HELIOS
TECHNOLOGIES

Investor Presentation

November 2022

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Safe Harbor Statement

This presentation and oral statements made by management in connection herewith that are not historical facts are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve risks and uncertainties, and actual results may differ materially from those expressed or implied by such statements. They include statements regarding current expectations, estimates, forecasts, projections, our beliefs, and assumptions made by Helios Technologies, Inc. ("Helios" or the "Company"), its directors or its officers about the Company and the industry in which it operates, and assumptions made by management, and include among other items, (i) the Company's strategies regarding growth, including its intention to develop new products and make acquisitions; (ii) the effectiveness of creating the Center of Engineering Excellence; (iii) the Company's financing plans; (iv) trends affecting the Company's financial condition or results of operations; (v) the Company's ability to continue to control costs and to meet its liquidity and other financing needs; (vi) the declaration and payment of dividends; and (vii) the Company's ability to respond to changes in customer demand domestically and internationally, including as a result of standardization. In addition, we may make other written or oral statements, which constitute forward-looking statements, from time to time. Words such as "may," "expects," "projects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. Similarly, statements that describe our future plans, objectives or goals also are forward-looking statements. These statements are not guaranteeing future performance and are subject to a number of risks and uncertainties. Our actual results may differ materially from what is expressed or forecasted in such forward-looking statements, and undue reliance should not be placed on such statements. All forward-looking statements are made as of the date hereof, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause the actual results to differ materially from what is expressed or forecasted in such forward-looking statements include, but are not limited to, (i) supply chain disruption and the potential inability to procure goods; (ii) conditions in the capital markets, including the interest rate environment and the availability of capital; (iii) inflation (including hyperinflation) or recession; (iv) changes in the competitive marketplace that could affect the Company's revenue and/or cost bases, such as increased competition, lack of qualified engineering, marketing, management or other personnel, and increased labor and raw materials costs; (v) risks related to health epidemics, pandemics and similar outbreaks, including, without limitation, the current COVID-19 pandemic, which may among other things, adversely affect our supply chain, material costs, and work force and may have material adverse effects on our business, financial position, results of operations and/or cash flows; (vi) risks related to our international operations, including the potential impact of the ongoing conflict between Russia and Ukraine; (vii) our failure to realize the benefits expected from acquisitions, our failure to promptly and effectively integrate acquisitions and the ability of Helios to retain and hire key personnel, and maintain relationships with suppliers. Further information relating to factors that could cause actual results to differ from those anticipated is included but not limited to information under the heading Item 1. "Business" and Item 1A. "Risk Factors" in the Company's Form 10-K for the year ended January 1, 2022.

Helios has presented forward-looking statements regarding non-GAAP measures. These non-GAAP financial measures are derived by excluding certain amounts, expenses or income from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts that are excluded from these non-GAAP measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income recognized in a given period. Helios is unable to present a quantitative reconciliation of forward-looking non-GAAP measures to their most directly comparable forward-looking GAAP financial measures because such information is not available, and management cannot reliably predict all the necessary components of such GAAP measures without unreasonable effort or expense. In addition, the Company believes that such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on Helios' full year 2022 financial results. These non-GAAP financial measures are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with quarter-end and year-end adjustments. Any variation between Helios' actual results and preliminary financial data set forth above may be material.

This presentation includes certain historical non-GAAP financial measures, which the Company believes are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results prepared in accordance with GAAP. The Company has provided reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.

Growing, Global Industrial Technology Leader

Helios Technologies (NYSE: HLIO)

Global leader in highly engineered motion control and electronic controls technology for diverse end markets

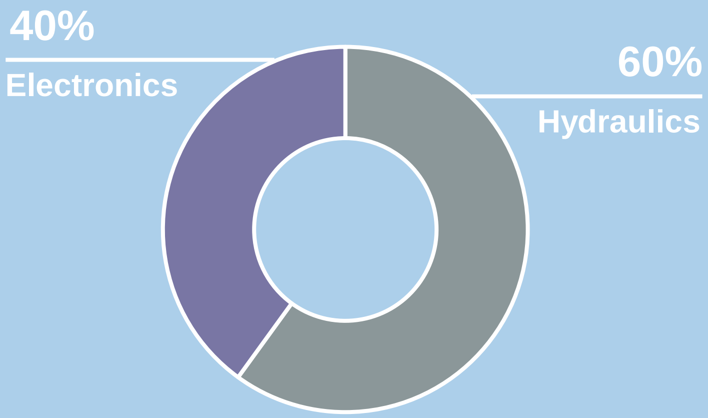
- Outsized growth driven by diversification and innovation
- Strong financials with pathway to grow
- Paid consistent quarterly dividends over 25 years

Financial & Market Data[1]

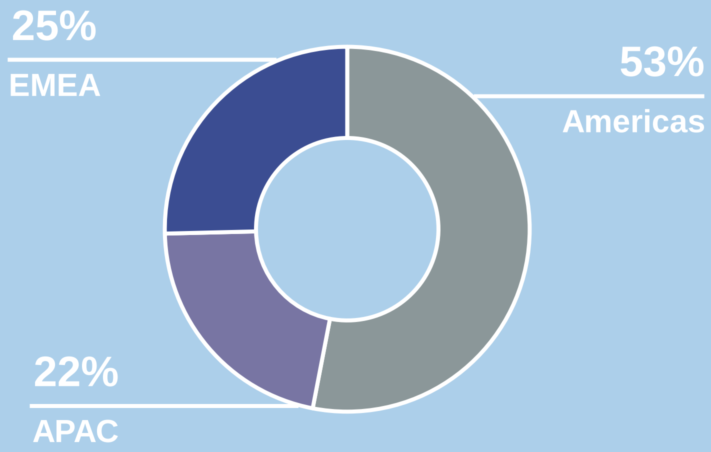
$907M Revenue

$1.7B Market Cap.

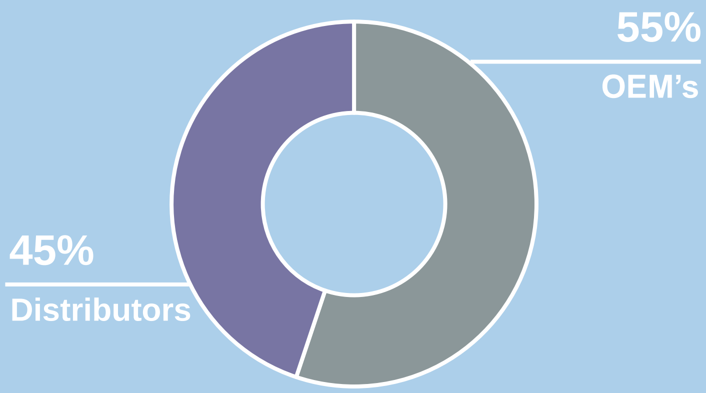
Segments[2]



Geographies[2]



Market Channels[2]



(1) Note: Market data as of November 7, 2022; Financial data represents TTM Q322.
(2) Data as of YTD ended October 1, 2022.

Helios Business System

1. Drive the cash flow engine
2. Deliver new products
3. Leverage existing products
4. Cultivate customer centricity

1. Champion a global operating mindset
2. Leverage global resources and assets
3. Manufacture to support diverse end markets
4. Accelerate innovation
5. Build in the region, for the region

1. Develop and engage global talent
2. Embrace diversity and shared values
3. Instill a customer-centric culture
4. Promote a learning organization

1. Diversify end markets
2. Grow wallet share
3. Lead with technology
4. Address white spaces
5. Monetize synergies

Existing End Markets and New Diversified Opportunities

Industrial

Mobile

Agriculture

Recreational

Health & Wellness

End Markets

Specialty Vehicle

Commercial HVAC

Commercial Food Service

Pharmaceutical Manufacturing

Off Road Vehicles

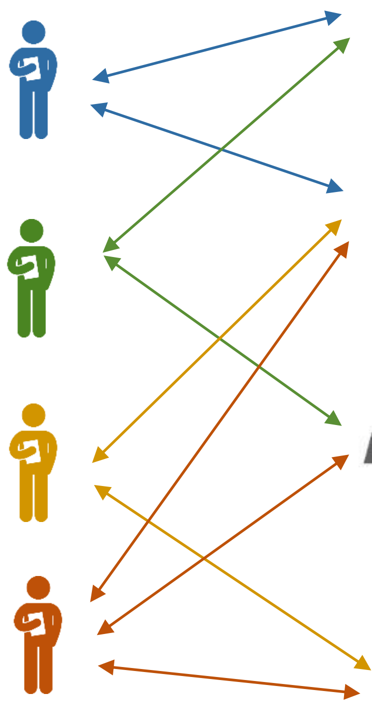
New Applications

Think and Act Global

Streamlining the Customer Experience Lifecycle

CURRENT STATE

Customer | **Helios Team** | **Business Segment**



Sun Hydraulics

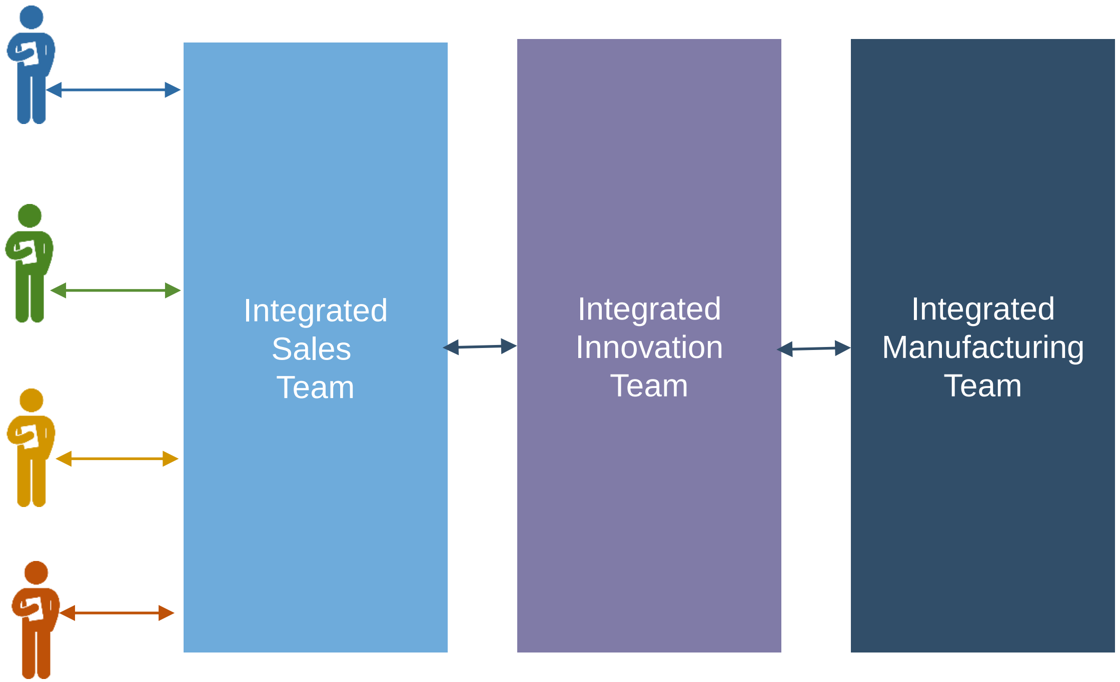
Faster — easier to connect.

