



AUGMENTING STRATEGY ADVANCING TECHNOLOGIES ACCELERATING GROWTH

INVESTOR PRESENTATION

MAY 2023

JOSEF MATOSEVIC, PRESIDENT & CEO | TRICIA FULTON, EVP & CFO | TANIA ALMOND, VP OF IR & CORP. COMM.

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, particularly in China, 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 December 31, 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 2023 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.

H GROWING, GLOBAL INDUSTRIAL TECHNOLOGY LEADER

Helios Technologies (NYSE: HLIO)

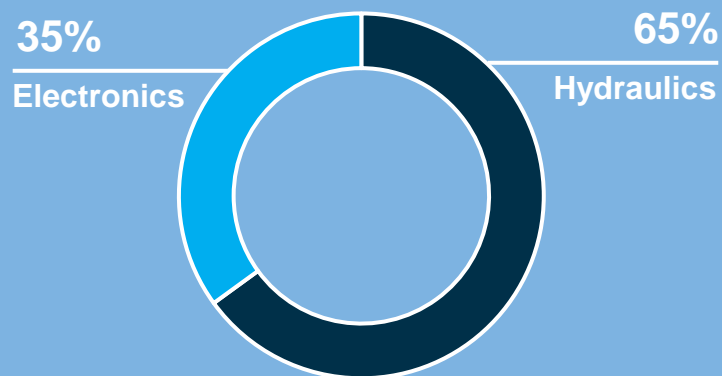
Global leader in highly engineered motion control and electronic controls technology for diverse end markets

- Outsized growth driven by diversification and innovation
- Strong financials with pathway to grow
- Paid consistent quarterly dividends over 26 years

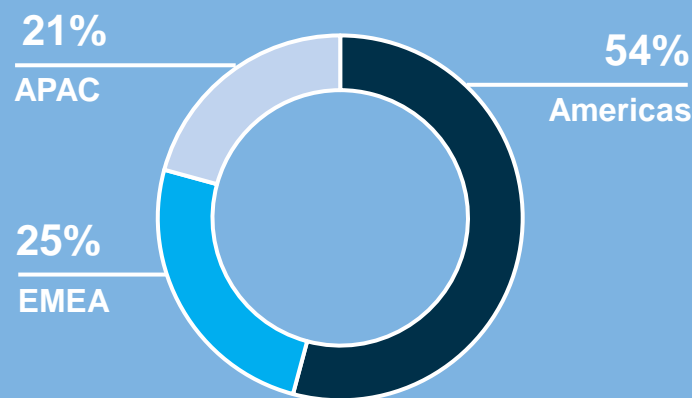
Financial & Market Data⁽¹⁾

\$858M	\$1.8B
Revenue	Market Cap.

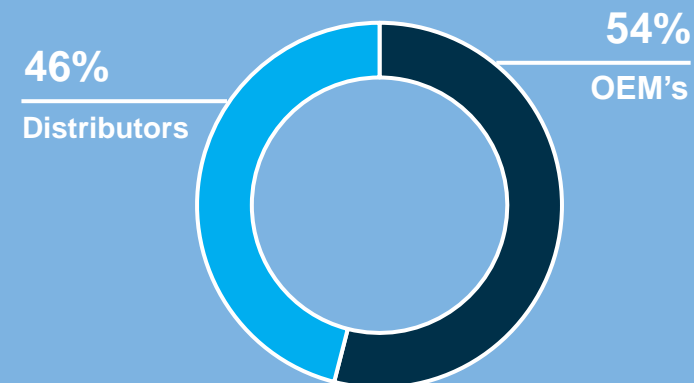
Segments⁽²⁾



Geographies⁽²⁾



Market Channels⁽²⁾



(1) Note: Market data as of May 10, 2023; Financial data represents TTM ended April 1, 2023

