognition of liabilities for asbestos-related matters, we record asbestos-related insurance receivables that are deemed probable.

The liability projection period covers all current and future indemnity and defense costs through 2064, which represents the expected end of our asbestos liability exposure with no further ongoing claims expected beyond that date. This conclusion was based on our history and experience with the claims data, the diminished volatility and consistency of observable claims data, the period of time that has elapsed since we stopped manufacturing products that contained encapsulated asbestos and an expected downward trend in claims due to the average age of our claimants, which is approaching the average life expectancy.

To date, the indemnity and defense costs of our asbestos-related product liability litigation have been substantially covered by insurance. Although we have exhausted coverage under some of our insurance policies, we believe that we have applicable primary, excess and/or umbrella coverage for claims arising with respect to most of the years during which we manufactured and marketed asbestos-containing products. In addition, we have entered into a cost sharing agreement with most of our primary, excess and umbrella insurance carriers to facilitate the ongoing administration and payment of claims covered by the carriers. The cost sharing agreement may be terminated by any party, but will continue until a party elects to terminate it. As of September 30, 2023, the filing date for this report, the agreement has not been terminated, and no carrier had informed us that it intends to terminate the agreement. We expect to continue to exhaust individual primary, excess and umbrella coverages over time, and there is no assurance that such exhaustion will not accelerate due to additional claims, damages and settlements or that coverage will be available as expected. We are responsible for uninsured indemnity and defense costs, and we had performance-based restricted stock units from incurred an immaterial amount of expenses for each of the three month periods ended March 31, 2024 and 2023, respectively, related to such costs.

The amounts recorded for the asbestos-related liability and 2021 outstanding. These awards generally cliff vest the related insurance receivables are based on facts known at the end time and a number of assumptions. However, projecting for future events, such as the number of new claims to be filed each year, the average cost of disposing of such claims, the length of time it takes to dispose of such claims, coverage issues among insurers and the continuing solvency of various insurance companies, as well as the numerous uncertainties surrounding asbestos litigation in the United States, could cause the actual liability and insurance recoveries for us to be higher or lower than those projected or recorded. The full extent of our financial exposure to asbestos-related litigation remains very difficult to estimate and could include both compensatory and punitive damage awards.

Changes recorded in the estimated liability and estimated insurance recovery based on projections of asbestos litigation and corresponding insurance coverage, result in the recognition of expense or income.

Our projected asbestos-related liabilities and insurance receivables were as follows:

(Dollars in millions)		March 31, 2024		December 31, 2023
Asbestos-related liabilities	$	61.5	$	61.5
Asbestos-related insurance receivables	$	56.5	$	56.5

Environmental Voluntary Corrective Action Program

Our location in Rogers, Connecticut is part of the Connecticut Voluntary Corrective Action Program (VCAP). As part of this program, we partnered with the Connecticut Department of Energy and Environmental Protection (CT DEEP) to determine the corrective actions to be taken at the site related to contamination issues. We evaluated this matter and completed internal due diligence work related to the site in the fourth quarter of 2015. Remediation activities on the site are ongoing and are recorded as reductions to the accrual as they are incurred. We have incurred $2.0 million of aggregate remediation costs through March 31, 2024, and the accrual for future remediation efforts is $0.7 million.

Other Matters

In addition to the above issues, the nature and scope of our business brings us in regular contact with the general public and a three-year measurement period. However, employees whose employment terminates during variety of businesses and government agencies. Such activities inherently subject us to the measurement period due possibility of litigation, including environmental and product liability matters that are defended and handled in the ordinary course of business. We have established accruals for matters for which management considers a loss to death, disability, be probable and reasonably estimable. It is the opinion of management that facts known at the present time do not indicate that such litigation will have a material adverse impact on our results of operations, financial position or in certain cases, retirement may receive a pro-rata payout cash flows.

Note 11 – Earnings Per Share

Basic earnings per share is based on the weighted average number of days they were employed during the measurement period. Participants are eligible to be awarded common shares ranging from 0% to 200% of the original award amount, outstanding. Diluted earnings per share is based on certain defined performance measures.

The the weighted average number of common shares outstanding awards have one measurement criterion: the three-year total shareholder return (TSR) on our capital stock as compared to that of a specified group of peer companies. The TSR measurement criterion of the awards is considered a market condition. As such, the fair value of this measurement criterion was determined on the grant date using a Monte Carlo simulation valuation model. We recognize compensation expense on and all of these awards on a straight-line basis over the vesting period with no changes for final projected payout of the awards. We account for forfeitures as they occur. dilutive potential common shares outstanding.

The following table sets forth the assumptions used in computation of basic and diluted earnings per share:

	Three Months Ended			
(Dollars and shares in millions, except per share amounts)		March 31, 2024		March 31, 2023
Numerator:				
Net income (loss)	$	7.8	$	(3.5)
Denominator:				
Weighted-average shares outstanding - basic		18.6		18.6
Effect of dilutive shares		0.1		—
Weighted-average shares outstanding - diluted		18.7		18.6
Basic earnings (loss) per share	$	0.42	$	(0.19)
Diluted earnings (loss) per share	$	0.42	$	(0.19)

Dilutive shares are calculated using the Monte Carlo calculation for each material award granted in 2023:

	February 9, 2023
Expected volatility	53.2%
Expected term (in years)	2.9
Risk-free interest rate	4.08%

Expected volatility – In determining expected volatility, we have considered a number of factors, including historical volatility.

Expected term – We use the vesting period of the award to determine the expected term assumption for the Monte Carlo simulation valuation model.

Risk-free interest rate – We use an implied “spot rate” yield on U.S. Treasury Constant Maturity rates as of the grant date for our assumption of the risk-free interest rate.

Expected dividend yield – We do not currently pay dividends on our capital stock; therefore, a dividend yield of 0% was used in the Monte Carlo simulation valuation model.

A summary of activity of the outstanding performance-based treasury stock method and primarily include unvested restricted stock units for units. Anti-dilutive shares are excluded from the nine months ended September 30, 2023 is presented below:

	Performance-Based Restricted Stock Units
Awards outstanding as of December 31, 2022	65,513
Awards granted	50,551
Stock issued	(8,775)
Awards cancelled	(31,943)
Awards outstanding as of September 30, 2023	**75,346**

We recognized $1.3 million calculation of diluted shares and $1.1 million of compensation expense for performance-based restricted stock units for diluted earnings per share. For the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. We recognized $2.6 million and $3.3 million of compensation expense for performance-based restricted stock units for the nine months ended September 30, 2023 and 2022, respectively.

Time-Based Restricted Stock Units

As of September 30, 2023, we had time-based restricted stock unit awards from 2023, 2022, 2021 and 2020 outstanding. The outstanding awards all ratably vest on the first, second and third anniversaries of the original grant date. However, employees whose employment terminates during the measurement period due to death, disability, or, in certain cases, retirement may receive a pro-rata payout based on the an immaterial number of days they shares were employed subsequent to the last grant anniversary date. Each time-based restricted stock unit represents a right to receive one share of Rogers' capital stock at the end of the vesting period. The fair value of the award is determined by the market value of the underlying stock price at the grant date. We recognize compensation expense on all of these awards on a straight-line basis over the vesting period. We account for forfeitures as they occur.

A summary of activity of the outstanding time-based restricted stock units for the nine months ended September 30, 2023 is presented below:

	Time-Based Restricted Stock Units
Awards outstanding as of December 31, 2022	124,284
Awards granted	67,094
Stock issued	(43,254)
Awards cancelled	(24,296)
Awards outstanding as of September 30, 2023	**123,828**

We recognized $2.5 million and $2.4 million of compensation expense for time-based restricted stock units for the three months ended September 30, 2023 and 2022, respectively. We recognized $7.1 million and $7.0 million of compensation expense for time-based restricted stock units for the nine months ended September 30, 2023 and 2022, respectively.

Deferred Stock Units

We grant deferred stock units to non-management directors. These awards are fully vested on the date of grant and the related shares are generally issued on the 13-month anniversary of the grant date unless the individual elects to defer the receipt of those shares. Each deferred stock unit results in the issuance of one share of Rogers' capital stock. The grant of deferred stock units is typically done annually during the second quarter of each year. The fair value of the award is determined by the market value of the underlying stock price at the grant date.

A summary of activity of the outstanding deferred stock units for the nine months ended September 30, 2023 is presented below:

	Deferred Stock Units
Awards outstanding as of December 31, 2022	6,850
Awards granted	8,100
Stock issued	(6,850)
Awards outstanding as of September 30, 2023	**8,100**

We recognized no compensation expense for deferred stock units for the three months ended September 30, 2023 and 2022, respectively. We recognized $1.2 million and $1.3 million of compensation expense for the nine months ended September 30, 2023, and 2022, respectively. excluded.

Note 9 – Debt

In October 2020, we entered into the Fourth Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto (the Fourth Amended Credit Agreement). The Fourth Amended Credit Agreement amended and restated the Third Amended Credit Agreement, and provided for a revolving credit facility with up to a $450.0 million borrowing capacity, with sublimits for multicurrency borrowings, letters of credit and swing-line notes, in addition to a $175.0 million accordion feature. Borrowings could have been used to finance working capital needs, for letters of credit and for general corporate purposes in the ordinary course of business, including the financing of permitted acquisitions (as defined in the Fourth Amended Credit Agreement). The Fourth Amended Credit Agreement extended the maturity, the date on which all amounts borrowed or outstanding under the Fourth Amended Credit Agreement were due, from February 17, 2022 to March 31, 2024.

All obligations under the Fourth Amended Credit Agreement were guaranteed by each of our existing and future material domestic subsidiaries, as defined in the Fourth Amended Credit Agreement (the Previous Guarantors). The obligations were also secured by a Fourth Amended and Restated Pledge and Security Agreement, dated as of October 16, 2020, entered into by us and the Previous Guarantors which granted to the administrative agent, for the benefit of the lenders, a security interest, subject to certain exceptions, in substantially all of our and the Previous Guarantors' non-real estate assets. These assets included, but were not limited to, receivables, equipment, intellectual property, inventory, and stock in certain subsidiaries.

On March 5, 2021, the U.K. Financial Conduct Authority (FCA) publicly announced that immediately after December 31, 2021, publication of most Euro, Swiss Franc, Japanese Yen and Pound Sterling LIBOR settings will permanently cease. On October 15, 2021, Rogers Corporation and JPMorgan Chase Bank, N.A. entered into an amendment (Amendment No. 1) to the Fourth Amended Credit Agreement to adopt a new benchmark interest rate to replace the discontinued LIBOR reference rates.

Borrowings under the Fourth Amended Credit Agreement could have been made as alternate base rate loans, euro-currency loans, or RFR loans. Alternate base rate loans bore interest at a base reference rate plus a spread of 62.5 to 100.0 basis points,

depending on our leverage ratio. The base reference rate was the greatest of (a) the prime rate in effect on such day, (b) the NYFRB rate in effect on such day plus ½ of 1%, and (c) the adjusted LIBOR for a one-month interest period in dollars on such day (or if such day is not a business day, the immediately preceding business day) plus 1%. Euro-currency loans bore interest based on adjusted LIBOR plus a spread of 162.5 to 200.0 basis points, depending on our leverage ratio. RFR loans bore interest based upon the Sterling Overnight Index Average (SONIA) plus 0.0326% plus a spread of 162.5 to 200.0 basis points.

In addition to interest payable on the principal amount of indebtedness outstanding, we incurred an annual fee of 25 to 35 basis points (based upon our leverage ratio), paid quarterly, of the unused amount of the lenders' commitments under the Fourth Amended Credit Agreement.

The Fourth Amended Credit Agreement contained customary representations and warranties, covenants, mandatory prepayments and events of default under which our payment obligations may be accelerated. If an event of default occurred, the lenders may have, among other things, terminated their commitments and declared all outstanding borrowings to be immediately due and payable together with accrued interest and fees. The financial covenants included requirements to maintain (1) a total net leverage ratio of no more than 3.25 to 1.00, subject to a one-time election to increase the maximum total net leverage ratio to 3.50 to 1.00 for one fiscal year in connection with a permitted acquisition, and (2) an interest coverage ratio of no less than 3.00 to 1.00. We were permitted to net up to $50.0 million of unrestricted domestic cash and cash equivalents against indebtedness in the calculation of the total net leverage ratio.

The Fourth Amended Credit Agreement generally permitted us to pay cash dividends to our shareholders, provided that (i) no default or event of default had occurred and was continuing or would have resulted from the dividend payment and (ii) our total net leverage ratio did not exceed 2.75 to 1.00. If our total net leverage ratio exceeded 2.75 to 1.00, we may have nonetheless made up to $20.0 million in restricted payments, including cash dividends, during the fiscal year, provided that no default or event of default had occurred and was continuing or would have resulted from the payments.

On March 24, 2023, we entered into a Fifth Amended and Restated Credit Agreement (the Fifth Amended Credit Agreement) with each of the lenders party thereto, JPMorgan Chase Bank, N.A. as administrative agent, and HSBC Bank USA, National Association, Wells Fargo Bank, National Association, Citibank, N.A. and Citizens Bank, N.A. as Co-Syndication Agents. The Fifth Amended Credit Agreement amends and restates the Fourth Amended Credit Agreement, and provides for (1) a revolving credit facility with up to $450.0 million of revolving loans, with sub-limits for multicurrency borrowings, letters of credit and swing-line notes, and (2) a $225.0 million expansion feature. Borrowings may be used to finance working capital needs, for letters of credit and for general corporate purposes in the ordinary course of business, including the financing of permitted acquisitions (as defined in the Fifth Amended Credit Agreement). The Fifth Amended Credit Agreement extends the maturity, the date on which all amounts borrowed or outstanding under the Fifth Amended Credit Agreement are due, from March 31, 2024 to March 24, 2028.