Enovation Controls

Balboa Water Group

FUTURE STATE

New strategy allows for fewer customer contact points and internal efficiencies, resulting in satisfied customers, higher margins, and increased revenue



Latest M&A Flywheel Acquisition Strategy At Work

Daman®

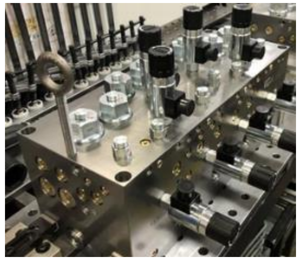
Daman Products Company

recognized leader in complex manifold design and manufacturing for precision hydraulic manifolds and related fluid conveyance products

- Founded 1976 – headquartered in Mishawaka, Indiana
- **HISTORICAL COLLABORATION:** Sun Hydraulics and Daman have collaborated for years on solutions that address fluid power challenges
- **EXTENDING DIVERSIFIED END MARKETS:** Daman products are used in numerous hydraulics applications for industrial and mobile markets including applications in the oil and gas, railroad, construction, agriculture, forestry, mining, material handling, machine tool, robotics, and entertainment industries
- **STRONG BRAND RECOGNITION:** highly recognized brand with a quality reputation, has leading market share in the standard manifold niche market segment, as well as in custom designed integrated solutions
- **BOLT ON TO HELIOS' HYDRAULICS PLATFORM:** enhances product offering and enables horizontal product line integration for more sophisticated system solutions; complements engineering capabilities, talent and expertise
- Closed in the third quarter of 2022, expect to grow this closer to a $100 million business over the next five years

Product Examples

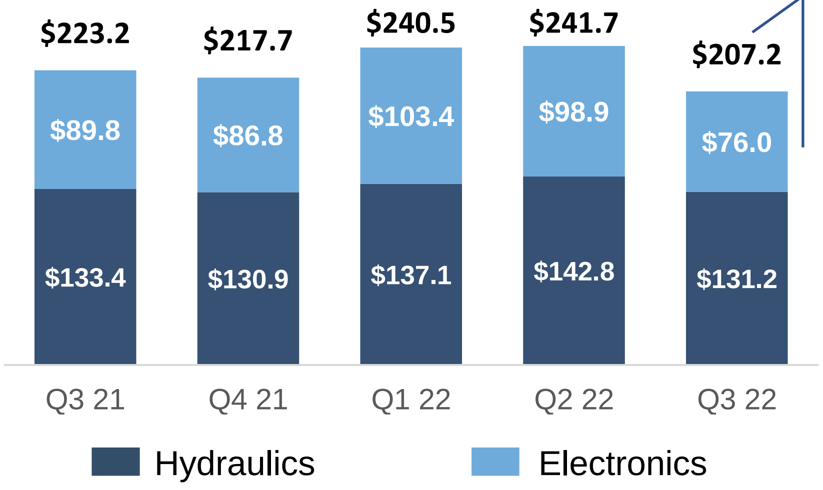
Integrated Manifold Assemblies



Q3 2022 – Consolidated Results

Sales

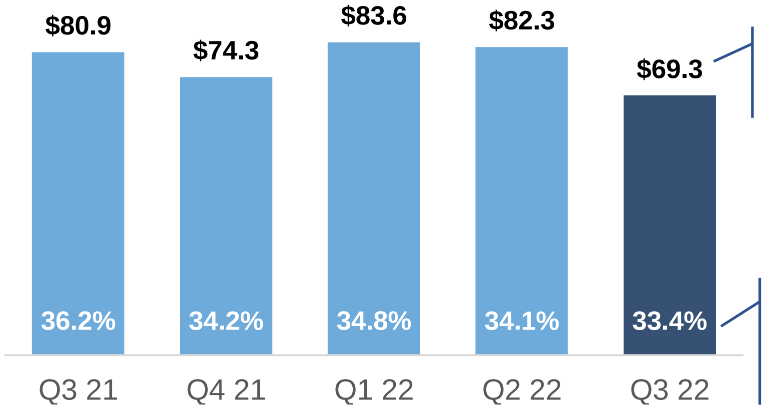
($ millions)



Includes ($8.2M) FX and estimated ($5.3M) Hurricane Ian impacts, $220.7M(1) Adjusted for both

Gross Profit & Margin

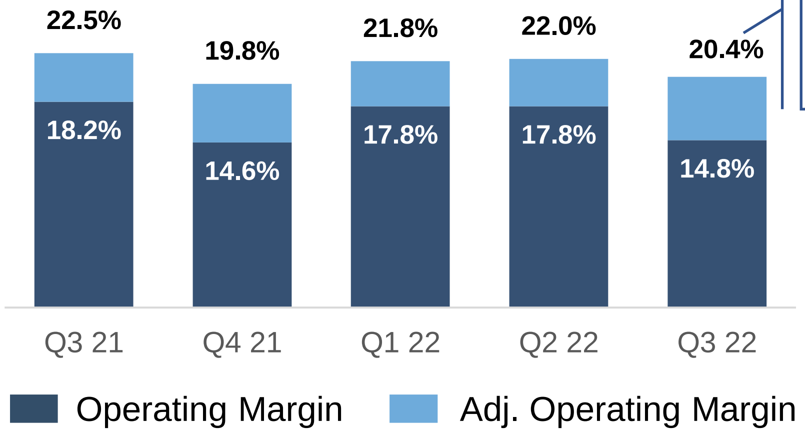
($ millions)



$71.6 (1) Adjusted for Hurricane Ian

33.7% (1) Adjusted for Hurricane Ian

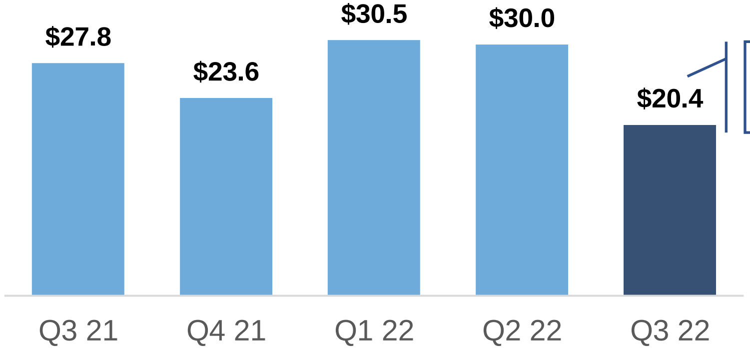
Operating / Adj. Op. Margin(2)



20.8% (1) Adjusted for Hurricane Ian

Net Income

($ millions)

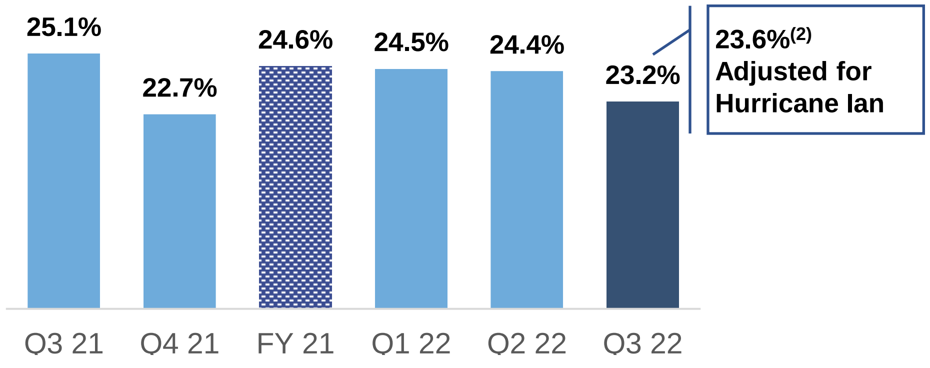


$22.0 (1) Adjusted for Hurricane Ian

(1) Reflects a non-GAAP financial measure; see supplemental slide for reconciliation of estimated Hurricane Ian impacts and other important information regarding Helios' use of non-GAAP financial measures.
(2) See Supplemental Information for definition of Adjusted Operating Margin, and reconciliation from GAAP and other disclaimers regarding non-GAAP information.