(2) Data through Q1 2023

HELIOS BUSINESS SYSTEM





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 GLOBALLY

Streamlining the Customer Experience Lifecycle

CURRENT STATE

Customer

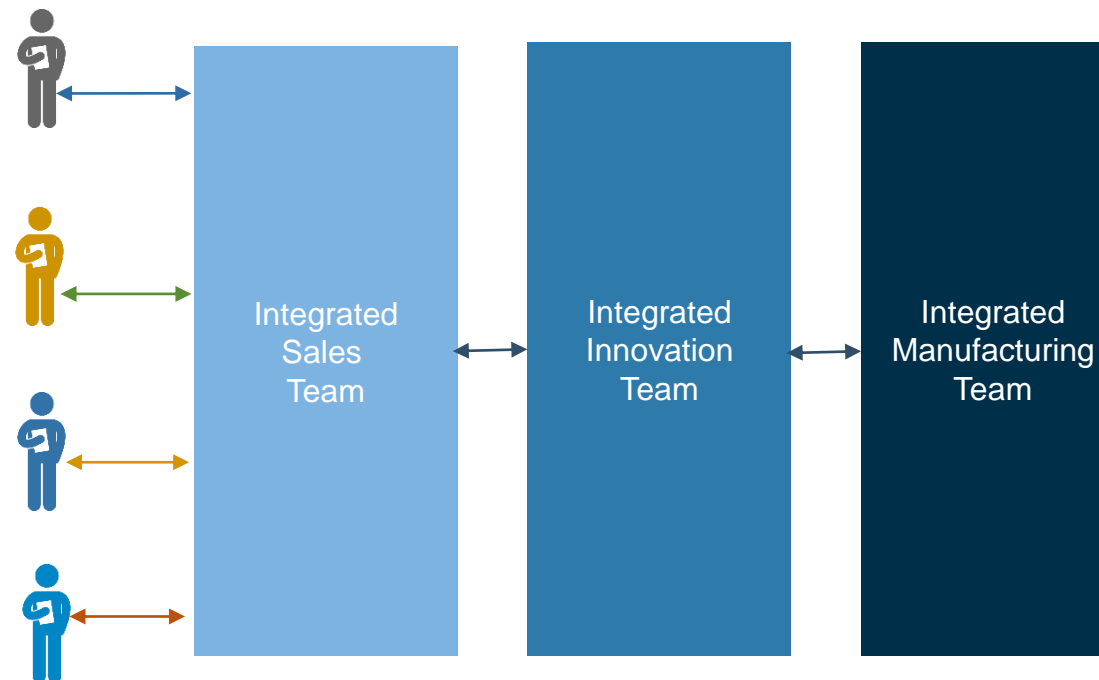
Helios Team

Business Segment



FUTURE STATE

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



H LATEST M&A FLYWHEEL ACQUISITION ANNOUNCED



i3 Product Development

i3 has served more than 450 clients and completed over 4,000 projects in its 28-year history. Creates products that holistically combine emotion, user-centered design, engineered precision, quality craftsmanship, smart technology and design for manufacturability.

- Founded 1995 – HQ in Wisconsin (Sun Prairie, and Middleton locations)
- **DIVERSIFIES END MARKETS:** i3 is a design and engineering firm, with over 55 engineers, that creates products spanning many sectors, including medical, off-highway, recreational and commercial marine, power sports, health and wellness, agriculture, consumer goods, industrial, and sports and fitness. Equips Helios with significant value-added professional services capabilities to solve customer's most complex needs and provide customization to Helios platforms and solutions
- **ENHANCES TECHNOLOGY & CAPABILITIES:** Flywheel acquisition bolsters innovation and technical expertise related to product engineering and design that plugs exactly into our roadmap vision related to telematics and analytics that we have been articulating. Will turbocharge efforts to be the most innovative company focused on the intersection of the hydraulics and electronics markets
- **INTELLECTUAL PROPERTY:** i3 provides a patented remote support platform that delivers support to customers in the field for their IoT (Internet of Things) devices; will enable creation of software as a service (SaaS) component over time
- **MEETS GROWTH AND PROFITABILITY GOALS:** i3 generated over \$13 million in revenue during 2022. Expect to close the transaction in the second quarter of 2023, subject to customary closing conditions