All obligations under the Fifth Amended Credit Agreement are guaranteed by each of our existing and future material domestic subsidiaries, as defined in the Fifth Amended Credit Agreement (the Guarantors). The obligations are also secured by a Fifth Amended and Restated Pledge and Security Agreement, dated as of March 24, 2023, entered into by us and the Guarantors which grants to the administrative agent, for the benefit of the lenders, a security interest, subject to certain exceptions, in substantially all of the non-real estate assets of ours and the Guarantors. These assets include, but are not limited to, receivables, equipment, intellectual property, inventory, and stock in certain subsidiaries.

Borrowings under the Fifth Amended Credit Agreement bear interest based on one of two options. Alternate base rate loans will bear interest at a rate that includes a base reference rate plus a spread of 62.5 to 100.0 basis points, depending on our leverage ratio. The base reference rate will be the greater of the (1) prime rate, (2) federal funds effective rate plus 50 basis points, and (3) one-month Term Secured Overnight Financial Rate (SOFR) plus 110 basis points. Loans bearing an interest rate determined by reference to the Adjusted Term SOFR Rate, the Adjusted Euro Interbank Offered Rate (EURIBOR), or the Adjusted (Tokyo Interbank Offered Rate (TIBOR) (each as defined in the Fifth Amended Credit Agreement) will bear interest based on the screen rate plus a spread of 162.5 to 200.0 basis points, depending on our leverage ratio. Based on our leverage ratio as of September 30, 2023, the spread was 162.5 basis points.

In addition to interest payable on the principal amount of indebtedness outstanding, we incur an annual fee of 25 to 35 basis points (based upon our leverage ratio), paid quarterly, of the unused amount of the lenders' commitments under the Fifth Amended Credit Agreement.

The Fifth Amended Credit Agreement contains customary representations and warranties, covenants, mandatory prepayments and events of default under which the Company's payment obligations may be accelerated. The financial covenants include a requirement to maintain (1) a total net leverage ratio of no more than 3.25 to 1.00, subject to a one-time election to increase the maximum total net leverage ratio to 3.75 to 1.00 for one fiscal year in connection with a permitted acquisition, and (2) an interest coverage ratio of no less than 3.00 to 1.00. We are permitted to net up to $50.0 million of unrestricted domestic cash and cash equivalents in the calculation of the total net leverage ratio. The Fifth Amended Credit Agreement generally permits us to pay cash dividends to our shareholders, provided that (i) no default or event of default has occurred and is continuing or

would result from the dividend payment and (ii) our total net leverage ratio does not exceed 2.75 to 1.00. If our total net leverage ratio exceeds 2.75 to 1.00, we may nonetheless make up to $20.0 million in restricted payments, including cash dividends, during the fiscal year, provided that no default or event of default has occurred and is continuing or would result from the payments. Our total net leverage ratio did not exceed 2.75 to 1.00 and our interest coverage ratio was greater than or equal to 3.00 to 1.00 as of September 30, 2023.

There were no borrowings under the Fifth Amended Credit Agreement for the three and nine months ended September 30, 2023. There were $30.0 million and $100.0 million in borrowings under the Fourth Amended Credit Agreement for the three and nine months ended September 30, 2022, respectively. We are not required to make any quarterly principal payments under the Fifth Amended Credit Agreement, and we were not required to make any quarterly principal payments under the Fourth Amended Credit Agreement. We made $50.0 million of discretionary principal payments for the three months ended September 30, 2023, and $135.0 million of discretionary principal payments for the nine months ended September 30, 2023. There were no discretionary principal payments made for the three and nine months ended September 30, 2022.

We had $80.0 million outstanding borrowings under our revolving credit facility as of September 30, 2023, and $215.0 million as of December 31, 2022. We had $2.3 million and $0.9 million of outstanding line of credit issuance costs as of September 30, 2023 and December 31, 2022, respectively, which will be amortized over the life of the Fifth Amended Credit Agreement.

Note 10 - Leases

Finance Leases

Amortization expense related to our finance lease right-of-use assets, which is primarily included in the "Cost of sales" line item of the condensed consolidated statements of operations, was immaterial for each of the three- and nine- month periods ended September 30, 2023 and 2022. Interest expense related to our finance lease obligations, which is included in the "Interest expense, net" line item of the condensed consolidated statements of operations, was immaterial for each of the three- and nine- month periods ended September 30, 2023 and 2022.

Operating Leases

We have operating leases primarily related to building space and vehicles. Renewal options are included in the lease term to the extent we are reasonably certain to exercise the option. The exercise of lease renewal options is at our sole discretion. We account for lease components separately from non-lease components. The incremental borrowing rate represents our ability to borrow on a collateralized basis over a similar lease term.

Our expenses and payments for operating leases were as follows:

	Three Months Ended		**Nine Months Ended**	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Operating leases expense	**$ 1,004**	$ 652	**$ 2,851**	$ 1,896
Short-term leases expense	**$ 211**	$ 168	**$ 568**	$ 420
Payments on operating lease obligations	**$ 871**	$ 663	**$ 2,606**	$ 2,231

Lease Balances in Statements of Financial Position

Our assets and liabilities balances related to finance and operating leases reflected in the condensed consolidated statements of financial position were as follows:

(Dollars in thousands)	**Location in Statements of Financial Position**	**September 30, 2023**	December 31, 2022
Finance lease right-of-use assets	Property, plant and equipment, net	**$ 1,477**	$ 1,749
Operating lease right-of-use assets	Other long-term assets	**$ 12,487**	$ 13,013
Finance lease obligations, current portion	Finance lease obligations, current portion	**$ 345**	$ 498
Finance lease obligations, non-current portion	Finance lease obligations, non-current portion	**$ 1,147**	$ 1,295
Total finance lease obligations		**$ 1,492**	$ 1,793

Operating lease obligations, current portion	Other accrued liabilities	**$ 2,933**	$ 2,842
Operating lease obligations, non-current portion	Other long-term liabilities	**$ 9,752**	$ 10,689
Total operating lease obligations		**$ 12,685**	$ 13,531

Net Future Minimum Lease Payments

The following table includes future minimum lease payments under finance and operating leases together with the present value of the net future minimum lease payments as of September 30, 2023:

	Finance			Operating		
(Dollars in thousands)	**Leases Signed**	**Less: Leases Not Yet Commenced**	**Leases in Effect**	**Leases Signed**	**Less: Leases Not Yet Commenced**	**Leases in Effect**
2023	$ 103	$ (2)	$ 101	$ 1,386	$ (204)	$ 1,182
2024	415	(11)	404	4,171	(834)	3,337
2025	416	(11)	405	3,537	(860)	2,677
2026	409	(11)	398	2,973	(873)	2,100
2027	205	(11)	194	2,465	(826)	1,639
Thereafter	156	(9)	147	8,896	(4,868)	4,028
Total lease payments	1,704	(55)	1,649	23,428	(8,465)	14,963
Less: Interest	(164)	7	(157)	(4,348)	2,070	(2,278)
Present Value of Net Future Minimum Lease Payments	$ 1,540	$ (48)	$ 1,492	$ 19,080	$ (6,395)	$ 12,685

The following table includes information regarding the lease term and discount rates utilized in the calculation of the present value of net future minimum lease payments:

	Finance Leases	**Operating Leases**
Weighted Average Remaining Lease Term	4.2 years	5.8 years
Weighted Average Discount Rate	4.07%	4.89%

Note 11 – Pension Benefits and Other Postretirement Benefits

Pension and Other Postretirement Benefit Plans

As of September 30, 2023, we had one qualified noncontributory defined benefit pension plan, the Rogers Corporation Employees' Pension Plan (the Union Plan), which was frozen and ceased accruing benefits in 2013. Additionally, we sponsor other postretirement benefit plans, including multiple fully insured or self-funded medical plans and life insurance plans for certain retirees. The measurement date for all plans is December 31st for each respective plan year.

Components of Net Periodic Benefit (Credit) Cost

The components of net periodic benefit (credit) cost were as follows:

	Pension Benefits				Other Postretirement Benefits			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Service cost	**$ —**	$ —	**$ —**	$ —	**$ 19**	$ 10	**$ 57**	$ 30
Interest cost	**263**	191	**799**	573	**17**	8	**51**	24
Expected return of plan assets	**(354)**	(340)	**(1,066)**	(1,020)	**—**	—	**—**	—
Amortization of prior service credit	**—**	—	**—**	—	**—**	—	**—**	—
Amortization of net loss (gain)	**116**	111	**360**	333	**(3)**	—	**(7)**	—
Net periodic benefit (credit) cost	**$ 25**	$ (38)	**$ 93**	$ (114)	**$ 33**	$ 18	**$ 101**	$ 54

Employer Contributions

There were no required or voluntary contributions made to the Union Plan for each of the three and nine months ended September 30, 2023 and 2022. Additionally, we are not required to make additional contributions to the Union Plan for the remainder of 2023.

As there is no funding requirement for the other postretirement benefit plans, we funded these benefit payments as incurred, which were immaterial for each of the three and nine months ended September 30, 2023 and 2022, using cash from operations.

Note 12 – Commitments Capital Stock and Contingencies Equity Compensation

We are currently engaged in the following material environmental and legal proceedings: Share Repurchases

Voluntary Corrective Action Program

Our location in Rogers, Connecticut is part In 2015, we initiated a share repurchase program (the "Program") of up to $100.0 million of the Connecticut Voluntary Corrective Action Company's capital stock to mitigate the dilutive effects of stock option exercises and vesting of restricted stock units granted by the Company, in addition to enhancing shareholder value. The Program (VCAP). has no expiration date and may be suspended or discontinued at any time without notice. For the three months ended March 31, 2024, we purchased 1,500 shares for a total value of $0.2 million using cash from operations and cash on hand. As part of March 31, 2024, $23.8 million remained available to purchase under the Program. Our stock repurchases may occur from time to time through open market purchases, privately negotiated transactions or plans designed to comply with Rule 10b5-1 promulgated under the Exchange Act.

(Dollars in millions, except shares and per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs
March 1, 2024 to March 31, 2024	1,500	$ 109.92	1,500	$ 23.8

Equity Compensation

Performance-Based Restricted Stock Units

As of March 31, 2024, we had outstanding performance-based restricted stock units with a market condition from 2024 and 2023. These awards generally cliff vest at the end of a three-year measurement period. However, employees whose employment terminates during the measurement period due to death, disability, or, in certain cases, retirement may receive a pro-rata payout based on the number of days they were employed during the measurement period. Participants are eligible to be awarded shares ranging from 0% to 200% of the original award amount, based on certain defined performance measures.

The performance-based restricted stock units with a market condition have one measurement criterion: the three-year total shareholder return ("TSR") on our capital stock as compared to that of a specified group of peer companies. The fair value of this program, we partnered with the Connecticut Department of Energy and Environmental Protection (CT DEEP) to determine the corrective actions to be taken at the site related to contamination issues. We evaluated this matter and completed internal due diligence work related to the site in the fourth quarter of 2015. Remediation activities measurement criterion was determined on the site are ongoing and are recorded as reductions to grant date using a Monte Carlo simulation valuation model. We recognize compensation expense on all of these awards on a straight-line basis over the accrual vesting period with no changes for final projected payout of the awards. We account for forfeitures as they are incurred. We incurred $2.0 million of aggregate remediation costs through September 30, 2023, and the accrual for future remediation efforts is $0.7 million. occur.

Asbestos

Overview

We, like many other industrial companies, have been named as a defendant in a number of lawsuits filed in courts across the country by persons alleging personal injury from exposure to products containing asbestos. We have never mined, milled, manufactured or marketed asbestos; rather, we made and provided to industrial users a limited number of products that contained encapsulated asbestos, but we stopped manufacturing these products in the late 1980s. Most of the claims filed against us involve numerous defendants, sometimes as many as several hundred.

The following table summarizes sets forth the change assumptions used in number of asbestos claims outstanding the Monte Carlo calculation for the nine months ended September 30, 2023: each material award granted in 2024 and 2023:

	Asbestos Claims
Claims outstanding as of January 1, 2023	537
New claims filed	111
Pending claims concluded(1)	(87)
Claims outstanding as of September 30, 2023	**561**

	February 19, 2024	**February 13, 2024**	February 9, 2023
Expected volatility	**46.3%**	**46.2%**	53.2%

Expected term (in years)	**2.9**	**2.9**	2.9
Risk-free interest rate	**4.35%**	**4.35%**	4.08%

(1) For the nine months ended September 30, 2023, 75 claims were dismissed and 12 claims were settled. Settlements totaled approximately $4.5 million for the nine months ended September 30, 2023.

Impact on Financial Statements

We recognize a liability for asbestos-related contingencies that are probable of occurrence and reasonably estimable. Expected volatility – In connection with the recognition of liabilities for asbestos-related matters, we record asbestos-related insurance receivables that are deemed probable.

The liability projection period covers all current and future indemnity and defense costs through 2064, which represents the determining expected end of our asbestos liability exposure with no further ongoing claims expected beyond that date. This conclusion was based on our history and experience with the claims data, the diminished volatility, and consistency of observable claims data, the period of time that has elapsed since we stopped manufacturing products that contained encapsulated asbestos and an expected downward trend in claims due to the average age of our claimants, which is approaching the average life expectancy.

To date, the indemnity and defense costs of our asbestos-related product liability litigation have been substantially covered by insurance. Although we have exhausted coverage under some of our insurance policies, we believe that we have applicable primary, excess and/or umbrella coverage for claims arising with respect to most of the years during which we manufactured and marketed asbestos-containing products. In addition, we have entered into a cost sharing agreement with most of our primary, excess and umbrella insurance carriers to facilitate the ongoing administration and payment of claims covered by the carriers. The cost sharing agreement may be terminated by any party, but will continue until a party elects to terminate it. As of the filing date for this report, the agreement has not been terminated, and no carrier had informed us that it intends to terminate the agreement. We expect to continue to exhaust individual primary, excess and umbrella coverages over time, and there is no assurance that such exhaustion will not accelerate due to additional claims, damages and settlements or that coverage will be available as expected. We are responsible for uninsured indemnity and defense costs, and we incurred an immaterial amount of expenses for each of the three- and nine- month periods ended September 30, 2023 and 2022, respectively, related to such costs.