Q3 2022 – Consolidated Results

Adj. EBITDA Margin[1]



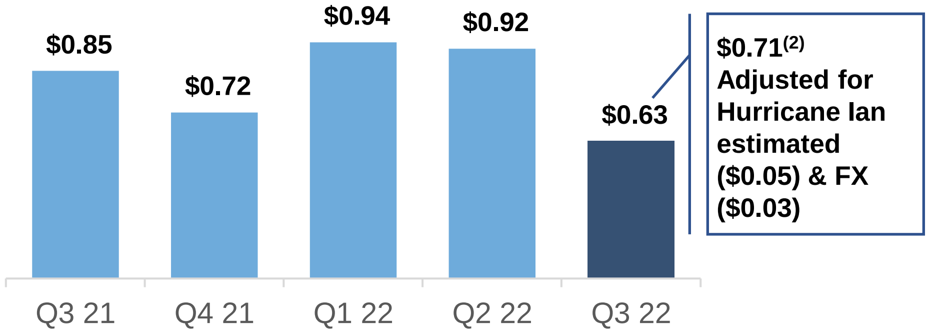
Adjusted EBITDA Margin Drivers

- Continue to deliver top-tier margins in the face of significant macro headwinds, a hurricane, and supply chain constraints

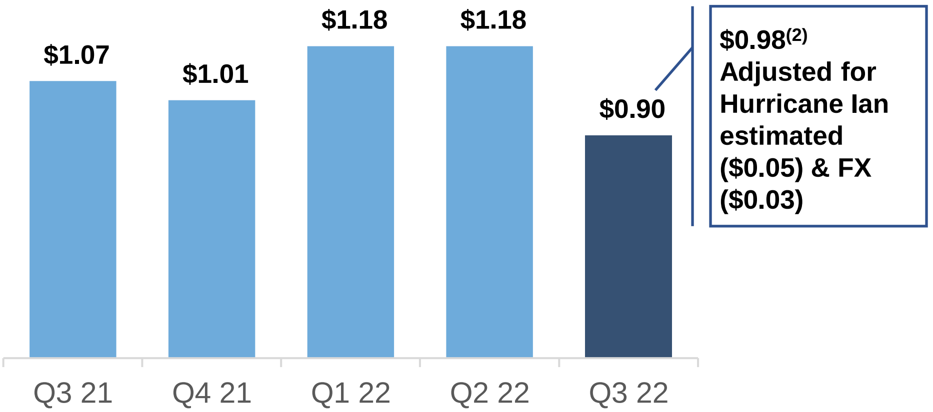
Diluted Earnings Drivers

- Tailwinds: manufacturing and operating strategy efficiencies, leverage and price improvements
- Headwinds: FX, Florida hurricane, global supply chains, prolonged European war, inflation, and higher sequential tax rate

Diluted GAAP EPS



Diluted Non-GAAP Cash EPS[1]

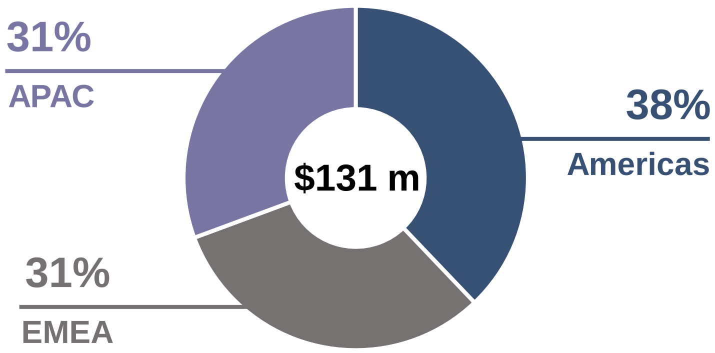


(1) See Supplemental Information for definition of Adjusted EBITDA Margin and Diluted non-GAAP Cash EPS, and reconciliation from GAAP and other disclaimers regarding non-GAAP information.

(2) Reflects a non-GAAP financial measure; see supplemental slide for reconciliation of estimated Hurricane Ian impacts and other important information regarding Helios' use of non-GAAP financial measures.

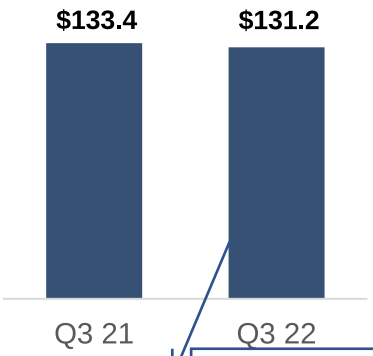
Q3 2022 – Hydraulics Segment

Q3 Sales by Region



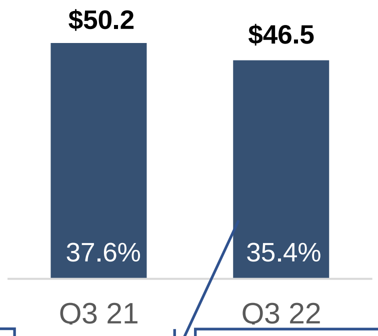
($ in millions)

Sales



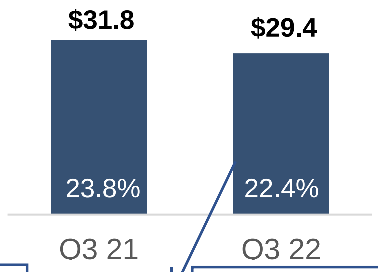
$144.4[2] Adjusted for Hurricane Ian & FX

Gross Profit



$50.7[2] and 35.1%[2] Adjusted for Hurricane Ian & FX

Operating Income



$32.4[2] and 22.4%[2] Adjusted for Hurricane Ian & FX

Third Quarter Highlights

Sales Drivers

- Sales, on a constant currency[1] basis and excluding impact of hurricane[2], were up 8%; end market demand in industrial and mobile markets helped to offset headwinds
- Acquisitions added $2.1 million; Organic constant currency [1] revenue growth YoY adjusting for the est. hurricane impacts[2] was 7%
- FX impact of ($7.9) million; estimated hurricane impact of ($5.3) million; supply chain constraints delayed an estimated $6.6 million in sales

Gross Profit and Margin Drivers

- Gross profit decrease driven primarily by estimated ($2.3) million impact from hurricane and FX of ($1.9) million
- Price increases helped to partially offset increases in material costs, product mix and energy costs

Operating Income and Margin

- SEA expenses decreased $1.3 million, 7% YoY, as a percent of sales improved 80 basis points to 13.0%; FX impact on operating income ($0.9) million
- 140 basis point impact on margin reflects gross margin drivers offset by strong cost discipline

(1) Constant currency is a non-GAAP financial measure; calculated as Net Sales including the impact of foreign currency translation, (translating current period activity at average prior period exchange rates).
(2) Reflects a non-GAAP financial measure; see supplemental slide for reconciliation of estimated Hurricane Ian impacts and other important information regarding Helios' use of non-GAAP financial measures.

Hydraulics Segment Overview

HELIOS TECHNOLOGIES

sun hydraulics

seungwon solution

sun FLeX

NEM

Daman

Faster easier to connect.

TAIMI

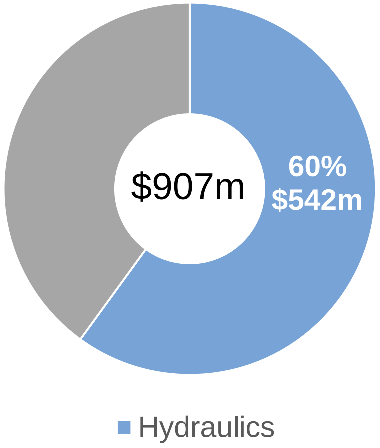
CUSTOM fluid power

Screw-in hydraulic cartridge valves, electro-hydraulics, manifolds, integrated packages for the industrial & mobile hydraulics markets	Quick-release hydraulic couplings, casting solutions & multi-connection for mobile off-highway applications	Distribution of hydraulic, pneumatic, filtration, lubrication and electronic products; system design & installation, servicing & repairs

Our trusted global brands deliver technology solutions that ensure safety, reliability, connectivity & control

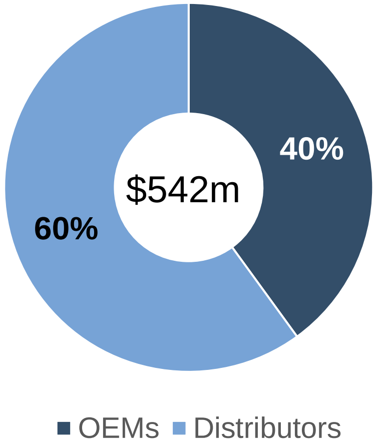
Segment Revenue as % of Total

(TTM 3Q22)



Hydraulics Revenue by Channel

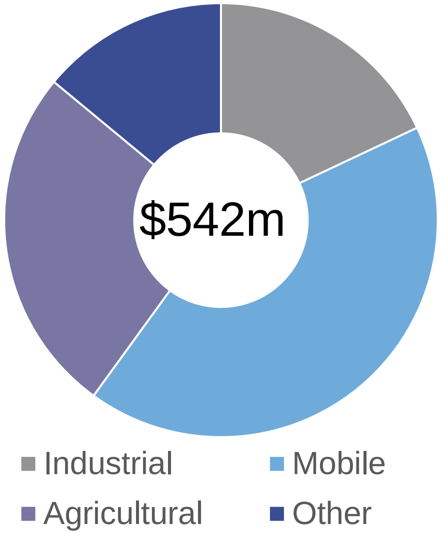
(TTM 3Q22)



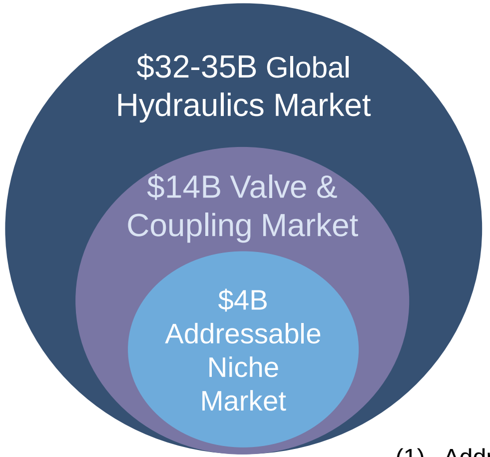
Hydraulics End Markets Today

Revenue by End Market

(TTM 3Q22)[2]



Current Total Addressable Market[1]



Defining End Markets

- Channels to market are decades strong
- Conduit for growth and expansion

(1) Addressable market data analyzed through a variety of industry analyst reports and management estimates.
(2) End market mix based on YTD 2022 split