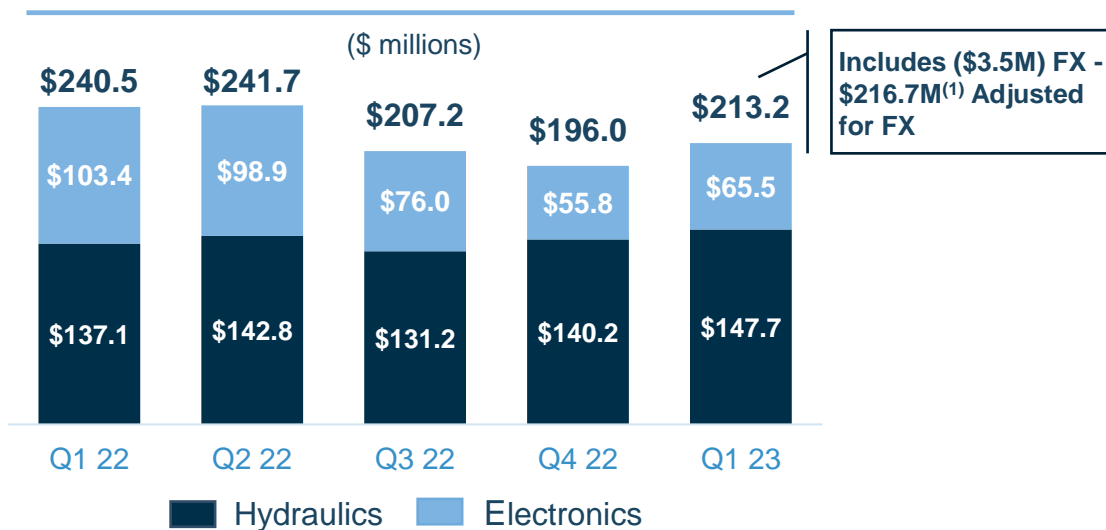


Facilities & Sample Projects:

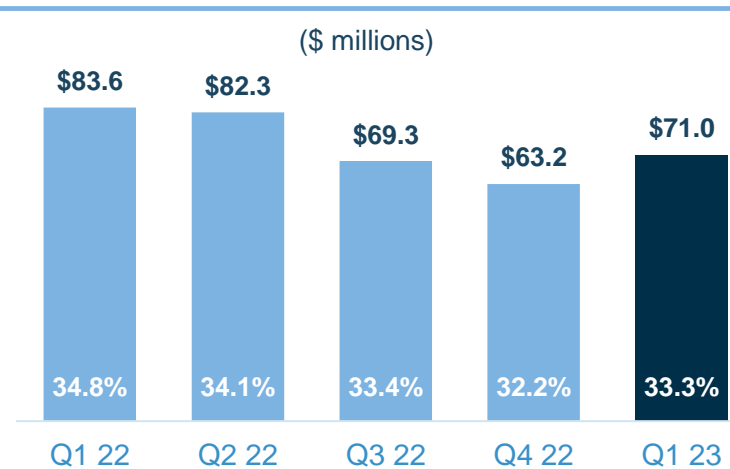


H Q1 2023 – CONSOLIDATED RESULTS

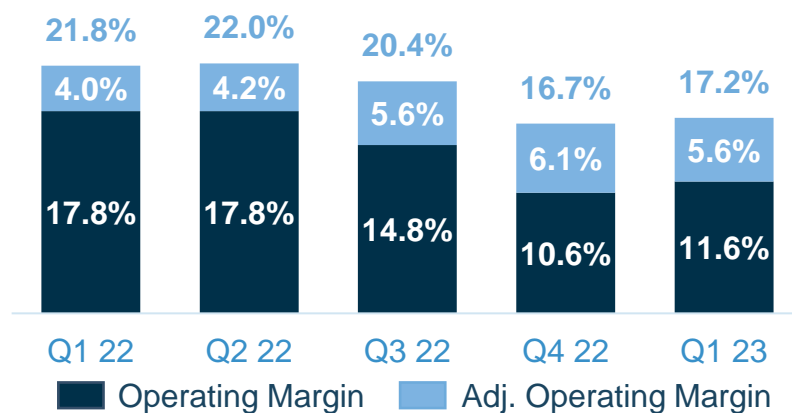
Sales



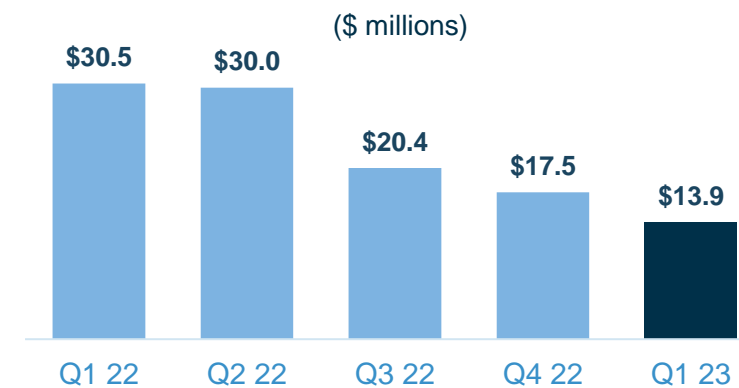
Gross Profit & Margin



Operating / Adj. Op. Margin⁽²⁾



Net Income

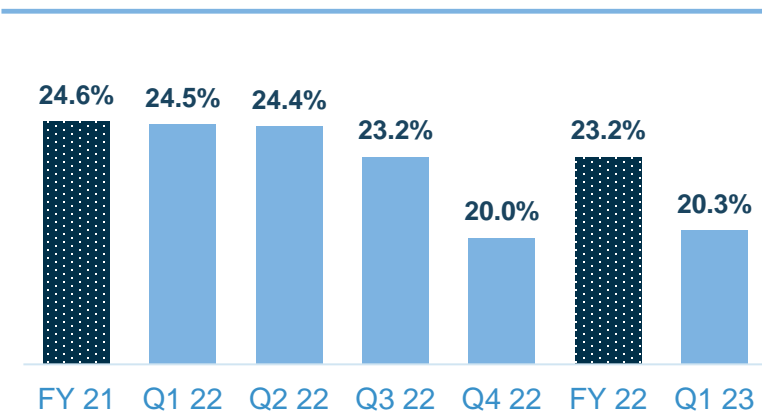


(1) Reflects Net Sales in Constant Currency, a non-GAAP financial measure; see supplemental slides for reconciliation and important information regarding Helios' use of non-GAAP financial measures.

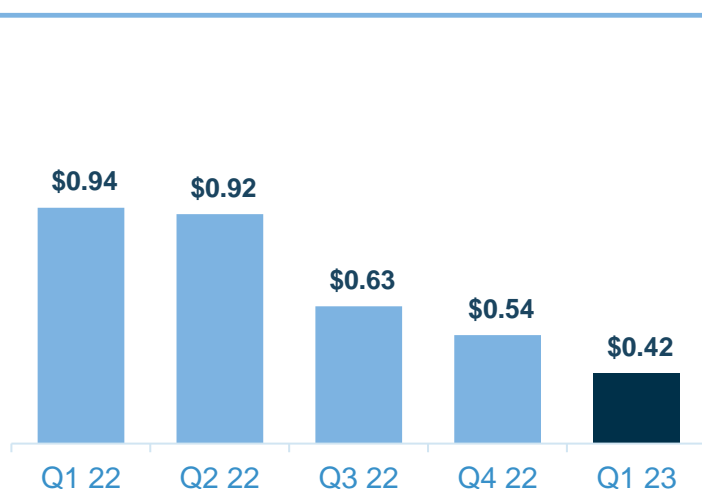
(2) See Supplemental Information for definition of Adjusted Operating Margin and reconciliation from GAAP and other disclaimers regarding non-GAAP information.

H Q1 2023 – CONSOLIDATED RESULTS

Adj. EBITDA Margin⁽¹⁾



Diluted GAAP EPS



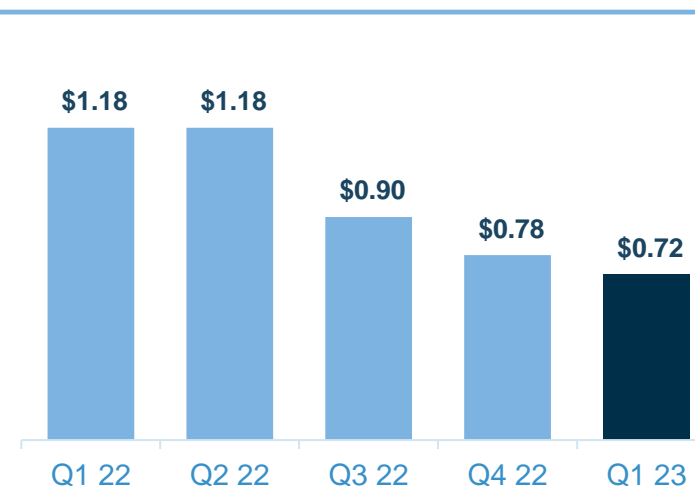
Adjusted EBITDA Margin Drivers

- Adjusted EBITDA margin up sequentially 30 basis points maintaining healthy level at 20.3% in Q1 despite macro headwinds, supply chain delays, FX impacts, while investing for future growth

Diluted Earnings Drivers

- Tailwinds: manufacturing and operating strategy efficiencies, acquisitions, sequential improvement in Health and Wellness
- Headwinds: Health and Wellness YoY contraction, supply chain constraints, FX, higher interest rates, tax rates, inflation