The amounts recorded for the asbestos-related liability and the related insurance receivables are based on facts known at the time and considered a number of assumptions. factors, including historical volatility.

Expected term – We use the vesting period of the award to determine the expected term assumption for the Monte Carlo simulation valuation model.

Risk-free interest rate – We use an implied “spot rate” yield on U.S. Treasury Constant Maturity rates as of the grant date for our assumption of the risk-free interest rate.

Expected dividend yield – We do not currently pay dividends on our capital stock; therefore, a dividend yield of 0% was used in the Monte Carlo simulation valuation model.

As of March 31, 2024, we had outstanding performance-based restricted stock units with a performance condition from 2024. These awards generally cliff vest at the end of a two-year performance period. However, projecting for future events, such as employees whose employment terminates during the measurement period due to death, disability, or, in certain cases, retirement may receive a pro-rata payout based on the number of new claims days they were employed during the measurement period. Participants are eligible to be filed each year, awarded shares ranging from 0% to 200% of the average cost original award amount, based on certain defined performance measures.

The performance-based restricted stock units with a performance condition have one measurement criterion: 2025 net revenue. The fair value of disposing these awards was determined based on the market value of such claims, the length of time it takes to dispose of such claims, coverage issues among insurers and underlying stock price at the continuing solvency of various insurance companies, as well as grant date with cumulative compensation expense recognized to-date being increased or decreased based on the numerous uncertainties surrounding asbestos litigation changes in the United States, could cause forecasted payout percentage as of the actual liability and insurance recoveries end of each reporting period. We account for us to be higher or lower than those projected or recorded. forfeitures as they occur.

Changes recorded in A summary of activity of the estimated liability and estimated insurance recovery based on projections of asbestos litigation and corresponding insurance coverage, result in the recognition of expense or income.

Our projected asbestos-related liabilities and insurance receivables were as follows:

(Dollars in thousands)	**September 30, 2023**	December 31, 2022
Asbestos-related liabilities	**$ 64,707**	$ 65,033
Asbestos-related insurance receivables	**$ 59,807**	$ 59,807

General

In addition to the above issues, the nature and scope of our business brings us in regular contact with the general public and a variety of businesses and government agencies. Such activities inherently subject us to the possibility of litigation, including environmental and product liability matters that are defended and handled in the ordinary course of business. We have established accruals for matters for which management considers a loss to be probable and reasonably estimable. It is the opinion of management that facts known at the present time do not indicate that such litigation will have a material adverse impact on our results of operations, financial position or cash flows.

Note 13 – Income Taxes

Our effective income tax rate was 27.3% and 16.0% outstanding performance-based restricted stock units for the three months ended September 30, 2023 March 31, 2024 is presented below:

	Performance-Based Restricted Stock Units
Awards outstanding as of December 31, 2023	73,528
Awards granted	79,700
Stock issued	—
Awards cancelled	(26,737)
Awards outstanding as of March 31, 2024	**126,491**

We recognized $1.3 million and 2022, respectively. The increase from the third quarter $0.1 million of 2022 was primarily due to the third quarter 2022 decrease in reserves compensation expense for uncertain tax positions that did not recur in 2023. Our effective income tax rate was 30.0% and 20.5% performance-based restricted stock units for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The increase from the third quarter of 2022 was primarily due to the third quarter 2022 decrease in reserves for uncertain tax positions that did not recur in 2023.

The total amount of unrecognized tax benefits as of September 30, 2023 was $8.9 million, of which $7.9 million would affect our effective tax rate if recognized. Additionally, the balance of unrecognized tax benefits as of September 30, 2023 also included $1.0 million of tax benefits that, if recognized, would result in adjustments to other tax accounts, primarily deferred taxes. Time-Based Restricted Stock Units

We recognize interest and penalties related to unrecognized tax benefits through income tax expense. As of September 30, 2023 March 31, 2024, we had $1.6 million accrued time-based restricted stock unit awards from 2024, 2023, 2022 and 2021 outstanding. The outstanding awards all ratably vest on the first, second and third anniversaries of the original grant date. However, employees whose employment terminates during the measurement period due to death, disability, or, in certain cases, retirement may receive a pro-rata payout based on the number of days they were employed subsequent to the last grant anniversary date. Each time-based restricted stock unit represents a right to receive one share of Rogers' capital stock at the end of the vesting period. The fair value of the award is determined by the market value of the underlying stock price at the grant date. We recognize compensation expense on all of these awards on a straight-line basis over the vesting period. We account for forfeitures as they occur.

A summary of activity of the outstanding time-based restricted stock units for the payment of interest. three months ended March 31, 2024 is presented below:

	Time-Based Restricted Stock Units
Awards outstanding as of December 31, 2023	100,999
Awards granted	67,480
Stock issued	(34,261)
Awards cancelled	(3,688)
Awards outstanding as of March 31, 2024	**130,530**

We recognized $1.9 million and $2.1 million of compensation expense for time-based restricted stock units for the three months ended March 31, 2024 and 2023, respectively.

Deferred Stock Units

We grant deferred stock units to non-management directors. These awards are subject fully vested on the date of grant and the related shares are generally issued on the 13-month anniversary of the grant date unless the individual elects to taxation defer the receipt of those shares. Each deferred stock unit results in the U.S. and various state and foreign jurisdictions. Our tax years from 2019 through 2022 are subject to examination issuance of one share of Rogers' capital stock. The grant of deferred stock units is typically done annually during the second quarter of each year. The fair value of the award is determined by the tax authorities. With few exceptions, we are no longer subject to U.S. federal, state, local and foreign examinations by tax authorities market value of the underlying stock price at the grant date.

A summary of activity of the outstanding deferred stock units for the years before 2019. three months ended March 31, 2024 is presented below:

	Deferred Stock Units
Awards outstanding as of December 31, 2023	8,100
Awards granted	450
Stock issued	(950)
Awards outstanding as of March 31, 2024	**7,600**

We recognized an immaterial amount of compensation expense and no compensation expense for deferred stock units for the three months ended March 31, 2024 and 2023, respectively.

Employee Stock Purchase Plan

We have an ESPP that allows eligible employees to purchase, through payroll deductions, shares of our capital stock at a discount to fair market value. The ESPP has two six-month offering periods each year, the first beginning in mid-December and ending in mid-June and the second beginning in mid-June and ending in mid-December. The ESPP contains a look-back feature that allows the employee to acquire shares of our capital stock at a 15% discount from the underlying market price at the beginning or end of the applicable period, whichever is lower. We recognize compensation expense on this plan ratably over the offering period based on the fair value of the anticipated number of shares that will be issued at the end of each offering period. Compensation expense is adjusted at the end of each offering period for the actual number of shares issued. Fair value is determined based on two factors: (i) the 15% discount on the underlying stock's market value on the first day of the applicable offering period, and (ii) the fair value of the look-back feature determined by using the Black-Scholes model. We recognized $0.2 million of compensation expense associated with the ESPP for the three months ended March 31, 2024.

Note 14 13 – Operating Segment Information

Our reporting structure is comprised of the following strategic operating segments: AES and EMS. The remaining operations, which represent our non-core businesses, are reported in the Other operating segment.

Our AES operating segment designs, develops, manufactures and sells circuit materials, ceramic substrate materials, busbars and cooling solutions for applications in electric and hybrid electric vehicles (EV/HEV) EV/HEV, automotive (e.g., automotive (i.e., advanced driver assistance systems (ADAS)) ADAS), aerospace and defense (i.e. (e.g., antenna systems, communication systems and phased array radar systems), renewable energy (i.e. (e.g., wind and solar), wireless infrastructure (i.e. (e.g., power amplifiers, antennas and small cells), mass transit, industrial (variable (e.g., variable frequency drives), connected devices (i.e. (e.g., mobile internet devices and thermal solutions) and wired infrastructure (i.e. (e.g., computing and internet protocol (IP) infrastructure) markets.

Our EMS operating segment designs, develops, manufactures and sells engineered material solutions for a wide variety of applications and markets. These include polyurethane and silicone materials used in cushioning, gasketing and sealing, and vibration management applications for EV/HEV, general industrial, portable electronics, automotive, mass transit, aerospace and defense, and footwear and impact mitigation markets; customized silicones used in flex heater and semiconductor thermal applications for EV/HEV, general industrial, portable electronics, automotive, mass transit, aerospace and defense and medical markets; and polytetrafluoroethylene and ultra-high molecular weight polyethylene materials used in wire and cable protection, electrical insulation, conduction and shielding, hose and belt protection, vibration management, cushioning, gasketing and sealing, and venting applications for EV/HEV, general industrial, automotive and aerospace and defense markets.

Our Other operating segment consists of elastomer components for applications in the general industrial market, as well as elastomer floats for level sensing in fuel tanks, motors, and storage tanks applications in the general industrial and automotive markets.

The following table presents a disaggregation of revenue from contracts with customers and other pertinent financial information, for the periods indicated; inter-segment sales have been eliminated from the net sales data:

(Dollars in thousands)	**Advanced Electronics Solutions**	**Elastomeric Material Solutions**	**Other**	**Total**
Three Months Ended September 30, 2023				

(Dollars in millions)	*(Dollars in millions)*	**Advanced Electronics Solutions**	**Elastomeric Material Solutions**	**Other**	**Total**
Three Months Ended March 31, 2024					
Net sales - recognized over time					
Net sales - recognized over time					

Net sales - recognized over time	**Net sales - recognized over time**	**$ 60,788**	**$ 1,331**	**$ 4,093**	**$ 66,212**
Net sales - recognized at a point in time	**Net sales - recognized at a point in time**	**65,612**	**96,655**	**669**	**162,936**
Total net sales	**Total net sales**	**$ 126,400**	**$ 97,986**	**$ 4,762**	**$ 229,148**
Operating income	**Operating income**	**$ 5,674**	**$ 19,851**	**$ 1,597**	**$ 27,122**
Three Months Ended September 30, 2022					
Three Months Ended March 31, 2023					
Three Months Ended March 31, 2023					
Three Months Ended March 31, 2023					
Net sales - recognized over time					
Net sales - recognized over time					
Net sales - recognized over time	Net sales - recognized over time	$ 72,969	$ 3,346	$ 4,110	$ 80,425
Net sales - recognized at a point in time	Net sales - recognized at a point in time	57,639	107,637	1,530	166,806
Total net sales	Total net sales	$ 130,608	$ 110,983	$ 5,640	$ 247,231
Operating income	Operating income	$ 2,263	$ 14,322	$ 1,891	$ 18,476
Nine Months Ended September 30, 2023					
Net sales - recognized over time		**$ 180,338**	**$ 17,423**	**$ 12,011**	**$ 209,772**
Net sales - recognized at a point in time		**212,102**	**278,153**	**3,789**	**494,044**
Total net sales		**$ 392,440**	**$ 295,576**	**$ 15,800**	**$ 703,816**
Operating income		**$ 6,001**	**$ 43,293**	**$ 5,470**	**$ 54,764**
Nine Months Ended September 30, 2022					
Net sales - recognized over time		$ 214,091	$ 9,090	$ 12,763	$ 235,944
Net sales - recognized at a point in time		190,835	317,223	3,465	511,523
Total net sales		$ 404,926	$ 326,313	$ 16,228	$ 747,467
Operating income		$ 12,342	$ 43,920	$ 5,501	$ 61,763

Net sales by operating segment and by geographic area were as follows:

(Dollars in thousands)		Net Sales[(1)]			
(Dollars in millions)					
Region/Country	Region/Country	Advanced Electronics Solutions	Elastomeric Material Solutions	Other	Total
Three Months Ended September 30, 2023					
Three Months Ended March 31, 2024					
United States					
United States					
United States	**United States**	$ 20,403	$ 37,269	$ 1,060	$ 58,732
Other Americas	**Other Americas**	273	2,453	(34)	2,692
Total Americas	**Total Americas**	20,676	39,722	1,026	61,424
China	**China**	33,719	28,341	1,762	63,822
Other APAC	**Other APAC**	20,766	8,793	555	30,114
Total APAC	**Total APAC**	54,485	37,134	2,317	93,936
Germany	**Germany**	24,830	6,295	95	31,220
Other EMEA	**Other EMEA**	26,409	14,835	1,324	42,568
Total EMEA	**Total EMEA**	51,239	21,130	1,419	73,788
Total net sales	**Total net sales**	$ 126,400	$ 97,986	$ 4,762	$ 229,148
Three Months Ended September 30, 2022					
Three Months Ended March 31, 2023					
United States					
United States					
United States	United States	$ 33,969	$ 46,772	$ 1,087	$ 81,828
Other Americas	Other Americas	843	2,534	247	3,624
Total Americas	Total Americas	34,812	49,306	1,334	85,452
China	China	36,126	37,349	2,290	75,765
Other APAC	Other APAC	16,544	5,173	508	22,225
Total APAC	Total APAC	52,670	42,522	2,798	97,990
Germany	Germany	19,727	7,310	393	27,430
Other EMEA	Other EMEA	23,399	11,845	1,115	36,359
Total EMEA	Total EMEA	43,126	19,155	1,508	63,789
Total net sales	Total net sales	$ 130,608	$ 110,983	$ 5,640	$ 247,231

(Dollars in millions)	Net Sales[(1)]			
Region/Country	**Advanced Electronics Solutions**	**Elastomeric Material Solutions**	**Other**	**Total**

(1) Net sales are allocated to countries based on the location of the customer. The table above lists individual countries with 10% or more of net sales for the periods indicated.