Hydraulics Market Expansion Potential

Current Markets


Material Handling


Specialized Vehicles


Forestry Equipment


Agriculture


Renewable Energy


Mining


Marine/Offshore


Construction


Factory Automation


Packaging & Processing


Machine Tools & Presses


Exploration

Growth Markets


Recreational

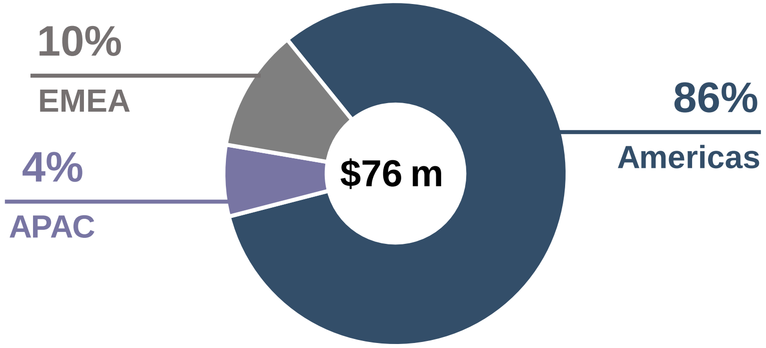

Pharmaceutical


Health & Wellness


Thermo-Dynamic

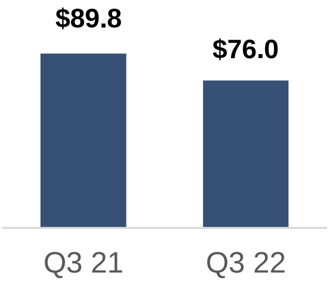
Q3 2022 – Electronics Segment

Q3 Sales by Region

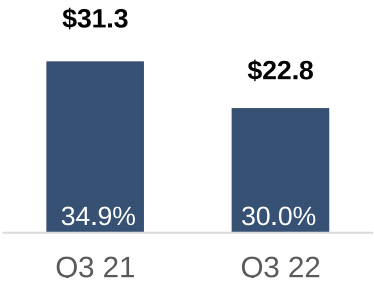


($ in millions)

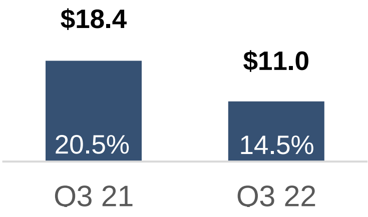
Sales



Gross Profit



Operating Income



Third Quarter Highlights

Sales Drivers

- End market demand in recreational, industrial machinery, and construction partially offset supply chain constraints and decline in health & wellness market
- Acquisitions added $0.8 million in sales
- FX impact was ($0.3) million; supply chain constraints delayed an estimated $8.2 million in sales

Gross Profit and Margin Drivers

- Gross profit declined $8.5 million due to lower volumes in health and wellness and FX of ($0.3) million. Gross margin declined reflecting increases in raw material, one-time restructuring costs, labor inefficiencies, and reduced fixed cost leverage

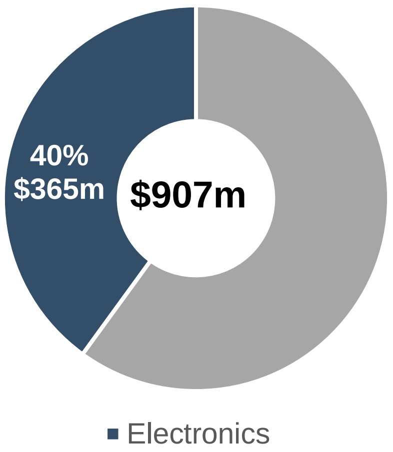
Operating Income and Margin

- SEA expenses decreased by $1.1 million, 9% YoY
- 600 basis point impact on margin reflects flow through of gross profit somewhat offset by cost management initiatives

Electronics Segment Overview

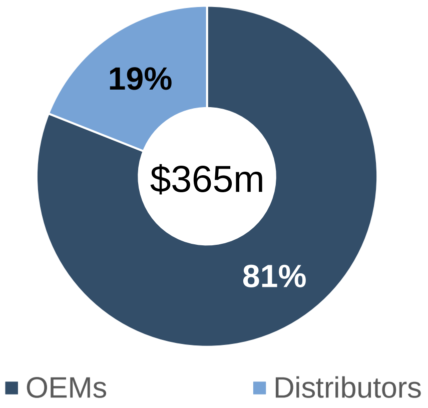
Segment Revenue as % of Total

(TTM 3Q22)



Electronics Revenue by Channel

(TTM 3Q22)



HELIOS TECHNOLOGIES

ENOVATION CONTROLS

MURPHY by ENOVATION CONTROLS

Rugged Electronic Monitoring & Control Solutions

HCT by ENOVATION CONTROLS

Hydraulic Control Solutions

ZEROOFF by ENOVATION CONTROLS

GPS Speed Control for Recreational Marine

BALBOA water group

Electronic Controls and Accessories for Spas, Swimspas & Walk-In Baths

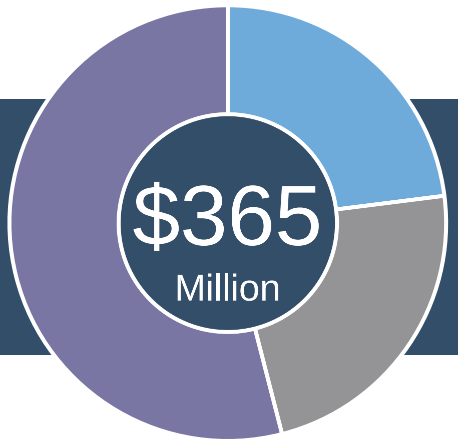
JOYONWAY

Our trusted global brands deliver technology solutions that ensure safety, reliability, connectivity & control

Electronics End Markets Today

Revenue by End Market

(TTM 3Q22)[2]



- Industrial, Mobile & Agriculture
- Recreational
- Health & Wellness

Industrial & Mobile

- Off-Highway
- Material Handling
- Agriculture
- Construction
- Lawn and Garden

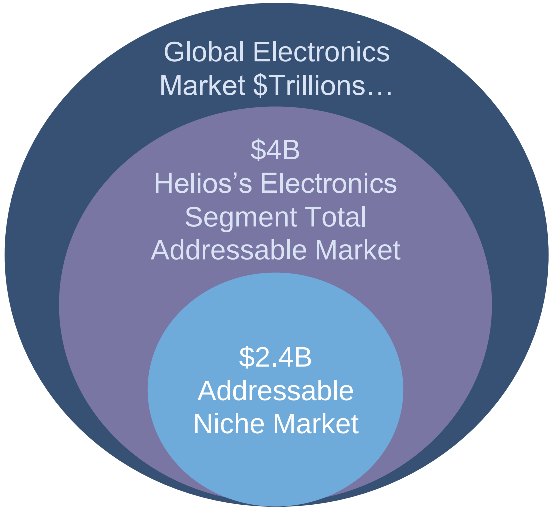
Recreational

- Marine
- On/Off-Road Vehicles

Health & Wellness

- Walk-in Baths
- Spas & Swim Spas
- Whirlpool Baths

Current Addressable Market[1]



(1) Addressable market data analyzed through a variety of industry analyst reports and management estimates. End markets include; agriculture, construction, material handling, industrial stationary, recreational marine, recreational vehicle, and lawn and garden. Product categories include; Spa & Swim Spa, Walk-in Baths, and Whirlpool Baths.
(2) End market mix based on YTD 2022 split