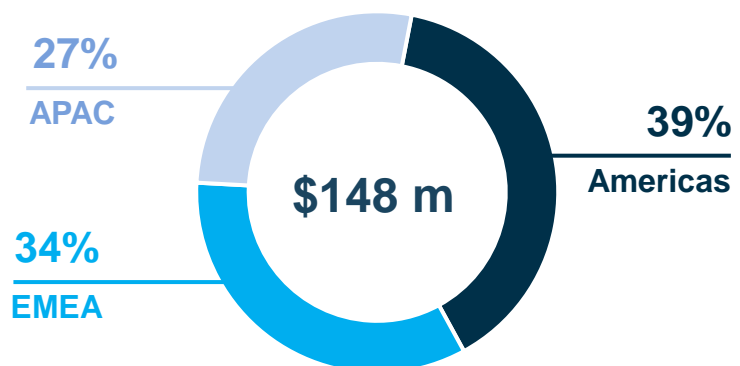
Diluted Non-GAAP Cash EPS⁽¹⁾



(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.

H Q1 2023 – HYDRAULICS SEGMENT

Q1 Sales by Region

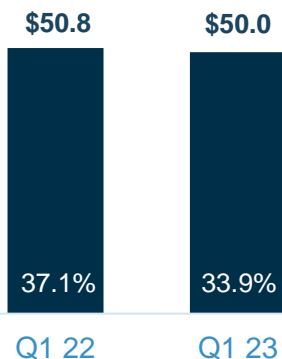


(\$ in millions)

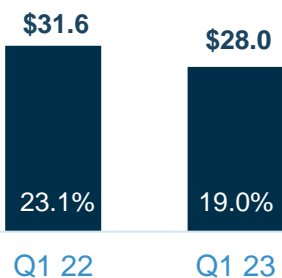
Sales



Gross Profit



Operating Income



First Quarter Highlights

Sales Drivers

- Sales up sequentially over 4Q22 5%; Sales up YoY 8%, on a constant currency⁽¹⁾ basis up 10%; driven by sales to the Americas and some pricing
- Acquisitions added \$13.7 million
- FX impact of (\$3.3) million; supply chain constraints delayed an estimated \$7.9 million in sales

Gross Profit and Margin Drivers

- Gross profit decrease driven primarily by material price increases, FX impact of (\$0.8) million, restructuring costs of \$0.7 million
- Gross margin rising material and energy costs, for which margin was not fully recovered by pricing efforts, as well as the different margin profile of our recent acquisitions

Operating Income and Margin Drivers

- SEA expenses increased \$2.8 million, 15% YoY, from acquisitions and higher operating costs. \$0.5 million of restructuring costs in the first quarter of 2023 compared to \$0.3 million in the 2022 first quarter
- 410 basis point impact on margin reflects gross margin and SEA drivers

(1) Constant currency is a non-GAAP financial measure; see supplemental slide for reconciliation

H HYDRAULICS SEGMENT OVERVIEW



Faster
easier to connect.



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



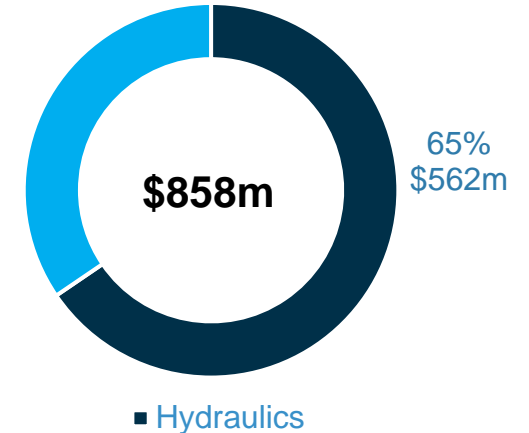
Distribution of hydraulic, pneumatic, filtration, lubrication and electronic products; system design & installation, servicing & repairs



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

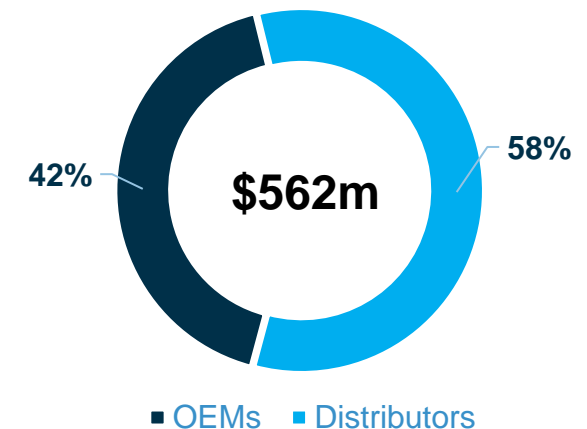
Segment Revenue as % of Total

(TTM 1Q23)