(Dollars in thousands)	Net Sales(1)			
Region/Country	Advanced Electronics Solutions	Elastomeric Material Solutions	Other	Total
Nine Months Ended September 30, 2023				
United States	**$ 63,263**	**$ 123,109**	**$ 3,127**	**$ 189,499**
Other Americas	**3,232**	**11,961**	**282**	**15,475**
Total Americas	**66,495**	**135,070**	**3,409**	**204,974**
China	**110,237**	**69,227**	**6,187**	**185,651**
Other APAC	**67,817**	**23,760**	**1,934**	**93,511**
Total APAC	**178,054**	**92,987**	**8,121**	**279,162**
Germany	**74,002**	**22,449**	**334**	**96,785**
Other EMEA	**73,889**	**45,070**	**3,936**	**122,895**
Total EMEA	**147,891**	**67,519**	**4,270**	**219,680**
Total net sales	**$ 392,440**	**$ 295,576**	**$ 15,800**	**$ 703,816**
Nine Months Ended September 30, 2022				
United States	$ 94,907	$ 136,340	$ 3,075	$ 234,322
Other Americas	2,814	7,550	614	10,978
Total Americas	97,721	143,890	3,689	245,300
China	113,448	99,734	6,048	219,230
Other APAC	60,023	18,418	1,778	80,219
Total APAC	173,471	118,152	7,826	299,449
Germany	57,653	23,784	874	82,311
Other EMEA	76,081	40,487	3,839	120,407
Total EMEA	133,734	64,271	4,713	202,718
Total net sales	$ 404,926	$ 326,313	$ 16,228	$ 747,467

(1) Net sales are allocated to countries based on the location of the customer. The table above lists individual countries with 10% or more of net sales for the periods indicated.

Revenue from Contracts with Customers

We have contract assets primarily related to unbilled revenue for revenue recognized related to products that are deemed to have no alternative use whereby we have the right to payment. Revenue is recognized in advance of billing to the customer in these circumstances as billing is typically performed at the time of shipment to the customer. The unbilled revenue is included in contract assets on the condensed consolidated statements of financial position.

Contract assets by operating segment were as follows:

(Dollars in thousands)		**September 30, 2023**	December 31, 2022			
(Dollars in millions)				*(Dollars in millions)*	**March 31, 2024**	December 31, 2023
Advanced Electronics Solutions	Advanced Electronics Solutions	**$ 41,264**	$ 33,736			
Elastomeric Material Solutions	Elastomeric Material Solutions	**1,503**	1,584			
Other	Other	**3,709**	3,533			
Total contract assets	Total contract assets	**$ 46,476**	$ 38,853			

We did not have any contract liabilities as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023. No impairment losses were recognized for each of the three- and nine- three month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, on any receivables or contract assets arising from our contracts with customers.

Note 15 14 – Supplemental Financial Information

Restructuring and Impairment Charges

The components of the “Restructuring and impairment charges” line item in the condensed consolidated statements of operations which contains restructuring charges and related expenses, as well as impairment charges, were as follows:

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Restructuring charges				
Manufacturing footprint optimization	**$ —**	$ 373	**$ —**	$ 907
Global workforce reduction	**656**	—	**8,746**	—
Facility consolidations	**1,265**	—	**7,615**	—
Total restructuring charges	**1,921**	373	**16,361**	907
Impairment charges				
Fixed asset impairment charges	**—**	—	**—**	212
Total impairment charges	**—**	—	**—**	212
Total restructuring and impairment charges	**$ 1,921**	$ 373	**$ 16,361**	$ 1,119

Allocation of Restructuring and Impairment Charges to Operating Segments

The following table summarizes the allocation of restructuring and impairment charges to our operating segments:

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Advanced Electronics Solutions				
Allocated restructuring charges	**$ 1,636**	$ 371	**$ 10,213**	$ 920
Allocated impairment charges	**—**	—	**—**	212
Elastomeric Material Solutions				
Allocated restructuring charges	**285**	2	**6,148**	(13)
Allocated impairment charges	**—**	—	**—**	—
Total restructuring and impairment charges	**$ 1,921**	$ 373	**$ 16,361**	$ 1,119

	Three Months Ended	
(Dollars in millions)	**March 31, 2024**	March 31, 2023
Restructuring charges		
Global workforce reduction	**$ —**	$ 7.0
Facility consolidations	**0.1**	3.5
Total restructuring charges	**$ 0.1**	$ 10.5
Total restructuring and impairment charges	**$ 0.1**	$ 10.5

Restructuring Charges - Global Workforce Reduction

On February 16, 2023, we announced a reduction in force plan of to reduce our global workforce that was substantially completed in the first half of 2023, and will conclude concluded in the fourth quarter of 2023. The plan is expected to significantly reduce reduced our manufacturing costs and operating expenses. We estimate that we will incur approximately $8.7 million to $8.9 incurred $8.8 million in pre-tax restructuring charges related to this plan, all of which are expected to be was in the form of cash-based expenditures and substantially all of which are expected to be were related to employee severance and other termination benefits.

(Dollars in thousands)		Global Workforce Reduction Restructuring Severance and Related Benefits
Balance as of December 31, 2022	$	—
Provisions		8,476
Payments		(8,133)
Foreign currency translation adjustment		41
Balance as of September 30, 2023	**$**	**384**

Restructuring Charges - Facility Consolidations

In late 2022 and early 2023, we announced our intention to exit certain facilities in the U.S. and Asia. The plan is expected to significantly reduce reduced our manufacturing costs and operating expenses. We estimate that we will incur approximately $7.7 million to $8.3 have incurred $8.2 million in pre-tax restructuring charges to-date related to these facility consolidations, most of which are expected to be were in the form of accelerated depreciation.

As part of our facility consolidations plan, on February 17, 2023, in February 2023, we entered into an asset purchase agreement to sell our high-performance engineered cellular elastomer business in our EMS operating segment for a purchase price of $1.8 million. The first phase of the deal, which pertained to the net assets other than the land and building, was completed in late March 2023, while the second phase, which pertained to the sale of the land and building, was completed in early September 2023. Of the $1.8 million purchase price, $1.0 million and $0.8 million were allocated to the first and second phases of the deal, respectively. The first phase of the deal included $3.7 million in assets and $3.1 million in liabilities. The assets were primarily comprised of accounts receivable, contract assets and inventories, while the liabilities were primarily comprised of accounts payable and other accrued liabilities, along with the previously recognized accrual against the net assets of the business based on the estimated fair value of the business in December 2022. We incurred $1.2 million of selling costs in the first quarter of 2023, which were recorded in “Selling, general and administrative expenses” in our condensed consolidated statements of operations.

As of September 30, 2023 March 31, 2024 we recognized $16.1 $13.1 million of assets held for sale within the “Other current assets” financial statement line item of our condensed consolidated statements of financial position. This includes $13.1 million for position, representing the land and building at our Price Road facility in Chandler, Arizona and $3.0 million Arizona. We still expect the sale of land and building at this facility to be completed in the second quarter of 2024. In September 2023, we entered into an agreement to sell one of our Suzhou, China facilities. During facilities, which had a carrying value of $3.0 million, for $6.8 million resulting in a pre-tax gain of $1.9 million, inclusive of selling and disposal costs. The sale was completed in December 2023. The net impact of this transaction was recorded in the third quarter “Other operating (income) expense, net” line item in the condensed consolidated statements of 2023, operations.

Allocation of Restructuring and Impairment Charges to Operating Segments

The following table summarizes the previously disclosed asset purchase agreement allocation of restructuring and impairment charges to sell our Price Road facility was terminated and the facility remains held for sale. operating segments:

	Three Months Ended			
(Dollars in millions)		**March 31, 2024**		March 31, 2023
Advanced Electronics Solutions				
Allocated restructuring charges	**$**	**0.1**	$	5.4
Elastomeric Material Solutions				
Allocated restructuring charges		**—**		5.1
Total restructuring and impairment charges	**$**	**0.1**	$	10.5

Other Operating (Income) Expense, Net

The components of “Other operating (income) expense, net” line item in the condensed consolidated statements of operations, were as follows:

	Three Months Ended				Nine Months Ended			
(Dollars in thousands)		**September 30, 2023**		September 30, 2022		**September 30, 2023**		September 30, 2022
UTIS fire								
Inventory charges	**$**	**—**	$	(1)	**$**	**—**	$	199
Professional services		**77**		369		**596**		1,295
Lease obligations		**—**		91		**—**		369
Compensation & benefits		**—**		562		**—**		1,931

Other		—		2		—		15
Insurance recoveries		**(730)**		(1,604)		**(7,424)**		(6,646)
Total UTIS fire		**(653)**		(581)		**(6,828)**		(2,837)
(Gain) loss on sale or disposal of property, plant and equipment		**(193)**		3		**(679)**		(15)
Total other operating (income) expense, net	**$**	**(846)**	$	(578)	**$**	**(7,507)**	$	(2,852)

	Three Months Ended			
(Dollars in millions)	**March 31, 2024**		March 31, 2023	
UTIS fire				
Professional services	**$**	**—**	$	0.3
Insurance recoveries		**—**		(0.5)
Total UTIS fire		**—**		(0.2)
Total other operating (income) expense, net	**$**	**—**	$	(0.2)

In early February 2021, there was a fire at our UTIS manufacturing facility in Ansan, South Korea, which manufactures eSorba® polyurethane foams used in portable electronics and display applications. The site was safely evacuated and there were no reported injuries; however, there was extensive damage to the manufacturing site and some damage to nearby property. Commercial production at our new location in Siheung, South Korea commenced in late January 2023.

In connection with the UTIS fire, we recognized insurance recoveries of $0.7 $0.5 million and $7.4 million related to our ongoing insurance claims for business interruption and property damage for the three and nine months ended September 30, 2023, respectively. March 31, 2023. We incurred $0.1 million and $0.6 $0.3 million for various professional services for the three and nine months ended September 30, 2023 March 31, 2023, respectively, in connection with the pursuit of our insurance claims.

In connection with the UTIS fire, we recognized insurance recoveries of $1.6 million and $6.6 million related to our ongoing insurance claim for property damage and compensation and benefits of hourly employees for the three and nine months ended September 30, 2022, respectively. We incurred $0.4 million and $1.3 million for various professional services for the three and nine months ended September 30, 2022, respectively, in connection with the assessment of the fire and the efforts to rebuild and resume operations. Further, we incurred $0.6 million and $1.9 million for compensation and benefits for UTIS manufacturing employees subsequent to the fire for the three and nine months ended September 30, 2022, respectively.

Interest Expense, Net

The components of “Interest expense, net” line item in the condensed consolidated statements of operations, were as follows:

		Three Months Ended				Nine Months Ended		
(Dollars in thousands)		**September 30, 2023**		September 30, 2022		**September 30, 2023**		September 30, 2022
		Three Months Ended						
		Three Months Ended						
		Three Months Ended						
(Dollars in millions)								
(Dollars in millions)								
(Dollars in millions)								
Interest on revolving credit facility								
Interest on revolving credit facility								
Interest on revolving credit facility	Interest on revolving credit facility	**$**	**(1,939)**	$	(2,831)	**$**	**(8,306)**	$ (5,014)
Line of credit fees	Line of credit fees		**(219)**		(118)		**(565)**	(409)
Line of credit fees								
Line of credit fees								
Debt issuance amortization costs								
Debt issuance amortization costs								
Debt issuance amortization costs	Debt issuance amortization costs		**(123)**		(178)		**(527)**	(536)

Interest income	Interest income	**133**	175	**978**	462
Other		**(180)**	10	**(207)**	(62)
Interest income					
Interest income					
Total interest expense, net	**Total interest expense, net**	**$ (2,328)**	$ (2,942)	**$ (8,627)**	$ (5,559)
Total interest expense, net					
Total interest expense, net					

Note 15 – Income Taxes

The below discussion of the effective tax rate for the periods presented in the consolidated statements of operations is in comparison to the 21% U.S. statutory federal income tax rate.

Our effective tax rate was 32.8% in the first quarter of 2024. During the first quarter of 2024, our effective tax rate was unfavorably impacted primarily by the write-off of deferred tax assets related to stock compensation.

During the first quarter of 2023, our effective tax rate was 3.5%. During the first quarter of 2023, our effective tax rate was unfavorably impacted primarily by an increase in the valuation allowance attributable to loss jurisdictions in which no benefit is anticipated to be realized.

The OECD Pillar 2 guidelines published to date include transition and safe harbor rules around the implementation of the Pillar 2 global minimum tax of 15%. Based on current enacted legislation effective in 2024 and our structure, we do not expect a material impact in 2024. We are monitoring developments and evaluating the impacts these new rules will have on our future effective income tax rate, tax payments, financial condition, and results of operations.

Note 16 - Recent Accounting Standards

Recently Issued Standards

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU 2023-07 enhances segment reporting under Topic 280 by expanding the breadth and frequency of segment disclosures. This amendment will improve the disclosures about a public entity's reportable segments and address requests from investors for additional, more detailed information about a reportable segment's expenses. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. Adoption of the standard requires using the retrospective approach. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements and accompanying notes.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This update also includes certain other amendments to improve the effectiveness of income tax disclosures. The ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. Adoption of the standard should be applied on a prospective basis and retrospective application to all periods presented is permitted. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements and accompanying notes.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Position

As used herein, the "Company," "Rogers," "we," "us," "our" and similar terms include Rogers Corporation and its subsidiaries, unless the context indicates otherwise.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Act. Such statements are generally accompanied by words such as "anticipate," "assume," "believe," "could," "estimate," "expect," "foresee," "goal," "intend," "may," "might," "plan," "potential," "predict," "project," "should," "seek," "target" or similar expressions that convey uncertainty as to future events or outcomes. Forward-looking statements are based on assumptions and beliefs that we believe to be reasonable; however, assumed facts almost always vary from actual results, and the differences between assumed facts and actual results could be material depending upon the circumstances. Where we express an expectation or belief as to future results, that expectation or belief is expressed in good faith and based on assumptions believed to have a reasonable basis. We cannot assure you, however, that the stated expectation or belief will occur or be achieved or accomplished. Among the factors that could cause our results to differ materially from those indicated by forward-looking statements are risks and uncertainties inherent in our business including, without limitation:

- the duration and impacts of the novel coronavirus (COVID-19) global pandemic and efforts to contain its transmission and distribute vaccines, including the effect of these factors on our business, suppliers, supply chains, customers, end users and economic conditions generally;
- failure to capitalize on, volatility within, or other adverse changes with respect to the Company's our growth drivers, including advanced mobility and advanced connectivity, such as delays in adoption or implementation of new technologies;
- failure to successfully execute on the Company's our long-term growth strategy as a standalone company;

- uncertain business, economic and political conditions in the United States (U.S.) U.S. and abroad, particularly in China, Germany, Belgium, England, South Korea 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, 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 they are incorporated into end-user products and systems;
- 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, terrorism or public health crises;
- the impact of sanctions, export controls and other foreign asset or investment restriction;
- 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; and
- our terminated merger with DuPont de Nemours, Inc. (DuPont), which may cause us to incur substantial costs that may adversely affect our financial results and operations and the market price of our capital stock, including as a result of litigation. systems.