Electronics Market Expansion Potential

Current Markets


Material Handling


Specialized Vehicles


Stationary Equipment


Agriculture


Health & Wellness


Construction


Recreational


Mining

Growth Markets


On-Road Recreation

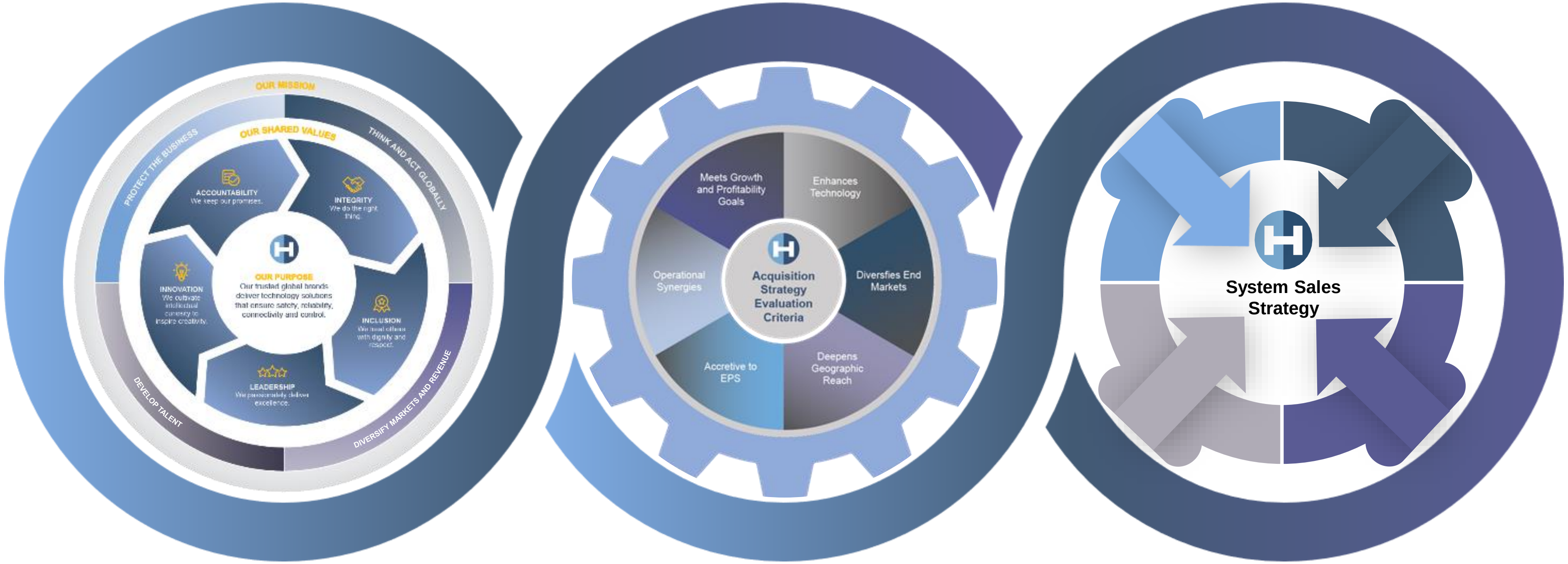

Commercial Food Service


Bus & Transportation


Commercial Lawn Equipment


Commercial HVAC

Value Proposition of Augmented Strategy

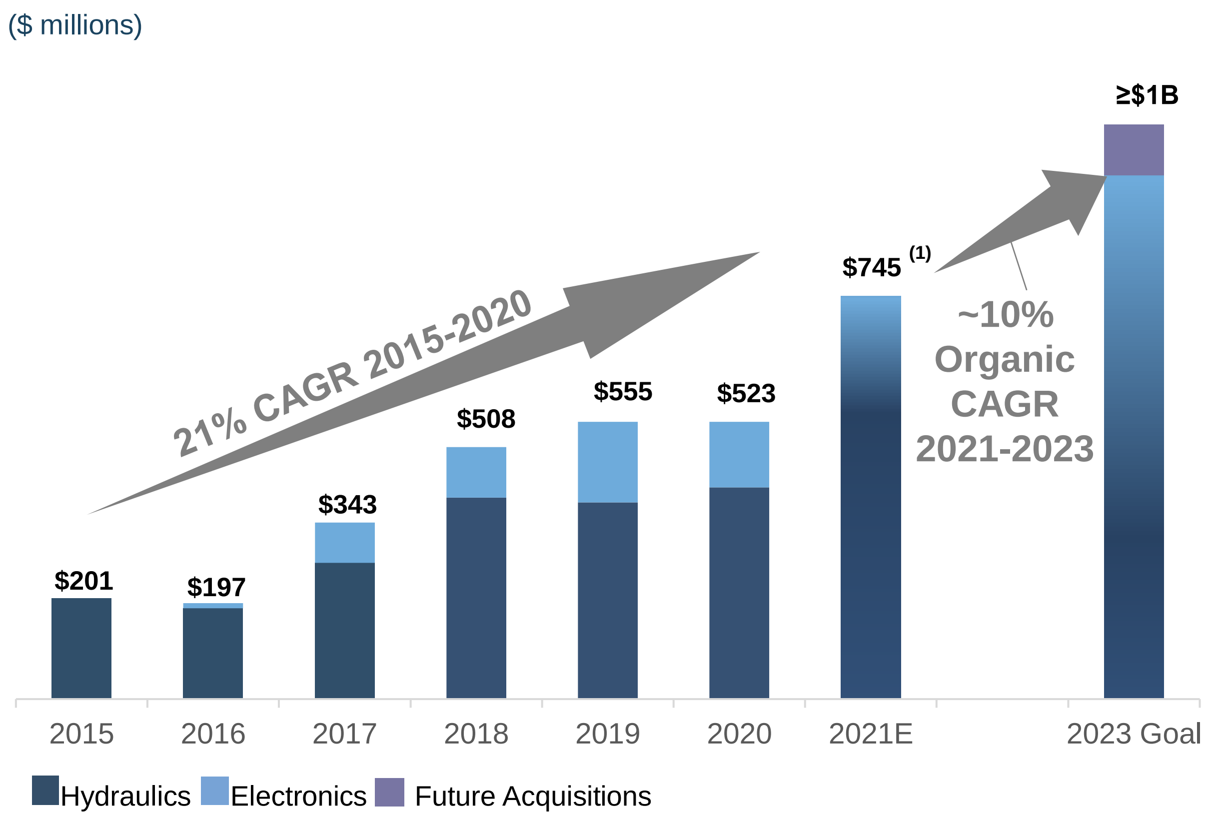


How We Win

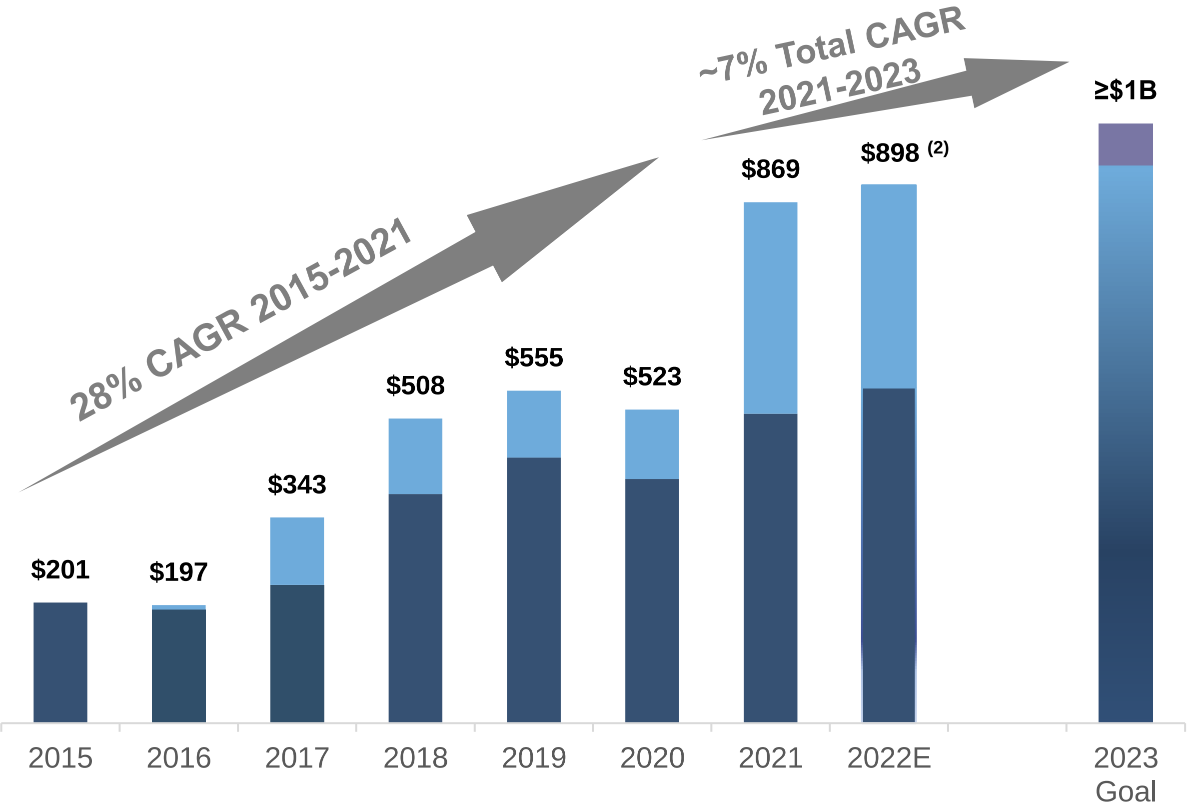
- ✓ Increase wallet/market share
- ✓ Create “Sticky Solutions”
- ✓ Drive operational efficiencies
- ✓ Develop deeper, more strategic relationships
- ✓ Grow diversified markets through R&D cross pollination

Remain On-Path for Long Term Growth Plans

As Outlined at June 2021 Investor Day



Our Performance & Current View



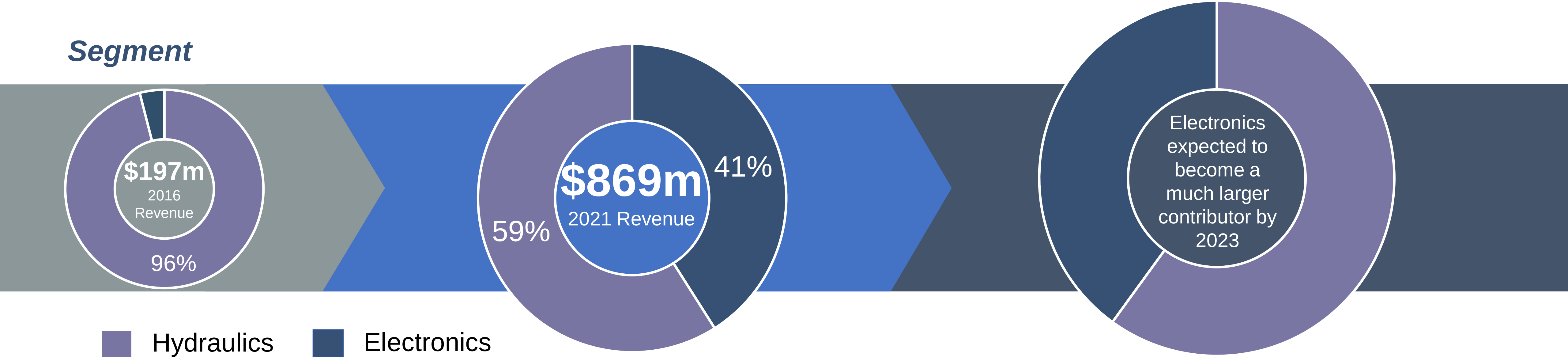
Acquisitions Completed Since June 2021 Investor Day:

- **July 2021** – NEM S.r.l. (Italy/Hydraulics)
- **October 2021** – Joyonway (China/Electronics)
- **July 2022** – Taimi (Canada/Hydraulics)
- **September 2022** – Daman Products Company (U.S./Hydraulics)