Hydraulics Revenue by Channel

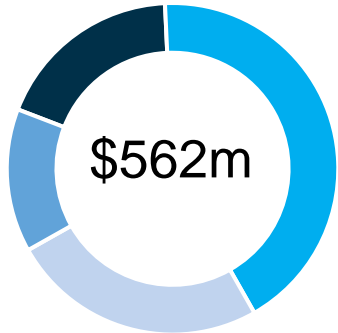
(TTM 1Q23)



HYDRAULICS END MARKETS TODAY

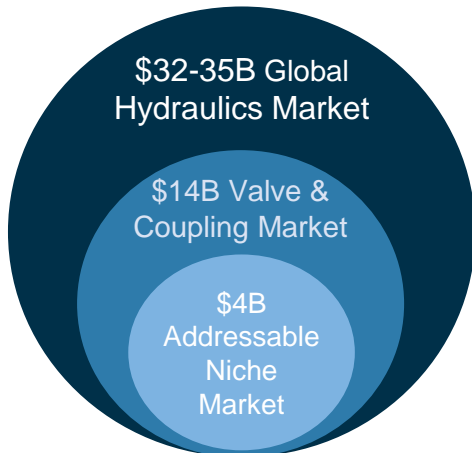
Revenue by End Market

(TTM 1Q23)⁽²⁾



- Industrial
- Mobile
- Agricultural
- Other

Current Total Addressable Market⁽¹⁾

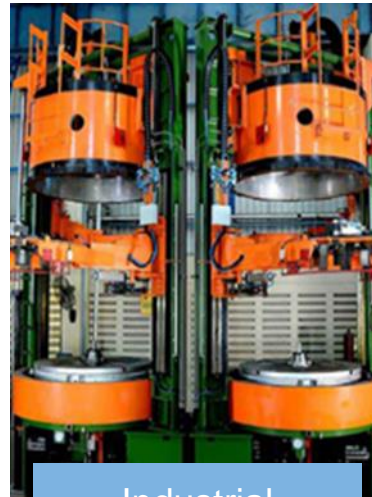


Defining End Markets

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



Mobile



Industrial



Agricultural



Recreational

Dedicated
Sales Force

Executive
Engagement

Strategic
Positioning

Channel
Management
Integrity

Market-driven
Innovation

(1) Addressable market data analyzed through a variety of industry analyst reports and management estimates.

(2) Absolute dollars based on TTM 1Q23; End market mix based on FY 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

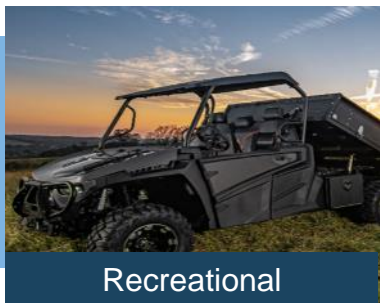


Machine Tools & Presses



Exploration

Growth Markets



Recreational



Pharmaceutical



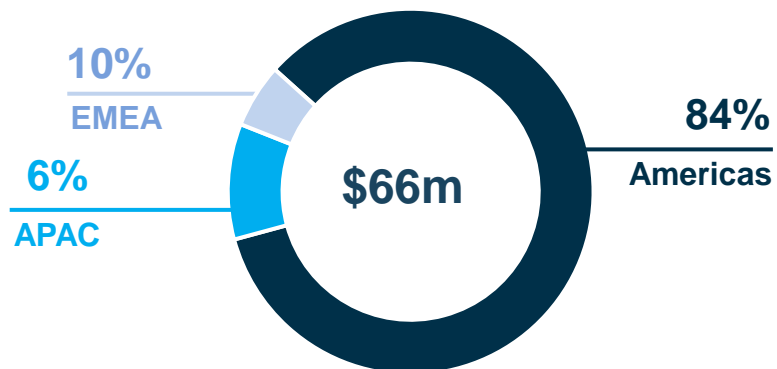
Health & Wellness



Thermo-Dynamic

H Q1 2023 – ELECTRONICS SEGMENT

Q1 Sales by Region

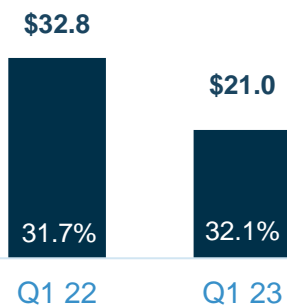


(\$ in millions)