Our forward-looking statements are expressly qualified by these cautionary statements, which you should consider carefully, along with the risks discussed in this section and elsewhere in this report, including under the section entitled "Risk Factors" in Part II, Item 1A and in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the Annual Report) and our other reports filed with the Securities and Exchange Commission, SEC, any of which could cause actual results to differ materially from historical results or anticipated results. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and the related notes that appear elsewhere in this Form 10-Q along with our audited consolidated financial statements and the related notes thereto in our Annual Report.

Company Background Overview and Strategy

Rogers Corporation designs, develops, manufactures We design, develop, manufacture and sells sell high-performance and high-reliability engineered materials and components to meet our customers' demanding challenges. We operate two strategic operating segments: Advanced Electronics Solutions (AES) AES and Elastomeric Material Solutions (EMS). The EMS. Our remaining operations, which represent our non-core businesses, are reported in our Other operating segment. We have a history of innovation and have established Innovation Centers for our research and development (R&D) activities in Chandler, Arizona; Burlington, Massachusetts; Eschenbach, Germany; and Suzhou, China. We are headquartered in Chandler, Arizona.

Our growth and profitability strategy is based upon the following principles: (1) market-driven organization, (2) innovation leadership, (3) synergistic mergers and acquisitions, and (4) operational excellence. Our priorities in executing this strategy are focused on driving near-term improvements to profitability and improving the growth outlook for the Company over the next several years by further strengthening our focus on commercial activities, expanding capacity to meet customer demand and driving innovation.

As a market-driven organization, we are focused on capitalizing on growth opportunities in the increasing electrification of vehicles, including electric and hybrid electric vehicles (EV/HEV), EV/HEV, and increasing use of advanced driver assistance systems (ADAS) ADAS in the automotive industry, the advancement of communication systems in aerospace and defense, the growth of 5G smartphones in the portable electronics industry, and in renewable energy. In addition to our focus on these markets, we sell into a variety of other markets including general industrial, wireless infrastructure and mass transit.

Our growth strategy is based on addressing trends in these markets and applying our repeatable customer engagement process. Our sales engineers and technical service employees work closely with our customers to understand their complex challenges. They then leverage our innovation and technology capabilities and deep applications expertise to provide unique solutions to customers' challenges. In addition to these capabilities, our strategy for success as a manufacturer of engineered materials and components is also built on our reputation for high performance and reliability solutions, trusted customer relationships, a broad product portfolio and custom design capabilities. Through this strategy we expect to be able to drive further commercial wins, which provide the potential for higher growth in the future. We have also expanded our capabilities through organic investment and acquisitions and strive to ensure high quality solutions for our customers.

Our operational excellence efforts are focused on driving significant near-term improvement in enhancements to our profitability. profitability and ongoing cost structure improvements. These efforts include focusing on improving yields, throughput, procurement capabilities and manufacturing processes and selectively adding strategic new hires and improving processes and tools to achieve better performance. We have also taken specific cost improvement actions in the fourth quarter of 2022 and first half through the end of 2023 that will benefit have benefited subsequent quarters. These actions include optimizing our manufacturing footprint, divesting non-core product lines and reduction reductions to manufacturing and corporate employees. We continue to review and re-align our manufacturing and engineering footprint in an effort to maintain a leading competitive position globally and to support our customers' growth initiatives.

We seek to enhance our operational and financial performance by investing in research and development, manufacturing and materials efficiencies, and new product initiatives that respond to the needs of our customers. We strive to evaluate operational and strategic alternatives to improve our business structure and align our business with the changing needs of our customers and major industry trends affecting our business.

If we are able to successfully execute on our strategy, we see an opportunity, over the next several years, to return to historical levels of profitability and accelerate revenue growth, relative to 2022, over the next several years, meaningfully improve revenues from 2023 levels, led by organic growth and complemented by targeted acquisitions. This outlook is supported by our participation in a number of fast-growing growth markets and by our strong competitive positions in these markets. The fastest growing market opportunity is expected to be EV/HEV where third-party analysis projects that the market will grow increase at a compound annual growth rate of between 20% 15% and 25% 20% over the next several years. Within the EV/HEV market, we believe our advanced battery cell pads, ceramic substrates and power interconnects provide multiple content opportunities to capitalize on this growth. In each of Across these areas we have secured a number of design wins and have a strong opportunity pipeline, which provides confidence in our growth outlook. Other markets with a strong good growth trajectory include ADAS, aerospace and defense, portable electronics and renewable energy. Each of these markets is expected to contribute to our growth.

Terminated Merger with DuPont

On November 1, 2021, we entered into a definitive merger agreement to be acquired by DuPont de Nemours, Inc. (DuPont) in an all-cash transaction at a price of $277.00 per share of the Company's capital stock. The merger agreement provided for the acquisition of Rogers Corporation by DuPont through the merger of Cardinalis Merger Sub, Inc., a wholly owned subsidiary of DuPont, with and into Rogers Corporation, with Rogers Corporation surviving the merger as a wholly owned subsidiary of DuPont. Company shareholders approved the merger agreement at a special shareholder meeting held on January 25, 2022. The merger agreement provided both Rogers Corporation and DuPont with a right to terminate the merger agreement if the merger had not closed on or before November 1, 2022. Consummation of the merger was subject to various customary closing conditions, including regulatory approval by the State Administration for Market Regulation of China (SAMR). As of November 1, 2022, the parties had not received regulatory approval from SAMR. On November 1, 2022, the Company received from DuPont a notice of termination of the merger agreement. Pursuant to the terms of the merger agreement, the Company received a regulatory termination fee from DuPont in the amount of $162.5 million, before taxes, and incurred a transaction-related fee of $20.4 million.

COVID-19 Update

The global COVID-19 pandemic has affected and continues to affect Rogers' business, operations and demand from customers. Surges in COVID-19 cases in China during 2022 resulted in lockdowns as well as various restrictions. These measures have not disrupted our manufacturing efforts, however, they have caused logistics challenges. Even since China ended its zero COVID policy in late 2022, although a significant percentage of our employees in Suzhou, China were diagnosed with COVID, our manufacturing has not been materially disrupted and to date we have received no reports of permanent disability or death among our employees. We expect that the COVID-19 pandemic will have a continuing but uncertain impact on our business and operations in the short- and medium-term.

Due to the above circumstances and as described generally in this Form 10-Q, our results of operations for the nine months ended September 30, 2023 are not necessarily indicative of the results to be expected for the full year.

Executive Summary

The following key highlights and factors should be considered when reviewing our results of operations, financial position and liquidity:

- In the third first quarter of 2023 2024 as compared to the third first quarter of 2022, 2023, our net sales decreased approximately 7.3% 12.5% to $229.1 million $213.4 million, our gross margin increased decreased approximately 350 70 basis points to 35.1% 32.0% from 31.6% 32.7%, and we had an operating income of 11.8% 5.5% compared to an operating income loss of 7.5% 0.1%, an increase of approximately 430 560 basis points increase. points.
- We made $50.0 $30.0 million of discretionary principal payments on our revolving credit facility in the third first quarter of 2023. 2024.
- On February 17, 2023, we entered into an asset purchase agreement to sell our high-performance engineered cellular elastomer business for a purchase price of $1.8 million. The first phase of the deal, which pertained to the net assets other than the land and building, was completed in late March 2023, while the second phase, which pertained to the sale of the land and building, was completed in early September 2023.

Results of Operations

The following table sets forth, for the periods indicated, selected operations data expressed as a percentage of net sales:

	Three Months Ended		**Nine Months Ended**	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
	March 31, 2024			
	March 31, 2024			

		March 31, 2024							
Net sales	Net sales	**100.0**	**%**	100.0	%	**100.0**	**%**	100.0	%
Net sales									
Net sales									
Gross margin									
Gross margin									
Gross margin	Gross margin	**35.1**	**%**	31.6	%	**34.1**	**%**	33.4	%
Selling, general and administrative expenses	Selling, general and administrative expenses	**19.4**	**%**	20.5	%	**21.4**	**%**	22.0	%
Selling, general and administrative expenses									
Selling, general and administrative expenses									
Research and development expenses									
Research and development expenses									
Research and development expenses	Research and development expenses	**3.4**	**%**	3.7	%	**3.6**	**%**	3.4	%
Restructuring and impairment charges	Restructuring and impairment charges	**0.8**	**%**	0.2	%	**2.3**	**%**	0.1	%
Restructuring and impairment charges									
Restructuring and impairment charges									
Other operating (income) expense, net	Other operating (income) expense, net	**(0.3)**	**%**	(0.3)	%	**(1.0)**	**%**	(0.4)	%
Operating income		**11.8**	**%**	7.5	%	**7.8**	**%**	8.3	%
Other operating (income) expense, net									
Other operating (income) expense, net									
Operating income (loss)									
Operating income (loss)									
Operating income (loss)									
Equity income in unconsolidated joint ventures	Equity income in unconsolidated joint ventures	**0.3**	**%**	0.5	%	**0.2**	**%**	0.6	%
Equity income in unconsolidated joint ventures									
Equity income in unconsolidated joint ventures									
Other income (expense), net									
Other income (expense), net									
Other income (expense), net	Other income (expense), net	**0.3**	**%**	0.3	%	**—**	**%**	0.1	%
Interest expense, net	Interest expense, net	**(1.0)**	**%**	(1.2)	%	**(1.2)**	**%**	(0.7)	%
Income before income taxes		**11.4**	**%**	7.1	%	**6.8**	**%**	8.3	%
Interest expense, net									
Interest expense, net									
Income (loss) before income taxes									
Income (loss) before income taxes									
Income (loss) before income taxes									
Income tax expense (benefit)	Income tax expense (benefit)	**3.1**	**%**	1.1	%	**2.1**	**%**	1.7	%

Net income	8.3	%	6.0	%	4.7	%	6.6	%

Income tax expense (benefit)

Income tax expense (benefit)

Net income (loss)

Net income (loss)

Net income (loss)

Net Sales and Gross Margin

		Three Months Ended		Nine Months Ended	
(Dollars in thousands)		**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Net sales	Net sales	**$229,148**	$247,231	**$703,816**	$747,467
Gross margin	Gross margin	**$ 80,360**	$ 78,064	**$239,678**	$249,976
Percentage of net sales	Percentage of net sales	**35.1 %**	31.6 %	**34.1 %**	33.4 %

Net Sales and Gross Margin

Net Sales and Gross Margin

Three Months Ended

(Dollars in millions)

(Dollars in millions)

(Dollars in millions)

Net sales

Net sales

Gross margin

Gross margin

Percentage of net sales

Percentage of net sales

Net sales decreased by 7.3% 12.5% in the third first quarter of 2023 2024 compared to the third first quarter of 2022. 2023. Our AES and EMS operating segments had net sales decreases of 3.2% 10.2% and 11.7% 16.1%, respectively. The decrease in net sales was primarily due to lower net sales in the EV/HEV, aerospace ADAS and defense, portable electronics and wireless infrastructure renewable energy markets in our AES operating segment and lower net sales in the general industrial consumer and portable electronics consumer markets in our EMS operating segment. The decrease was partially offset by higher net sales in the renewable energy, ADAS wireless infrastructure and general industrial aerospace and defense markets in our AES operating segment and higher net sales in the EV/HEV

and aerospace and defense market in our EMS operating segment. Net sales were favorably impacted by foreign currency impacts of $1.9 million, or 0.8%, due to the appreciation in value of the euro relative to the U.S. dollar, partially offset by the depreciation in value of the Chinese renminbi relative to the U.S. dollar.

Net sales decreased by 5.8% in the first nine months of 2023 compared to the first nine months of 2022. Our AES and EMS operating segments had net sales decreases of 3.1% and 9.4%, respectively. The decrease in net sales was primarily due to lower net sales in the wireless infrastructure, aerospace and defense, EV/HEV and portable electronics markets in our AES operating segment and lower net sales in the general industrial, consumer, portable electronics and EV/HEV markets in our EMS operating segment. The decrease was partially offset by higher We experienced lower EV/HEV net sales in the renewable energy and ADAS markets in our AES operating segment as customers continued to manage inventory levels and higher adjusted to softer end market demand. Foreign currency exchange rate changes year-over-year had an immaterial impact on net sales in the aerospace and defense market in our EMS operating segment. Net sales were unfavorably impacted by foreign currency impacts of $7.0 million, or 0.9%, due to the depreciation in value of the Chinese renminbi and the British pound relative to the U.S. dollar, partially offset by the appreciation in value of the euro relative to the U.S. dollar. on a quarter-to-date basis.

Gross margin as a percentage of net sales increased decreased approximately 350 70 basis points to 35.1% 32.0% in the third first quarter of 2023 2024 compared to 31.6% 32.7% in the third first quarter of 2022. 2023. Gross margin in the third first quarter of 2023 improved 2024 declined due to unfavorable impacts from lower freight, duties volume and tariffs costs and favorable factory optimization efforts unfavorable mix in our AES and EMS operating segments, as well as lower raw material costs unfavorable factory utilization in our EMS AES operating segment. This was partially offset by the unfavorable impacts from lower volume and unfavorable mix, as well as unfavorable raw material costs, favorable yield performance and lower inventory reserves provisions in our AES and EMS operating segments, and higher inventory reserves provisions as well as favorable impacts in factory utilization from our factory optimization efforts in our EMS operating segment.