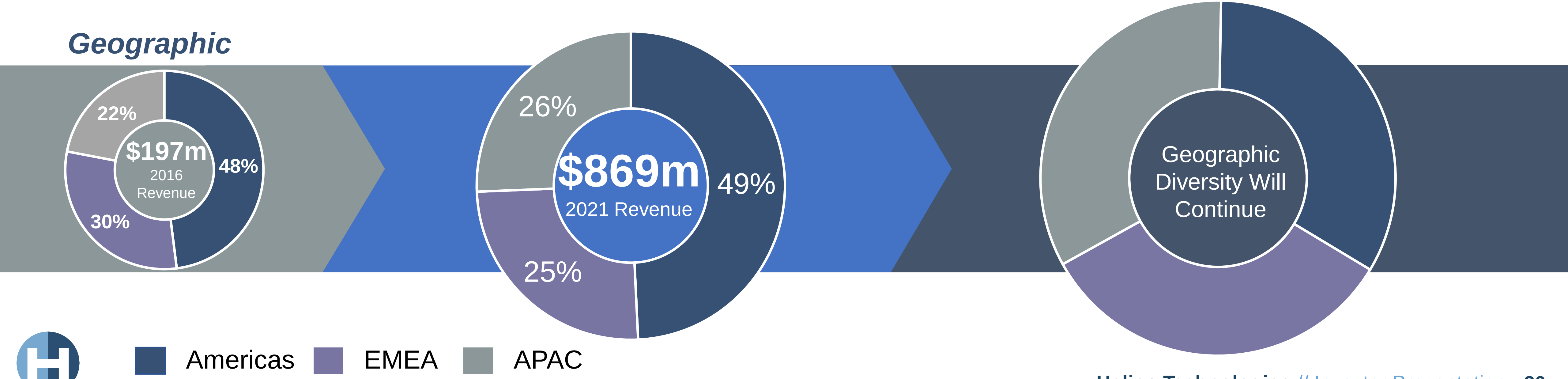
(1) 2021E Mid-Point of FY2021 Outlook provided on May 10, 2021
(2) 2022E Mid-Point of FY2022 Outlook provided on November 7, 2022

Revenue Diversification Expected to Continue

Segment

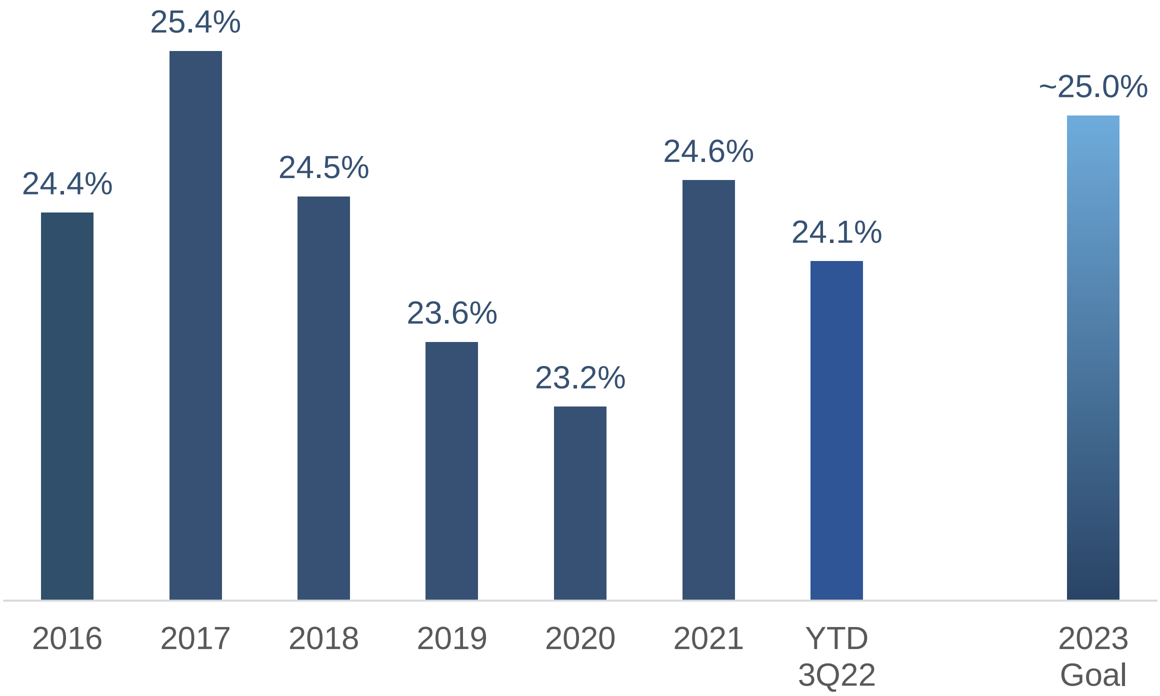


Geographic



Strong Margins with a Pathway to Grow

Historic and Projected Adj. EBITDA Margin[(1)]



Growth Highlights

- Leveraging shared global supply chains
- Integrating manufacturing operations and systems
- Leveraging manufacturing centers in developed and low-cost locations
- Utilizing capacity to achieve manufacturing footprint leverage
- Driving continuous Kaizen manufacturing process improvements
- Targeting capital investments to maximize efficiency with the latest technology
- Exercising a disciplined acquisition strategy with a strong track record of adding accretive businesses with solid operating and EBITDA margins

(1) Reflects a non-GAAP financial measure; see supplemental slide for Adjusted EBITDA margin reconciliation

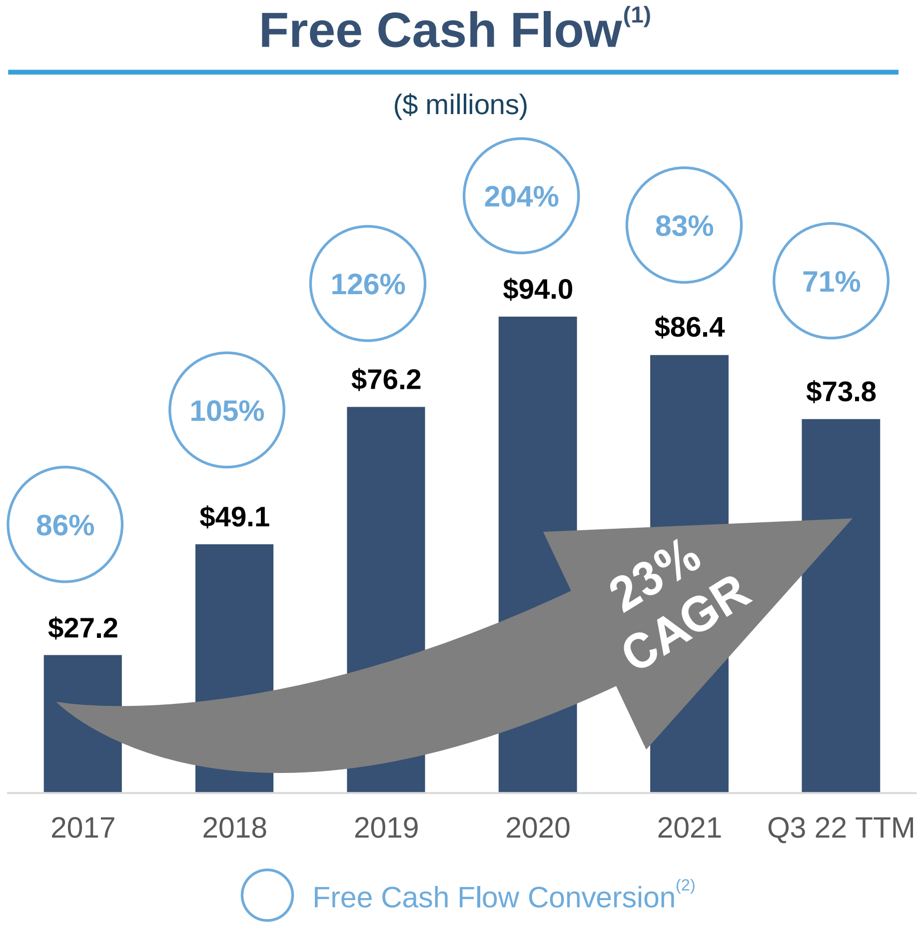
Strong Cash Flow

	Three Months Ended	
	10/1/22	10/2/21
Net cash provided by operating activities	$30.0	$32.5
CapEx	(8.5)	(6.7)
Free cash flow (FCF)[1]	**$21.5**	**$25.7**

Note: Components may not add to totals due to rounding

Consistent cash generation and free cash flow

- Solid cash generation even with strategic inventory investments to combat supply chain challenges; DOH up 28% over prior year
- Q3 2022 Free cash flow conversion[2] was 105%
- Q3 2022 CapEx of $8.5 million, or 4% of sales
- Inventory modestly up from the end of Q2 2022, impacted by timing of shipments due to the hurricane



(1) Free cash flow is a non-GAAP financial measure and defined as cash provided by operating activities minus capital expenditures.
(2) Free cash flow conversion is a non-GAAP financial measure and defined as free cash flow divided by net income