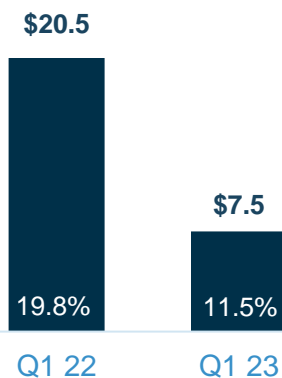
Sales



Gross Profit



Operating Income



First Quarter Highlights

Sales Drivers

- Sales up sequentially over 4Q22 17% (of which Health and Wellness up 36%). Sales down YoY 37% while up 11% (excluding Health and Wellness.) End market demand was driven by mobile and industrial machinery markets which only partially offset supply chain constraints and a contracting health and wellness market
- FX impact was (\$0.2) million; supply chain constraints delayed an estimated \$4.5 million in sales

Gross Profit and Margin Drivers

- Gross profit declined \$11.8 million YoY primarily due to decreased sales volume in health and wellness. Gross margin increased 40 basis points to 32.1%, driven primarily by favorable sales mix over the year ago period

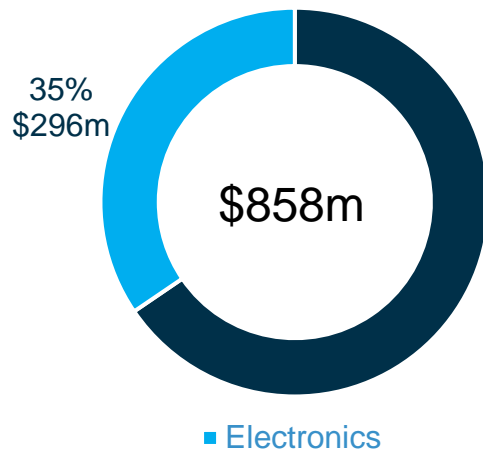
Operating Income and Margin Drivers

- Operating income decreased \$13.0 million, while operating margin declined to 11.5% reflecting flow through of gross margin and operating expenses

HELIOS TECHNOLOGIES MARKET EXPANSION POTENTIAL

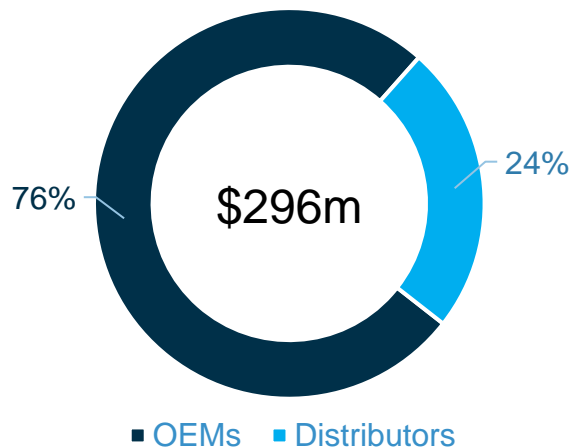
Segment Revenue as % of Total

(TTM 1Q23)



Electronics Revenue by Channel

(TTM 1Q23)



ENOVATION
CONTROLS®

MURPHY
by ENOVATION CONTROLS



Rugged Electronic
Monitoring &
Control Solutions

HCT
by ENOVATION CONTROLS

Hydraulic Control
Solutions

ZEROFF
by ENOVATION CONTROLS

GPS Speed Control
for Recreational
Marine

BALBOA
water group



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

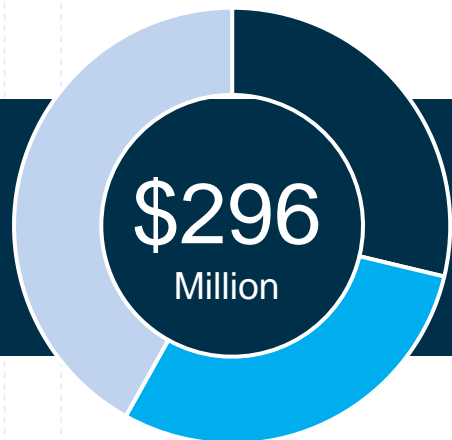
JOYONWAY

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

ELECTRONICS END MARKETS TODAY

Revenue by End Market

(TTM 1Q23)⁽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.