Gross margin as a percentage of net sales increased approximately 70 basis points to 34.1%

Selling, General and Administrative Expenses

	Three Months Ended	
(Dollars in millions)	**March 31, 2024**	March 31, 2023
Selling, general and administrative expenses	**$ 47.5**	$ 60.1
Percentage of net sales	**22.3 %**	24.6 %

SG&A expenses decreased 21.0% in the first nine months quarter of 2023 compared to 33.4% in 2024 from the first nine months of 2022. Gross margin in the first nine months of 2023 improved due to lower freight, duties and tariffs costs, lower raw material costs and favorable factory optimization efforts in our AES and EMS operating segments. This was partially offset by lower volume and unfavorable mix, as well as higher inventory reserves provisions and unfavorable yield performance in our AES and EMS operating segments.

Selling, General and Administrative Expenses

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Selling, general and administrative expenses	**$ 44,336**	$ 50,653	**$ 150,549**	$ 164,496
Percentage of net sales	**19.4 %**	20.5 %	**21.4 %**	22.0 %

Selling, general and administrative (SG&A) expenses decreased 12.5% in the third quarter of 2023, from the third quarter of 2022, primarily due to a $3.8 million $9.9 million decrease in professional services expense, a $1.8 million $0.9 million decrease in total compensation and benefits and a $0.7 million decrease in other intangible asset amortization recruiting, relocation and training expenses. The decrease in professional services expense partially offset by a $0.4 million increase in travel expenses and a $0.2 million increase in fixed asset depreciation expense. was primarily attributable to the non-recurrence of the $7.6 million of non-routine shareholder advisory costs.

SG&A

Research and Development Expenses

	Three Months Ended	
(Dollars in millions)	**March 31, 2024**	March 31, 2023
Research and development expenses	**$ 8.9**	$ 9.6
Percentage of net sales	**4.2 %**	3.9 %

R&D expenses decreased 8.5% 7.3% in the first nine months quarter of 2023 2024 from the first nine months quarter of 2022, primarily 2023 due to an $11.2 million a $0.6 million decrease in professional services expense and a $0.4 million decrease in total compensation and benefits a $2.6 million decrease in other intangible asset amortization expense, and a $1.1 million decrease in professional services, partially offset by a $0.7 million increase in fixed asset depreciation expense and $0.7 million increase in travel expenses.

The decrease in total compensation and benefits was primarily due to a $0.4 million decrease in the impact for retention awards issued in connection with the terminated DuPont merger, on a quarter-to-date basis, and the $6.5 million discretionary RESIP contribution in 2022 and a $1.5 million decrease in the impact for retention awards issued in connection with the terminated DuPont merger on a year-to-date basis. The decrease in professional services expense on a quarter-to-date basis was due to a $1.5 million decrease in expenses incurred related to the terminated merger with DuPont, a $0.1 million decrease in expenses incurred related to our acquisition of Silicone Engineering as well as an overall general reduction of professional service expenses across general and administrative departments. The decrease in professional services expense on a year-to-date basis was due to a $5.4 million decrease in expenses incurred related to the terminated merger with DuPont, a $0.6 million decrease in expenses incurred related to our acquisition of Silicone Engineering as well as an overall general reduction of professional service expenses across general and administrative departments, partially offset by $7.6 million of expenses related to non-routine shareholder advisory costs and $1.1 million of expenses in connection with the sale of our high-performance engineered cellular elastomer business.

Research and Development Expenses

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Research and development expenses	**$ 7,827**	$ 9,140	**$ 25,511**	$ 25,450
Percentage of net sales	**3.4 %**	3.7 %	**3.6 %**	3.4 %

R&D expenses decreased 14.4% in the third quarter of 2023 from the third quarter of 2022 due to a decrease in trial costs for alternative raw materials, a decrease in professional services and a decrease in total compensation and benefits expense.

R&D expenses increased 0.2% in the first nine months of 2023 from the first nine months of 2022 due to an $0.2 million increase in trial costs for alternative raw materials, partially offset by a decrease in professional services and a decrease in total compensation and benefits expense. materials.

Restructuring and Impairment Charges and Other Operating (Income) Expense, Net

		Three Months Ended		Nine Months Ended	
(Dollars in thousands)		**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Restructuring and Impairment Charges and Other Operating (Income) Expense, Net					
Restructuring and Impairment Charges and Other Operating (Income) Expense, Net					
		Three Months Ended			
(Dollars in millions)					
(Dollars in millions)					
(Dollars in millions)					
Restructuring and impairment charges					
Restructuring and impairment charges					
Restructuring and impairment charges	Restructuring and impairment charges	**$ 1,921**	$ 373	**$ 16,361**	$ 1,119
Other operating (income) expense, net	Other operating (income) expense, net	**$ (846)**	$ (578)	**$ (7,507)**	$ (2,852)
Other operating (income) expense, net					
Other operating (income) expense, net					

We incurred restructuring charges and related expenses in 2023 associated with the announced reduction in force plan of our global workforce along with certain facility consolidation efforts, which were substantially completed as of September 30, 2023 December 31, 2023. The plans are expected to significantly reduce reduced our manufacturing costs and operating expenses. We recognized restructuring charges and related expenses pertaining to these restructuring projects of $1.9 million in $10.5 million for the third quarter of 2023 and $16.4 million in the first nine three months of 2023. ended March 31, 2023. For additional information, refer to “Note 15 14 – Supplemental Financial Information” to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q.

With respect to other operating (income) expense, net, we recognized no income of $0.8 million and income of $0.6 million in the third quarter of 2023 and 2022, respectively, and income of $7.5 million and income of $2.9 million $0.2 million in the first nine months quarter of 2023 2024 and 2022, 2023, respectively. The impact in the third first quarter of 2023 and 2022 and the first nine months of 2023 and 2022, primarily consisted of insurance recoveries, partially offset by professional service costs, compensation and benefits for certain of from the fire at our UTIS employees, costs incurred under our manufacturing facility lease agreement and inventory charges. in Ansan, South Korea. For additional information, refer to “Note 15 14 – Supplemental Financial Information” to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q.

Equity Income in Unconsolidated Joint Ventures

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Equity Income in Unconsolidated Joint Ventures				

Equity Income in Unconsolidated Joint Ventures

	Three Months Ended			
(Dollars in millions)				
(Dollars in millions)				
(Dollars in millions)				
Equity income in unconsolidated joint ventures				

Equity income in unconsolidated joint ventures	**$ 641**	$ 1,162	**$ 1,559**	$ 4,237
Equity income in unconsolidated joint ventures				
Equity income in unconsolidated joint ventures				

As of September 30, 2023 March 31, 2024, we had two unconsolidated joint ventures, each 50% owned: Rogers INOAC Corporation (RIC) RIC and Rogers INOAC Suzhou Corporation (RIS). RIS. Equity income in those unconsolidated joint ventures decreased 44.8% in the third quarter of 2023 from the third quarter of 2022, and decreased 63.2% increased $0.2 million in the first nine months quarter of 2023 2024 from the first nine months quarter of 2022. 2023. On a quarter-to-date and year-to-date bases, basis, the decrease increase was due to higher net sales and lower SG&A costs for RIC. The higher net sales for RIC and RIS. The lower net sales for both RIC and RIS was primarily driven by the portable electronics market in Asia.

Other Income (Expense), Net

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Other Income (Expense), Net				
Other Income (Expense), Net				
	Three Months Ended			
(Dollars in millions)				
(Dollars in millions)				
(Dollars in millions)				
Other income (expense), net				
Other income (expense), net	**$ 761**	$ 977	**$ 9**	$ 1,563
Other income (expense), net				
Other income (expense), net				

Other income (expense), net decreased increased to income of $0.8 million $0.4 million in the third first quarter of 2023 2024 from income of $1.0 million $0.1 million in the third first quarter of 2022. On a quarter-to-date basis, the decrease 2023. The increase was due to the unfavorable favorable year-over-year change in impacts from our foreign currency transactions, partially offset by favorable unfavorable year-over-year change in impacts from our foreign currency derivatives.

Other income (expense), net decreased to income of less than $0.1 million in the first nine months of 2023 from income of $1.6 million in the first nine months of 2022. On a year-to-date basis, the decrease was due to unfavorable impacts from our foreign currency transactions, partially offset by favorable impacts from our foreign currency derivatives and the favorable impacts from our copper derivative contracts.

Interest Expense, Net

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Interest Expense, Net				

Interest Expense, Net

	Three Months Ended				
(Dollars in millions)					
(Dollars in millions)					
(Dollars in millions)					
Interest expense, net	Interest expense, net	**$ (2,328)**	$ (2,942)	**$ (8,627)**	$ (5,559)
Interest expense, net					
Interest expense, net					

Interest expense, net, decreased by $0.6 million in the third quarter of 2023 from the third quarter of 2022, and increased by $3.1 million $2.7 million in the first nine months quarter of 2023 2024 from the first nine months quarter of 2022. 2023. The decrease on a year-over-year quarter-to-date basis was primarily due to a lower weighted-average outstanding balance, partially offset by a higher weighted-average interest borrowings under our revolving credit facility.

Income Taxes

	Three Months Ended	
(Dollars in millions)	**March 31, 2024**	March 31, 2023
Income tax expense (benefit)	**$ 3.8**	$ (0.1)
Effective tax rate	**32.8 %**	3.5 %

The below discussion of the effective tax rate for the periods presented in the consolidated statements of operations is in comparison to the 21% U.S. statutory federal income tax rate. The increase on a year-to-date basis was primarily due to a higher weighted-average interest rate, partially offset by a lower weighted-average outstanding balance.

Income Taxes

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Income tax expense (benefit)	**$ 7,161**	$ 2,835	**$ 14,311**	$ 12,683
Effective tax rate	**27.3 %**	16.0 %	**30.0 %**	20.5 %

Our effective income tax rate was 27.3% and 16.0% for 32.8% in the three months ended September 30, 2023 and 2022, respectively. The increase from the third first quarter of 2022 was primarily due to 2024. During the third first quarter 2022 decrease in uncertain tax positions that did not recur in 2023. Our of 2024, our effective income tax rate was 30.0% and 20.5% for unfavorably impacted primarily by the nine months ended September 30, 2023 and 2022, respectively. The increase from write-off of deferred tax assets related to stock compensation.

During the third first quarter of 2022 2023, our effective tax rate was 3.5%. During the first quarter of 2023, our effective tax rate was unfavorably impacted primarily due by an increase in the valuation allowance attributable to the third quarter 2022 decrease loss jurisdictions in reserves for uncertain tax positions that did not recur in 2023. which no benefit is anticipated to be realized.

Operating Segment Net Sales and Operating Income

Advanced Electronics Solutions

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Net sales	**$ 126,400**	$ 130,608	**$ 392,440**	$ 404,926
Operating income	**$ 5,674**	$ 2,263	**$ 6,001**	$ 12,342

	Three Months Ended	
(Dollars in millions)	**March 31, 2024**	March 31, 2023
Net sales	**$ 122.1**	$ 135.9

Operating income (loss)	**$ 4.4**	$ (5.5)

AES net sales decreased by 3.2% 10.2% in the third first quarter of 2023 2024 compared to the third first quarter of 2022. 2023. The decrease in net sales over the third first quarter of 2022 2023 was primarily driven by lower net sales in the EV/HEV, wireless infrastructure, aerospace ADAS and defense and portable electronics renewable energy markets, partially offset by higher net sales in the renewable energy, ADAS and general industrial markets. Net sales were favorably impacted by foreign currency fluctuations of $2.6 million, or 2.0%, due to the appreciation in value of the euro relative to the U.S dollar, partially offset by the depreciation in value of the Chinese renminbi relative to the U.S. dollar.

AES net sales decreased by 3.1% in the first nine months of 2023 compared to the first nine months of 2022. The decrease in net sales over the first nine months of 2022 was primarily driven by lower net sales in the wireless infrastructure and aerospace and defense and portable electronics markets, partially offset by higher markets. We experienced lower EV/HEV net sales in the renewable energy as customers continued to manage inventory levels and ADAS markets. Net adjusted to softer end market demand. Foreign currency exchange rate changes year-over-year had an immaterial impact on net sales were unfavorably impacted by foreign currency fluctuations of $2.3 million, or 0.6%, due to the depreciation in value of Chinese renminbi relative to the U.S. dollar, partially offset by the appreciation in value of the euro relative to the U.S. dollar. on a quarter-to-date basis.

We recognized operating income of $5.7 million $4.4 million in the third first quarter of 2023 2024 compared to an operating income loss of $2.3 million $5.5 million in the third first quarter of 2022. 2023. The increase in operating income was primarily due to a year-over-year decrease in lower raw material costs, related to the terminated DuPont merger, favorable yield performance and lower inventory reserves provisions, partially offset by the unfavorable year-over-year changes in restructuring charges. The increase in operating income was also due to lower freight, duties and tariffs costs and favorable factory optimization efforts. This was partially offset by impacts from lower volume and unfavorable mix, as well as unfavorable yield performance. factory utilization. As a percentage of net sales, the operating income in the third first quarter of 2024 was 3.6% compared to an operating loss of 4.1% reported in the first quarter of 2023.

Elastomeric Material Solutions

	Three Months Ended	
(Dollars in millions)	**March 31, 2024**	March 31, 2023
Net sales	**$ 85.7**	$ 102.2
Operating income (loss)	**$ 5.3**	$ 3.2

EMS net sales decreased by 16.1% in the first quarter of 2024 compared to the first quarter of 2023. The decrease in net sales over the first quarter of 2023 was 4.5% compared to 1.7% of operating income reported primarily driven by lower net sales in the third quarter of 2022. general industrial and consumer markets, partially offset by higher net sales in the EV/HEV and aerospace and defense markets. Foreign currency exchange rate changes year-over-year had an immaterial impact on net sales on a quarter-to-date basis.