Capital Allocation Priorities

Capital Allocation Priorities

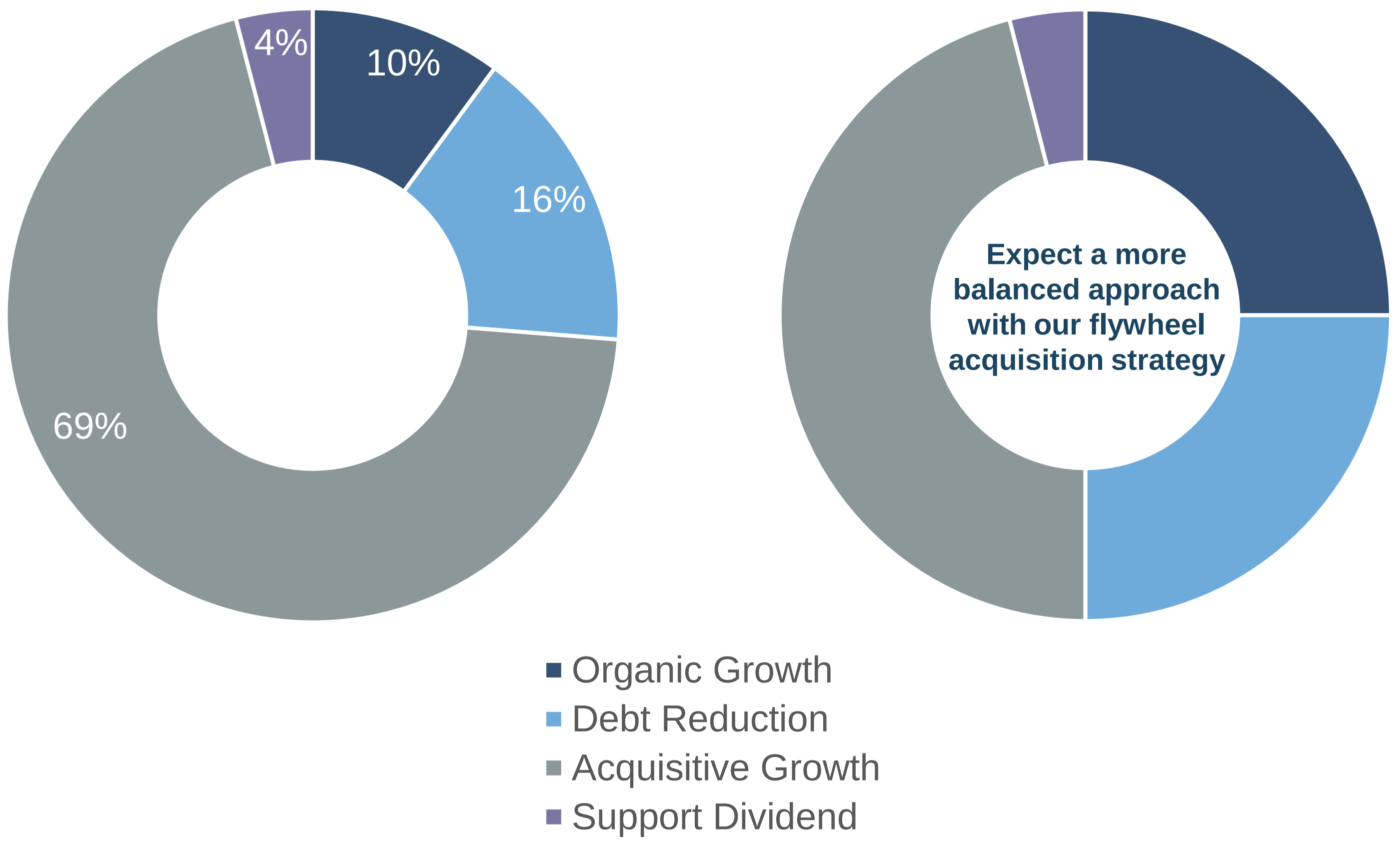
1 **ORGANIC GROWTH**
- Grow at ~2x[(2)] market
- New product development
- Integrate electronics and hydraulics know-how
- Support product platform

2 **DEBT REDUCTION**
- Goal of ≤ 2.0x net debt / adjusted EBITDA

3 **ACQUISITIVE GROWTH**
- Ongoing assessment of M&A opportunities

4 **SUPPORT DIVIDEND**
- Maintain quarterly dividend

Last 5 Years[(1)] / Near-Term



(1) Based on YE 2021 data.
(2) Calculated on a constant currency basis which is a non-GAAP financial measure; calculated by taking the impact of foreign currency translation (current period activity at average prior period exchange rates) less acquisition related sales, over the net prior year net sales.

Capital Structure

Capitalization		
	10/1/22	10/2/21
Cash and cash equivalents	$36.8	$47.7
Total debt	457.5	471.2
Total net debt[(1)]	420.7	423.6
Shareholders' equity	751.4	688.4
Total capitalization	$1,208.9	$1,159.7
Debt/total capitalization	37.8%	40.6%

Note: Components may not add to totals due to rounding

Financial Flexibility

- Achieved net debt/pro forma Adjusted EBITDA of 1.90x[(2)]:
  - Reflects acquisitions of Taimi and Daman
  - Below target leverage ratio of 2.0x providing flexibility
- Company expects to invest approximately 3% to 4% of sales in capital expenditures in 2022
- Ended the quarter with total liquidity of $168 million
- Paid dividends consistently for 103 sequential quarters or over 25 years!

(1) Net debt is a non-GAAP financial measure and is defined as total debt less cash and cash equivalents; see supplemental slides for a reconciliation to the most comparable GAAP measure.
(2) Pro Forma for the Taimi and Daman acquisitions.

See supplemental slide for net debt-to-Pro Forma Adjusted EBITDA reconciliation and other important information regarding Helios' use of net debt-to-Pro Forma Adjusted EBITDA.

Proven M&A Framework Driving What Comes Next…

Goals
- Meets Growth and Profitability Goals
- Enhances Technology
- Diversifies End Markets
- Deepens Geographic Reach
- Accretive to EPS
- Operational Synergies

Targets
- Strong management
- Culture supporting innovation
- Superior profitability
- <$100M "Flywheel" bolt-on
- >$100M "Transformational"

Integration Model
- Successful on standalone basis
- Retain employees
- Keep customer relationships
- Retain brands
- Leverage engineering expertise
- High emphasis on sales synergies

Business Segment	Hydraulics		Electronics
Portfolio/ Technology	Cartridge Valve Technology (CVT)	Quick Release Couplings (QRC) and Swivels	Electronic Controls & Instrumentation
Brands	sun hydraulics, Custom fluidpower, NEM	Faster, Daman, TAIMI	Enovation Controls, Balboa water group, Joyonway

Line of Sight to Meet Accelerated Plans

Hitting $1B Milestone in Sales Two Years Early

≥$1B in Sales by YE 2023

Organic Sales Growth[1] ~2x Market Rates

~25% Adj. EBITDA Margin[2] by YE 2023

Organic Non-GAAP Cash EPS CAGR[3] ≥22%

With Enhanced Margin Profile

(1) Calculated on a constant currency basis which is a non-GAAP financial measure; calculated by taking the impact of foreign currency translation (current period activity at average prior period exchange rates) less acquisition related sales, over the net prior year net sales
(2) Reflects a non-GAAP financial measure; see supplemental slide for Adjusted EBITDA margin reconciliation
(3) CAGR is calculated between 2020 to 2023. Tax rate assumption is 24% to 26%.

Driving Growth and Delivering Profitability

1 Strategy Recap

Pivoting to an operating company

2 Growth Opportunities

Expanding existing markets, adding adjacent markets, diversifying geographic markets

3 Operational Efficiencies

Streamlining sales, innovation, and global manufacturing teams

4 Financial Position

Growing free cash flow driving growth and leverage reduction

5 Targets

Meeting revenue goals 2 years early, expanding margin profile

AUGMENTING *STRATEGY*
ADVANCING *TECHNOLOGIES*
ACCELERATING *GROWTH*

Non-GAAP Reconciliation Tables

Adjusted Operating Income Reconciliation

(Unaudited)
($ in thousands)

	Three Months Ended		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
GAAP operating income	$ 30,743	$ 40,749	$ 116,605	$ 117,421
Acquisition-related amortization of intangible assets	6,774	7,407	20,554	25,285
Acquisition and financing-related expenses(1)	2,190	654	3,991	2,901
Restructuring charges(2)	1,835	55	3,785	472
Officer transition costs	-	-	301	569
Inventory step-up amortization	-	558	-	558
Acquisition integration costs(3)	649	845	2,377	1,729
Other	41	(99)	232	(99)
Non-GAAP adjusted operating income	$ 42,232	$ 50,169	$ 147,845	$ 148,836
GAAP operating margin	*14.8%*	*18.2%*	*16.9%*	*18.0%*
Non-GAAP adjusted operating margin	*20.4%*	*22.5%*	*21.4%*	*22.8%*

Non-GAAP Financial Measure:

Adjusted operating margin is adjusted operating income divided by sales. Adjusted operating income and adjusted operating margin are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Helios believes that providing non-GAAP information such as adjusted operating income and adjusted operating margin are important for investors and other readers of Helios' financial statements, as they are used as analytical indicators by Helios' management to better understand operating performance. Because adjusted operating income and adjusted operating margin are non-GAAP measures and are thus susceptible to varying calculations, adjusted operating income and adjusted operating income margin, as presented, may not be directly comparable to other similarly titled measures used by other companies.

Non-GAAP Cash Net Income Reconciliation

(Unaudited)
($ in thousands)

	Three Months Ended		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net income	$ 20,378	$ 27,760	$ 80,892	$ 81,042
Amortization of intangible assets	6,925	7,487	20,956	25,431
Acquisition and financing-related expenses(1)	2,190	654	3,991	2,901
Restructuring charges(2)	1,835	55	3,785	472
Officer transition costs	-	-	301	569
Inventory step-up amortization	-	558	-	558
Acquisition integration costs(3)	649	845	2,377	1,729
Change in fair value of contingent consideration	152	-	1,621	-
Other	41	(216)	233	481
Tax effect of above	(2,946)	(2,347)	(8,313)	(8,035)
Non-GAAP cash net income	$ 29,224	$ 34,796	$ 105,843	$ 105,148
Non-GAAP cash net income per diluted share	$ 0.90	$ 1.07	$ 3.25	$ 3.26

(1) Acquisition and financing-related expenses include costs associated with our M&A activities. These activities include all phases of the M&A process from analyzing targets, to raising funding, to due diligence and transaction costs at closing. We utilize internal resources for a significant amount of time spent on our acquisition activities and have chosen not to staff a full M&A department or use significant outside services. We believe these costs are not representative of the Company's operational performance and it is therefore more meaningful to analyze results with the costs excluded. For the three and nine months ended Oct 1, 2022, the charges include recurring labor costs of $0.7 million and $1.9 million, professional fees of $0.8 million and $1.1 million, travel costs of $0.4 million and $0.5 million and other M&A related costs of $0.3 million and $0.5 million, respectively.

(2) Restructuring activities include costs associated with our actions to improve operating efficiencies and rationalize our cost structure. The 2022 costs relate to an operational restructuring that combined the manufacturing operations at two of our locations into one location as well as organizational restructures among several locations which aligned employee talent with the strategic operational goals of the company. For the three and nine months ended Oct 1, 2022, the charges include recurring labor costs of $0.5 million and $1.8 million, severance-related costs of $1.1 million and $1.7 million and manufacturing relocation and other costs of $0.2 million and $0.3 million, respectively.

