

ROGERS CORP
Form 10-Q
November 03, 2009

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, 2009

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
(State or other jurisdiction of
incorporation or organization)

06-0513860
(I. R. S. Employer
Identification No.)

P.O. Box 188, One Technology Drive, Rogers,
Connecticut
(Address of principal executive offices)

06263-0188
(Zip Code)

Registrant's telephone number, including area code: (860) 774-9605

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

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)
reporting company)

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

The number of shares outstanding of the registrant's common stock as of October 23, 2009 was 15,741,113.

ROGERS CORPORATION
FORM 10-Q
September 30, 2009

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Exhibits:

Exhibit 10.1	Form of Non-Qualified Stock Option (For Officers and Employees)
Exhibit 10.2	Form of Performance-Based Restricted Stock Award Agreement
Exhibit 10.3	Form of Restricted Stock Agreement
Exhibit 10.4	First Amendment to the Rogers Corporation Amended and Restated Pension Restoration Plan
Exhibit 10.5	First Amendment to the Rogers Corporation Voluntary Deferred Compensation Plan for Non-Management Directors
Exhibit 10.6	Second Amendment to the Rogers Corporation Voluntary Deferred Compensation Plan for Key Employees
Exhibit 23.1	Consent of National Economic Research Associates, Inc.
Exhibit 23.2	Consent of Marsh U.S.A., Inc.
Exhibit 31(a)	Certification of President and CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31(b)	Certification of Vice President, Finance and CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32	Certification of President and CEO and Vice President, Finance and CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Part I – Financial Information

Item 1. Financial Statements

ROGERS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(Dollars in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September	September	September	September
	30,	28,	30,	28,
	2009	2008	2009	2008
Net sales	\$81,019	\$96,317	\$213,862	\$286,788
Cost of sales	56,422	65,771	158,293	194,394
Gross margin	24,597	30,546	55,569	92,394
Selling and administrative expenses	16,390	19,987	51,941	55,906
Research and development expenses	3,812	5,719	13,526	16,920
Restructuring and impairment charges	189	-	18,111	-
Operating income (loss)	4,206	4,840	(28,009)	19,568
Equity income in unconsolidated joint ventures	2,287	2,536	3,494	5,145
Other income (expense), net	212	570	(110)	2,256
Realized investment gain (loss):				
Other-than-temporary impairments	-	-	(5,301)	-
Portion of losses in other comprehensive income	-	-	4,848	-
Net impairment gain (loss)	-	-	(453)	-
Interest income, net	81	583	368	2,013
Acquisition gain	-	-	2,908	-
Income (loss) from continuing operations before income taxes	6,786	8,529	(21,802)	28,982
Income tax expense	455	1,422	48,118	7,572
Income (loss) from continuing operations	6,331	7,107	(69,920)	21,410
Income from discontinued operations, net of taxes	-	838	-	1,251
Net income (loss)	\$6,331	\$7,945	(69,920)	\$22,661
Basic net income (loss) per share:				
Income (loss) from continuing operations	\$0.40	\$0.46	\$(4.46)	\$1.36
Income from discontinued operations, net	-	0.05	-	0.08
Net income (loss)	\$0.40	\$0.51	\$(4.46)	\$1.44
Diluted net income (loss) per share:				
Income (loss) from continuing operations	\$0.40	\$0.46	\$(4.46)	\$1.35
Income from discontinued operations, net	-	0.05	-	0.08

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Net income (loss)	\$0.40	\$0.51	\$(4.46) \$1.43
Shares used in computing:				
Basic	15,712,724	15,580,678	15,674,898	15,748,032
Diluted	15,736,318	15,706,531	15,674,898	15,816,923

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

ROGERS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Dollars in thousands, except share amounts)

	September 30, 2009	December 31, 2008
Assets		
Current assets		
Cash and cash equivalents	\$42,306	\$70,170
Short-term investments	1,001	455
Accounts receivable, less allowance for doubtful accounts of \$3,999 and \$1,171	52,428	44,492
Accounts receivable from joint ventures	2,726	3,185
Accounts receivable, other	1,558	2,765
Inventories	34,734	41,617
Prepaid income taxes	1,967	1,579
Deferred income taxes	-	9,803
Asbestos-related insurance receivables	4,632	4,632
Assets held for sale	6,400	-
Other current assets	6,243	5,595
Total current assets	153,995	184,293
Property, plant and equipment, net of accumulated depreciation of \$169,104 and \$165,701	129,153	145,222
Investments in unconsolidated joint ventures	32,084	31,051
Deferred income taxes	-	37,939
Goodwill and other intangibles	10,353	9,634
Asbestos-related insurance receivables	19,416	19,416
Long-term marketable securities	38,648	42,945
Investments, other	5,000	-
Other long-term assets	5,044	4,933
Total assets	\$393,693	\$475,433
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$11,628	\$11,619
Accrued employee benefits and compensation	18,791	23,378
Accrued income taxes payable	1,447	1,318
Asbestos-related liabilities	4,632	4,632
Other current liabilities	9,721	18,889
Total current liabilities	46,219	59,836
Pension liability	35,683	43,683
Retiree health care and life insurance benefits	7,793	7,793
Asbestos-related liabilities	19,644	19,644
Deferred income taxes	265	-
Other long-term liabilities	8,438	8,333