We recognized operating income of $6.0 million $5.3 million in the first nine months quarter of 2023 2024 compared to operating income of $12.3 million $3.2 million in the first nine months quarter of 2022. 2023. The decrease increase in operating income was primarily due to unfavorable year-over-year changes lower raw material costs, favorable yield performance and lower inventory reserves provisions, as well as favorable impacts in restructuring charges and shared service operating expense allocations driven by non-routine shareholder advisory costs, factory utilization from our factory optimization efforts, partially offset by a year-over-year decrease in costs related to the terminated DuPont merger. The decrease in operating income was also due to unfavorable impacts from lower volume and unfavorable mix, as well as unfavorable yield performance and higher inventory reserves provisions. This was partially offset by lower freight, duties and tariffs costs, lower raw material costs and favorable factory optimization efforts. mix. As a percentage of net sales, operating income in the first nine months quarter of 2023 2024 was 1.5% 6.2% compared to 3.0% an operating income of operating income 3.1% reported in the first nine months of 2022.

Elastomeric Material Solutions

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Net sales	**$ 97,986**	$ 110,983	**$ 295,576**	$ 326,313
Operating income	**$ 19,851**	$ 14,322	**$ 43,293**	$ 43,920

EMS net sales decreased by 11.7% in the third quarter of 2023 compared to the third quarter of 2022. The decrease in net sales over the third quarter of 2022 was primarily driven by lower net sales in the general industrial, consumer and portable electronics markets, partially offset by higher net sales in the aerospace and defense market. Net sales were unfavorably impacted by foreign currency fluctuations of $0.5 million, or 0.5%, due to the depreciation in value of the Chinese renminbi relative to the U.S. dollar, partially offset by the appreciation in value of the euro relative to the U.S. dollar.

EMS net sales decreased by 9.4% in the first nine months of 2023 compared to the first nine months of 2022. The decrease in net sales over the first nine months of 2022 was primarily driven by lower net sales in the general industrial, consumer, portable electronics and EV/HEV markets, partially offset by higher net sales in the aerospace and defense market. Net sales were unfavorably impacted by foreign currency fluctuations of $4.2 million, or 1.3%, due to the depreciation in value of Chinese renminbi and the British pound relative to the U.S. dollar.

We recognized operating income of $19.9 million in the third quarter of 2023 compared to operating income of $14.3 million in the third quarter of 2022. The increase in operating income was primarily due to a year-over-year decrease in costs related to the terminated DuPont merger, partially offset by unfavorable year-over-year changes in restructuring charges. The increase in operating income was also due to lower freight, duties and tariffs costs, favorable factory optimization efforts and lower raw material costs. This was partially offset by lower volume, as well as unfavorable yield performance and higher inventory reserves provisions. As a percentage of net sales, operating income in the third quarter of 2023 was 20.3% compared to 12.9% reported in the third quarter of 2022.

We recognized operating income of $43.3 million in the first nine months of 2023 compared to operating income of $43.9 million in the first nine months of 2022. The decrease in operating income was primarily due to unfavorable year-over-year changes in restructuring charges and shared service operating expense allocations driven by non-routine shareholder advisory costs, partially offset by a year-over-year decrease in costs related to the terminated DuPont merger. The decrease in operating income was also due to lower volume, as well as unfavorable yield performance and higher inventory reserves provisions. This was partially offset by lower freight, duties and tariffs costs, lower raw material costs and favorable factory optimization efforts, in addition to a $4.0 million favorable change in charges/benefits related to the UTIS fire. As a percentage of net sales, operating income in the first nine months of 2023 was 14.6% compared to 13.5% reported in the first nine months of 2022. 2023.

Other

	Three Months Ended		Nine Months Ended	
(Dollars in thousands)	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Net sales	**$ 4,762**	$ 5,640	**$ 15,800**	$ 16,228
Operating income	**$ 1,597**	$ 1,891	**$ 5,470**	$ 5,501

	Three Months Ended	
(Dollars in millions)	**March 31, 2024**	March 31, 2023
Net sales	**$ 5.6**	$ 5.7
Operating income (loss)	**$ 2.0**	$ 2.0

Net sales in this segment decreased by 15.6% 1.8% in the third first quarter of 2023 2024 from the third first quarter of 2022. 2023. Operating income decreased 15.5% was flat in the third first quarter of 2023 2024 compared to the third first quarter of 2022. The decrease in operating 2023. Operating income was primarily driven by lower volume and unfavorable factory utilization. utilization offset by higher volume. As a percentage of net sales, operating income was 33.5% in both the third quarter of 2023 and the third quarter of 2022.

Net sales in this segment decreased by 2.6% in the first nine months of 2023 from the first nine months of 2022. Operating income decreased 0.6% in the first nine months of 2023 compared to the first nine months of 2022. The decrease in operating income was primarily driven by lower volume, unfavorable factory utilization and higher inventory reserves provisions, partially offset by lower freight, duties and tariffs costs. As a percentage of net sales, operating income in the first nine months quarter of 2023 2024 was 34.6% 35.7% compared to 33.9% an operating income of 35.1% reported in the first nine months quarter of 2022. 2023.

Liquidity, Capital Resources and Financial Position

We believe that our existing sources of liquidity and cash flows that we expect to generate from our operations, together with our available credit facilities, will be sufficient to fund our operations, currently planned capital expenditures, research and development efforts and our debt service commitments, for at least the next 12 months. We regularly review and evaluate the adequacy of our cash flows, borrowing facilities and banking relationships in an effort to ensure that we have the appropriate access to cash to fund both our near-term operating needs and our long-term strategic initiatives.

The following table illustrates the location of our cash and cash equivalents by our three major geographic areas:

(Dollars in thousands)		**September 30, 2023**	December 31, 2022			
(Dollars in millions)				*(Dollars in millions)*	**March 31, 2024**	December 31, 2023
United States	United States	**$ 44,378**	$119,931			
Europe	Europe	**33,525**	69,877			
Asia	Asia	**48,552**	46,042			
Total cash and cash equivalents	Total cash and cash equivalents	**$ 126,455**	$235,850			

Approximately $82.1 million $64.7 million of our cash and cash equivalents were held by non-U.S. subsidiaries as of September 30, 2023 March 31, 2024. We did not make any changes in the nine three months ended September 30, 2023 March 31, 2024 to our position on the permanent reinvestment of our earnings from foreign operations. With the exception of certain of our Chinese subsidiaries, where a substantial portion of our Asia cash and cash equivalents are held, we continue to assert that historical foreign earnings are indefinitely reinvested.

(Dollars in thousands)		**September 30, 2023**	December 31, 2022			
(Dollars in millions)				(Dollars in millions)	**March 31, 2024**	December 31, 2023
Key Financial Position Accounts:	Key Financial Position Accounts:			Key Financial Position Accounts:		
Cash and cash equivalents	Cash and cash equivalents	**$ 126,455**	$235,850			
Accounts receivable, net	Accounts receivable, net	**$ 185,750**	$177,413			
Inventories		**$ 157,073**	$182,402			
Inventories, net						
Borrowings under revolving credit facility	Borrowings under revolving credit facility	**$ 80,000**	$215,000			

Changes in key financial position accounts and other significant changes in our statements of financial position from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024 were as follows:

- Cash and cash equivalents were $126.5 million $116.9 million as compared to $235.9 million $131.7 million as of December 31, 2022 December 31, 2023, a decrease of $109.4 million $14.8 million, or 46.4% 11.2%. This decrease was primarily due to $135.0 million $30.0 million in discretionary principal payments on our revolving credit facility, $34.5 million $9.4 million in capital expenditures and $2.5 million $1.1 million in tax payments related to net share settlement of equity awards, partially offset by cash flows provided by operations.
- Accounts receivable, net increased 4.7% decreased 1.7% to $185.8 $159.2 million as of September 30, 2023 March 31, 2024 from $177.4 $161.9 million as of December 31, 2022 December 31, 2023. The increase decrease from year-end was primarily due to higher net sales at the end a $4.1 million receipt of the third quarter of 2023 compared to at the end of 2022, partially offset by previously recognized UTIS fire insurance receivables for our business interruption claims, a $5.3 million $1.0 million decrease in our income taxes receivable. receivable, partially offset by increases in our receivables due to a higher days sales outstanding at the end of March 31, 2024 compared to December 31, 2023.
- Inventories, net decreased 13.9% 1.7% to $157.1 $150.9 million as of September 30, 2023 March 31, 2024, from $182.4 $153.5 million as of December 31, 2022 December 31, 2023, primarily driven by a reduction decrease in work-in-process and finished goods stock as well as good levels partially offset by higher inventory reserves provisions. raw materials.
- Borrowings under revolving credit facility were $80.0 million nil as of September 30, 2023 March 31, 2024 compared to $215.0 million $30.0 million as of December 31, 2022 December 31, 2023. This decrease was due to $135.0 $30.0 million in discretionary principal payments on our revolving credit facility made in the first nine three months of 2023. 2024. For additional information regarding this facility and the Fifth Amended Credit Agreement, refer to “Note 9 – Debt” to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q.

	Nine Months Ended				
(Dollars in thousands)	**September 30, 2023**	September 30, 2022			
	Three Months Ended			**Three Months Ended**	
(Dollars in millions)		(Dollars in millions)	**March 31, 2024**	March 31, 2023	

Key Cash Flow Measures:	*Key Cash Flow Measures:*				
Net cash provided by operating activities	Net cash provided by operating activities	$	**59,522**	$	1,834
Net cash provided by operating activities					
Net cash provided by operating activities					
Net cash used in investing activities	Net cash used in investing activities	$	**(30,346)**	$	(81,048)
Net cash provided by (used in) financing activities		$	**(139,612)**	$	89,997
Net cash used in financing activities					

In 2023, 2024, we expect capital spending to be in the range of approximately $55.0 million $60.0 million to $65.0 million $70.0 million. We plan to fund our capital spending in 2023 2024 with cash from operations and cash on-hand, as well as our existing revolving credit facility, if necessary.

Restrictions on Payment of Dividends

The Fifth Amended Credit Agreement generally permits us to pay cash dividends to our shareholders, provided that (i) no default or event of default has occurred and is continuing or would result from the dividend payment and (ii) our total net leverage ratio does not exceed 2.75 to 1.00. If our total net leverage ratio exceeds 2.75 to 1.00, we may nonetheless make up to $20.0 million in restricted payments, including cash dividends, during the fiscal year, provided that no default or event of default has occurred and is continuing or would result from the payments. Our total net leverage ratio did not exceed 2.75 to 1.00 as of September 30, 2023 March 31, 2024.

Contingencies

During the third first quarter of 2023, 2024, we did not become aware of any material developments related to environmental matters disclosed in our Annual Report, our asbestos litigation or other material contingencies previously disclosed or incur any material costs or capital expenditures related to such matters. Refer to “Note 12 10 – Commitments and Contingencies” to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q for further discussion of these contingencies.

Critical Accounting Policies

There were no material changes in our critical accounting policies during the third first quarter of 2023. 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our exposure to market risk during the third first quarter of 2023. 2024. For discussion of our exposure to market risk, refer to “Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*” contained in our Annual Report.

Item 4. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Company, We conducted, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d- 15(e) under the Securities Exchange Act, of 1934, as amended (the Exchange Act), as of September 30, 2023 March 31, 2024. The Company's Our disclosure controls and procedures are designed (i) to ensure that information required to be disclosed by it us in the reports that it files we file or submits submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) to ensure that information required to be disclosed in the reports the Company files we file or submits submit under the Exchange Act is accumulated and communicated to its our management, including its our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Based on their evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company's our disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting during its most recently completed the first quarter of the fiscal quarter year ended December 31, 2024, that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act.

Part II - Other Information

Item 1. Legal Proceedings

Refer to the discussion of certain environmental, asbestos and other litigation matters in "Note 12 10 – Commitments and Contingencies" to the condensed consolidated financial statements in Part I, Item 1 of this Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Items 2 (a) and (b) are not applicable.

(c) Stock Repurchases

(Dollars in millions, except shares and per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs
March 1, 2024 to March 31, 2024	1,500	$ 109.92	1,500	$ 23.8

During the quarter ended March 31, 2024, we repurchased 1,500 shares of our capital stock for $0.2 million under a $100.0 million share repurchase program approved by our Board of Directors in 2015. The share repurchase program has no expiration date and may be suspended or discontinued at any time without notice. As of March 31, 2024, $23.8 million remained for repurchase under the share repurchase program. All repurchases were made using cash from operations. Our stock repurchases may occur from time to time through open market purchases, privately negotiated transactions or plans designed to comply with Rule 10b5-1 promulgated under the Exchange Act.

Item 5. Other Information

During the three months ended September 30, 2023 March 31, 2024, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

List of Exhibits:

3.1 Restated Articles of Organization of Rogers Corporation, as amended, incorporated by reference to Exhibit 3a to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

3.2 Amended and Restated Bylaws of Rogers Corporation, effective August 9, 2023, incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on August 15, 2023.

10.1 Fifth Amended and Restated Credit Form of Performance-Based Restricted Stock Unit Award Agreement dated as of March 24, 2023 (Net Revenue), incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on March 29, 2023 February 23, 2024

10.2 Offer letter between the Registrant and Larry Schmid, accepted and agreed to be effective as of January 11, 2023.

10.3 Offer letter between the Registrant and Jessica Morton, accepted and agreed to be effective as of February 13, 2023.

10.4 Offer letter between the Registrant and Michael Reed Webb, accepted and agreed to be effective as of April 7, 2023.

31.1 Certification of President and Chief Executive Officer (Principal Executive Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.2 Certification of Senior Vice President and Chief Financial Officer (Principal Financial Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

32 Certification of President and Chief Executive Officer (Principal Executive Officer) and Senior Vice President and Chief Financial Officer (Principal Financial Officer) pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.