(3) Acquisition integration activities include costs associated with integrating our acquired businesses, which can occur up to 18 months after acquisition date. We believe these costs are not representative of the Company's operational performance and it is therefore more meaningful to analyze results with the costs excluded. For the three and nine months ended Oct 1, 2022, the charges include recurring labor costs of $0.4 million and $1.6 million, professional fees of $0.2 million and $0.7 million and travel and other costs of $0.1 million and $0.1 million, respectively.

Non-GAAP Financial Measure:
Adjusted net income per diluted share is adjusted net income divided by diluted weighted average common shares outstanding. Cash net income per share is cash net income divided by diluted weighted average common shares outstanding. Adjusted net income, adjusted net income per diluted share, cash net income and cash net income per diluted share are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Helios believes that providing non-GAAP information such as adjusted net income, adjusted net income per diluted share, cash net income and cash net income per diluted share is important for investors and other readers of Helios' financial statements, as they are used as analytical indicators by Helios' management to better understand operating performance. Because adjusted net income, adjusted net income per diluted share, cash net income and cash net income per diluted share are non-GAAP measures and are thus susceptible to varying calculations, adjusted net income, adjusted net income per diluted share, cash net income, and cash net income per diluted share, as presented, may not be directly comparable to other similarly titled measures used by other companies

Adjusted EBITDA Reconciliation

(Unaudited)

($ in thousands)

	Three Months Ended		Nine Months Ended		Twelve Months Ended
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021	October 1, 2022
Net income	$ 20,378	$ 27,760	$ 80,892	$ 81,042	$ 104,447
Interest expense, net	4,098	3,813	11,719	12,965	15,627
Income tax provision	6,289	9,488	23,782	22,870	27,496
Depreciation and amortization	12,381	12,989	37,355	41,131	50,628
EBITDA	43,146	54,050	153,748	158,008	198,198
Acquisition and financing-related expenses(1)	2,190	654	3,991	2,901	6,831
Restructuring charges(2)	1,835	55	3,785	472	3,784
Officer transition costs	-	-	301	569	50
Inventory step-up amortization	-	558	-	558	-
Acquisition integration costs(3)	649	845	2,377	1,729	3,498
Change in fair value of contingent consideration	152	-	1,621	-	2,670
Other	41	(216)	233	481	376
Adjusted EBITDA	$ 48,013	$ 55,946	$ 166,056	$ 164,718	$ 215,407
Adjusted EBITDA margin	*23.2%*	*25.1%*	*24.1%*	*25.3%*	*23.7%*
Pre-acquisition adjusted EBITDA, Taimi and Daman					6,203
TTM Pro forma adjusted EBITDA					$ 221,610

(1) Acquisition and financing-related expenses include costs associated with our M&A activities. These activities include all phases of the M&A process from analyzing targets, to raising funding, to due diligence and transaction costs at closing. We utilize internal resources for a significant amount of time spent on our acquisition activities and have chosen not to staff a full M&A department or use significant outside services. We believe these costs are not representative of the Company's operational performance and it is therefore more meaningful to analyze results with the costs excluded. For the three and nine months ended Oct 1, 2022, the charges include recurring labor costs of $0.7 million and $1.9 million, professional fees of $0.8 million and $1.1 million, travel costs of $0.4 million and $0.5 million and other M&A related costs of $0.3 million and $0.5 million, respectively.

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Non-GAAP Financial Measure:

Adjusted EBITDA margin is Adjusted EBITDA divided by sales. Adjusted EBITDA and Adjusted EBITDA margin are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Helios believes that providing non-GAAP information such as Adjusted EBITDA and Adjusted EBITDA margin are important for investors and other readers of Helios' financial statements, as they are used as analytical indicators by Helios' management to better understand operating performance. Because Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures and are thus susceptible to varying calculations, Adjusted EBITDA and Adjusted EBITDA margin, as presented, may not be directly comparable to other similarly titled measures used by other companies.

Hurricane Ian Reconciliation

(Unaudited) *($ in millions)*	Three Months Ended October 1, 2022		
	As Reported	Estimated Impact of Hurricane Ian	Hurricane Adjusted
Net Sales	$ 207.2	$ 5.3	$ 212.5
Gross Profit	$ 69.3	$ 2.3	$ 71.6
Gross Margin	33.4%		33.7%
Operating income	$ 30.7	$ 2.1	$ 32.8
Operating Margin	14.8%		15.4%
Adj Operating Income	$ 42.2	$ 2.1	$ 44.3
Adj Operating Margin	20.4%		20.8%
Adj EBITDA	$ 48.0	$ 2.1	$ 50.1
Adj EBITDA Margin	23.2%		23.6%
Net Income	$ 20.4	$ 1.6	$ 22.0
Diluted GAAP EPS	$ 0.63	$ 0.05	$ 0.68
Diluted Non-GAAP Cash EPS	$ 0.90	$ 0.05	$ 0.95

Non-GAAP Financial Measure:
The hurricane adjusted financial measures are estimates and are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Helios believes that providing non-GAAP information is important for investors and other readers of Helios' financial statements, as they are used as analytical indicators by Helios' management to better understand operating performance. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information provided in accordance with GAAP.

Free Cash Flow Reconciliation

(Unaudited) *($ in thousands)*	2017	2018	2019	2020	2021	Q3 2022 TTM
Net cash provided by operating activities	$ 49,382	$ 77,450	$ 90,480	$ 108,556	$ 113,202	$ 105,410
Contingent consideration payment in excess of acquisition date	-	-	10,731	-	-	-
Adjusted net cash provided by operating activities	49,382	77,450	101,211	108,556	113,202	105,410
Capital expenditures	22,205	28,380	25,025	14,580	26,794	31,656
Adjusted Free cash flow	$ 27,177	$ 49,070	$ 76,186	$ 93,976	$ 86,408	$ 73,754
Net income	31,558	46,730	60,268	14,218	104,596	104,446
Goodwill impairment	-	-	-	31,871	-	-
Net income, less goodwill impariment	$ 31,558	$ 46,730	$ 60,268	$ 46,089	$ 104,596	$ 104,446
Free cash flow conversion	86%	105%	126%	204%	83%	71%

Non-GAAP Financial Measure:

Adjusted net cash provided by operating activities is net cash provided by operating activities less contingent consideration payment in excess of acquisition date fair value. Free cash flow is net cash provided by operating activities less capital expenditures. Adjusted free cash flow is adjusted net cash provided by operating activities less capital expenditures. Each of these measures has not been determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Helios believes that providing this non-GAAP information is important for investors and other readers of Helios' financial statements, as they are used as analytical indicators by Helios' management to better understand our liquidity. Because these are non-GAAP measures, they are susceptible to varying calculations, and as presented, may not be directly comparable to other similarly titled measures used by other companies.

Non-GAAP Sales Growth Reconciliation

(Unaudited) ($ in millions)	Three Months Ended			Nine Months Ended		
	Hydraulics	Electronics	Consolidated	Hydraulics	Electronics	Consolidated
Q3 2022 Net Sales	$ 131.2	$ 76.0	$ 207.2	$ 411.1	$ 278.3	$ 689.4
Impact of foreign currency translation[1]	7.9	0.3	8.2	19.4	1.1	20.5
Net Sales in constant currency	139.1	76.3	215.4	430.5	279.4	709.9
Less: Acquisition related sales	(2.1)	(0.8)	(2.9)	(14.2)	(2.5)	(16.7)
Organic sales in constant currency	$ 137.0	$ 75.5	$ 212.5	$ 416.3	$ 276.9	$ 693.2
Q3 2021 Net Sales	$ 133.4	$ 89.8	$ 223.2	$ 385.5	$ 266.0	$ 651.5
Net sales growth	-2%	-15%	-7%	7%	5%	6%
Net sales growth in constant currency	4%	-15%	-3%	12%	5%	9%
Organic net sales growth in constant currency	3%	-16%	-5%	8%	4%	6%

[1] The impact from foreign currency translation is calcualted by translating current period activity at average prior period exchange rates.

Non-GAAP Financial Measure:

Adjusted net cash provided by operating activities is net cash provided by operating activities less contingent consideration payment in excess of acquisition date fair value. Free cash flow is net cash provided by operating activities less capital expenditures. Adjusted free cash flow is adjusted net cash provided by operating activities less capital expenditures. Each of these measures has not been determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Helios believes that providing this non-GAAP information is important for investors and other readers of Helios' financial statements, as they are used as analytical indicators by Helios' management to better understand our liquidity. Because these are non-GAAP measures, they are susceptible to varying calculations, and as presented, may not be directly comparable to other similarly titled measures used by other companies.

Net Debt to Adjusted EBITDA Reconciliation

(Unaudited)
($ in thousands)

	As of October 1, 2022
Current portion of long-term non-revolving debt, net	$ 18,897
Revolving lines of credit	269,286
Long-term non-revolving debt, net	169,332
Total debt	**457,515**
Less: Cash and cash equivalents	36,813
Net debt	**$ 420,702**
TTM Pro forma adjusted EBITDA*	$ 221,610
Ratio of net debt to TTM pro forma adjusted EBITDA	**1.90**

*On a pro-forma basis for Taimi and Daman

Non-GAAP Financial Measure:
Net debt is total debt minus cash and cash equivalents. Net debt-to-Adjusted EBITDA is net debt divided by Adjusted EBITDA. Net debt and net debt-to-Adjusted EBITDA are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Helios believes that providing non-GAAP information such as net debt and net debt-to-Adjusted EBITDA are important for investors and other readers of Helios‘ financial statements, as they are used as analytical indicators by Helios‘ management to better understand operating performance. Because net debt and net debt-to-Adjusted EBITDA are non-GAAP measures and are thus susceptible to varying calculations, net debt and net debt-to-Adjusted EBITDA, as presented, may not be directly comparable to other similarly titled measures used by other companies.