101 The following materials from Rogers Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023 March 31, 2024 formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, (ii) Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, (iii) Condensed Consolidated Statements of Financial Position as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, (iv) Condensed Consolidated Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, (v) Condensed Consolidated Statements of Shareholders' Equity for the three and nine months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, (vi) Notes to Condensed Consolidated Financial Statements and (vii) Cover Page.

104 The cover page from Rogers Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023 March 31, 2024, formatted in iXBRL and contained in Exhibit 101.

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 thereunto duly authorized.

ROGERS CORPORATION

(Registrant)

/s/ Ramakumar Mayampurath

Ramakumar Mayampurath

Senior Vice President, Chief Financial Officer and Treasurer

Principal Financial Officer

Dated: April 25, 2024

Exhibit 10.2

rog_headera.jpg

2225 W. Chandler Boulevard | Chandler, AZ 85296 | 480.917.6000

January 10, 2023

Larry Schmid

Dear Larry,

It is a pleasure to confirm Rogers' offer of employment to you for the position of Senior Vice President of Global Operations (subject to the conditions described below). Rogers does not enter employment contracts, and your employment will be "at will." Below is a general description of the terms we expect to apply to your employment:

Your employment is expected to commence on before (To Be Determined).

The compensation package for this position is as follows and is subject to the usual payroll deductions such as income tax and Social Security:

- Your starting salary will be $420,000 USD per year, which is paid at a bi-weekly rate of $16,154 USD. This is an exempt position, which means that your salary is intended to compensate you for all hours worked, and you will not be eligible to receive overtime pay.
- You will be eligible for four weeks of vacation effective from your first day of employment.
- Effective for the 2023 fiscal year, you are eligible for an award under the Annual Incentive Compensation Plan (AICP) with a target of 55% of your base salary. Depending on actual performance against predetermined company performance metrics, your actual AICP award payout can be as high as 200% of your target incentive. Actual awards are prorated according to date of hire. Awards are subject to the terms of the AICP and approval by the Compensation and Organization Committee (the "Committee").
- You will be eligible for an annual long-term incentive grant with a 2023 target of 175% of your base salary, currently valued at approximately $735,000 USD. The annual grant will be comprised of:
  - 50% Time-Based Restricted Stock Units — (three-year ratable vesting)
  - 50% Performance-Based Restricted Stock Units — (three-year performance period)

The grant value and subsequent number of shares or units you would receive are determined annually and presented to the Board of Directors' Compensation Committee for review and approval, except that your 2023 award will be granted as of your date of hire (rather than as part of the Company's annual grant process), and the total number of stock units for the 2023 award will be determined by dividing the initial grant value specified above by the average closing stock price for the 30 days prior to your date of hire. The terms of these awards are subject to the applicable award agreements and plan document.

You will be eligible for the retirement, health and other benefit programs provided to executives of Rogers, subject to the right of Rogers to amend or terminate such programs in accordance with their terms. You will also be eligible to participate in the Rogers Corporation Severance Plan, provided that, in the event of a Qualifying Termination of employment within the 24-month period following your date of hire, (a) your "Severance Coverage Period" under

such plan shall be 18 months, and (b) 50% of your unvested equity awards shall vest immediately. For the avoidance of doubt, the Company reserves the right to modify these benefits to conform to any severance plan covering executives.

As a condition of employment, you must sign the enclosed agreement regarding confidentiality of trade secrets and confidential business information (Employment, Invention, Confidentiality and Non-Compete Agreement). Please review this agreement. You will need to sign it and deliver it to Lori Gaudet, Human Resources Director, at the time you start work with Rogers.

As mentioned above, your employment is “at will,” meaning that either you or Rogers may terminate your employment at any time and for any reason, with or without cause or notice, regardless of any representations that may have been made to you. This offer letter does not establish a contractual employment relationship. It is Rogers' policy not to enter into employment contracts.

Our offer is contingent upon a satisfactory reference check and satisfactory results of a background check.

For purposes of US immigration law, you will be required to provide to Rogers documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided within three (3) business days of your date of hire.

I look forward to having you join Rogers and working together.

Sincerely,

Dated: October 26, 2023
Colin Gouveia
President and Chief Executive Officer

/s/ Larry Schmid
Offer Accepted by Larry Schmid

January 11, 2023
Date

CC:
Lori Gaudet
Human Resources Director

Exhibit 10.3

rog_headerc.jpg

2225 W. Chandler Boulevard | Chandler, AZ 85296 | 480.917.6000

January 30, 2023

Jessica Morton

Dear Jessica,

It is a pleasure to confirm Rogers’ offer of employment to you for the position of Vice President, General Counsel and Corporate Secretary (subject to the conditions described below). Rogers does not enter employment contracts, and your employment will be “at will.” Below is a general description of the terms we expect to apply to your employment:

Your employment is expected to commence on or before (To Be Determined).

The compensation package for this position is as follows and is subject to the usual payroll deductions such as income tax and Social Security:

- Your starting salary will be $430,000 USD per year, which is paid at a bi-weekly rate of $16,538.47 USD. This is an exempt position, which means that your salary is intended to compensate you for all hours worked, and you will not be eligible to receive overtime pay.
- You will be eligible for four weeks of vacation effective from your first day of employment.
- Effective for the 2023 fiscal year, you are eligible for an award under the Annual Incentive Compensation Plan (AICP) with a target of 55% of your base salary. Depending on actual performance against predetermined company performance metrics, your actual AICP award payout can be as high

as 200% of your target incentive. Actual awards are prorated according to date of hire. Awards are subject to the terms of the AICP and approval by the Compensation and Organization Committee (the “Committee”).

- You will be eligible for an annual long-term incentive grant with a 2023 target of 160% of your base salary, currently valued at approximately $688,000 USD. The annual grant will be comprised of:
  - 50% Time-Based Restricted Stock Units — (three-year ratable vesting)
  - 50% Performance-Based Restricted Stock Units — (three-year performance period)

The grant value and subsequent number of shares or units you would receive are determined annually and presented to the Board of Directors’ Compensation Committee for review and approval, except that your 2023 award will be granted as of your date of hire (rather than as part of the Company's annual grant process), and the total number of stock units for the 2023 award will be determined by dividing the initial grant value specified above by the average closing stock price for the 30 days prior to your date of hire. The terms of these awards are subject to the applicable award agreements and plan document.

- You will receive a one-time sign on bonus of $300,000 USD, which will be payable in your first paycheck. If you voluntarily resign from Rogers or are terminated for cause within one year of the payment of the said bonus, you will be required to reimburse the Company for the full amount of the

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bonus. This letter authorizes Rogers to deduct monies from your final paycheck. Any remaining amount must be paid within 30 days of your last day of work.

You will be eligible for the retirement, health and other benefit programs provided to executives of Rogers, subject to the right of Rogers to amend or terminate such programs in accordance with their terms. You will also be eligible to participate in the Rogers Corporation Severance Plan, provided that, in the event of a Qualifying Termination of employment within the 24-month period following your date of hire, (a) your “Severance Coverage Period” under such plan shall be 18 months, and (b) 50% of your unvested equity awards shall vest immediately. For the avoidance of doubt, the Company reserves the right to modify these benefits to conform to any severance plan covering executives.

As a condition of employment, you must sign the enclosed agreement regarding confidentiality of trade secrets and confidential business information (Employment, Invention, Confidentiality and Non-Compete Agreement). Please review this agreement. You will need to sign it and deliver it to Lori Gaudet, Human Resources Director, at the time you start work with Rogers.

As mentioned above, your employment is “at will,” meaning that either you or Rogers may terminate your employment at any time and for any reason, with or without cause or notice, regardless of any representations that may have been made to you. This offer letter does not establish a contractual employment relationship. It is Rogers' policy not to enter into employment contracts.

Our offer is contingent upon a satisfactory reference check and satisfactory results of a background check.

For purposes of US immigration law, you will be required to provide to Rogers documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided within three (3) business days of your date of hire.

******

Those of us who met you during the interview process were very impressed with your qualifications, accomplishments and capabilities. We believe that you are a very good fit for the Growth Team and are optimistic you will accept our offer. Rogers should provide you many interesting and diverse opportunities to learn and grow.

We look forward to hearing from you and welcoming you to the team. If you have any questions regarding our employment offer, or Rogers in general, please do not hesitate to contact me at 302-898-1098. Thank you.

Sincerely,

Colin Gouveia
President and Chief Executive Officer

February 13, 2023
Date

/s/ Jessica Morton
Offer Accepted by Jessica Morton

CC:
Lori Gaudet

Human Resources Director
35

Exhibit 10.4

rog_headerb.jpg

2225 W. Chandler Boulevard | Chandler, AZ 85296 | 480.917.6000

April 6, 2023

Michael Reed Webb

Dear Michael,

It is a pleasure to confirm Rogers' offer of employment to you for the position of Sr. Vice President, Chief Administrative Officer (subject to the conditions described below). Rogers does not enter employment contracts, and your employment will be "at will." Below is a general description of the terms we expect to apply to your employment:

Your employment is expected to commence on April 11, 2023.

The compensation package for this position is as follows and is subject to the usual payroll deductions such as income tax and Social Security:

- Your starting salary will be $450,000 USD per year, which is paid at a bi-weekly rate of $17,307.70 USD. This is an exempt position, which means that your salary is intended to compensate you for all hours worked, and you will not be eligible to receive overtime pay.
- You will be eligible for four weeks of vacation effective from your first day of employment.
- Effective for the 2023 fiscal year, you are eligible for an award under the Annual Incentive Compensation Plan (AICP) with a target of 70% of your base salary. Depending on actual performance against predetermined company performance metrics, your actual AICP award payout can be as high as 200% of your target incentive. Actual awards are prorated according to date of hire. Awards are subject to the terms of the AICP and approval by the Compensation and Organization Committee (the "Committee").
- You will be eligible for an annual long-term incentive grant with a 2023 target of 150% of your base salary, currently valued at approximately $675,000 USD. The annual grant will be comprised of:
    - 50% Time-Based Restricted Stock Units — (three-year ratable vesting)
    - 50% Performance-Based Restricted Stock Units — (three-year performance period)

The grant value and subsequent number of shares or units you would receive are determined annually and presented to the Board of Directors' Compensation Committee for review and approval, except that your 2023 award will be granted as of your date of hire (rather than as part of the Company's annual grant process), and the total number of stock units for the 2023 award will be determined by dividing the initial grant value specified above by the average closing stock price for the 30 days prior to your date of hire. The terms of these awards are subject to the applicable award agreements and plan document.

Upon your relocation to the Phoenix, Arizona area, you will be eligible for the retirement, health and other benefit programs provided to executives of Rogers, subject to the right of Rogers to amend or terminate such programs in accordance with their terms. Prior to your relocation, in lieu of such benefits, Rogers will pay you a stipend of $43,000 payable in your first paycheck. You will immediately be eligible to participate in the Rogers Corporation

Severance Plan. For the avoidance of doubt, the Company reserves the right to modify these benefits to conform to any severance plan covering executives.

During the period of time that you are a resident of Canada, you will be subject to certain limitations and restrictions, in accordance with company policy, which must be observed. During this period, you will have no authority, nor shall you hold yourself out as having authority, to execute or conclude any contract or agreement on behalf of Rogers or any of its subsidiaries. Further, during this period Rogers will not provide you with an office in Canada nor will it reimburse you for any expense associated with any office you may choose to maintain for purposes of performing the functions of your job.

As part of your acceptance of this offer, you agree to relocate your residence to the Phoenix, Arizona area by no later than August 31, 2024, and to use your best efforts to relocate to the Phoenix area within one year of your start date. You will be provided with relocation benefits as described in the Relocation Policy, which will be sent to you separately. Please contact Lori Gaudet, Human Resources Director, to begin the relocation process. If you voluntarily resign from Rogers within one year of your relocation, you will be required to reimburse all monies paid under the Relocation Policy directly to you, or on your behalf. This letter authorizes Rogers to deduct any required reimbursement from your final paycheck or other post-employment compensation (to the extent permitted by law). You must arrange for repayment in full to Rogers of any remaining amount, with such repayment to be made within 30 days of your last day of work.

As a condition of employment, you must sign the enclosed agreement regarding confidentiality of trade secrets and confidential business information (Employment, Invention, Confidentiality and Non-Compete Agreement). Please review this agreement. You will need to sign it and deliver it to Lori Gaudet, Human Resources Director, at the time you start work with Rogers.

As mentioned above, your employment is “at will,” meaning that either you or Rogers may terminate your employment at any time and for any reason, with or without cause or notice, regardless of any representations that may have been made to you. This offer letter does not establish a contractual employment relationship. It is Rogers’ policy not to enter into employment contracts.

Our offer is contingent upon a satisfactory reference check and satisfactory results of a background check.

For purposes of US immigration law, you will be required to provide to Rogers documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided within three (3) business days of your date of hire.

I look forward to having you join Rogers and working together.

Sincerely,

Colin Gouveia
President and Chief Executive Officer

/s/ Michael Reed Webb
Offer Accepted by Michael Reed Webb

April 7, 2023
Date

CC:
Lori Gaudet
Human Resources Director

Exhibit 31.1

CERTIFICATIONS

I, R. Colin Gouveia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rogers Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 26, 2023 April 25, 2024

/s/ R. Colin Gouveia

R. Colin Gouveia

President and Chief Executive Officer
Principal Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Ramakumar Mayampurath, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rogers Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 26, 2023 April 25, 2024

/s/ Ramakumar Mayampurath

Ramakumar Mayampurath

Senior Vice President, Chief Financial Officer and Treasurer
Principal Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Rogers Corporation, a Massachusetts corporation (the “Corporation”), does hereby certify that:

The Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023 March 31, 2024 (the “Form 10-Q”) of the Corporation fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ R. Colin Gouveia

R. Colin Gouveia

President and Chief Executive Officer
Principal Executive Officer

October 26, 2023 April 25, 2024

/s/ Ramakumar Mayampurath

Ramakumar Mayampurath

Senior Vice President, Chief Financial Officer and Treasurer
Principal Financial Officer

October 26, 2023 April 25, 2024

DISCLAIMER

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