(2) Absolute dollars based on TTM 1Q23; 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

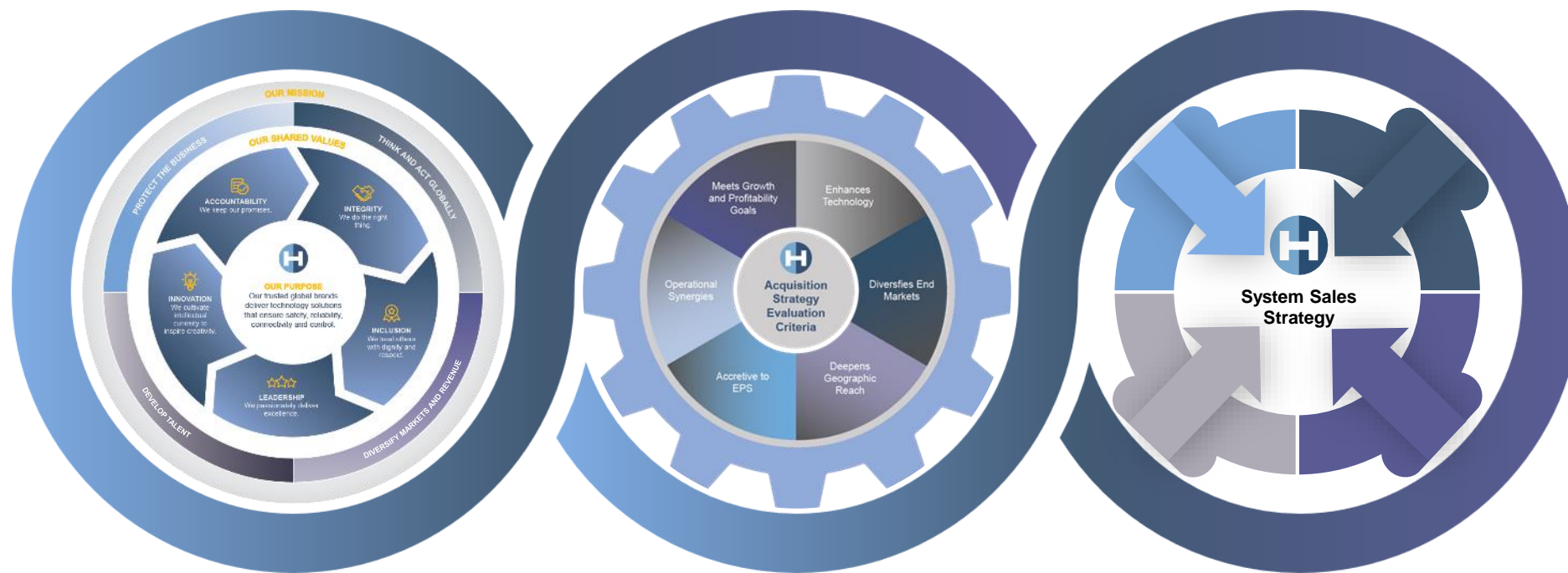


Commercial Lawn Equipment



Commercial HVAC

VALUE PROPOSITION OF AUGMENTED STRATEGY



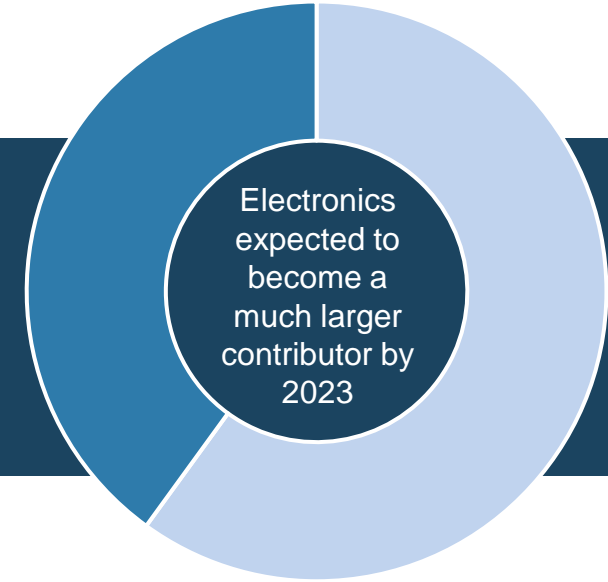
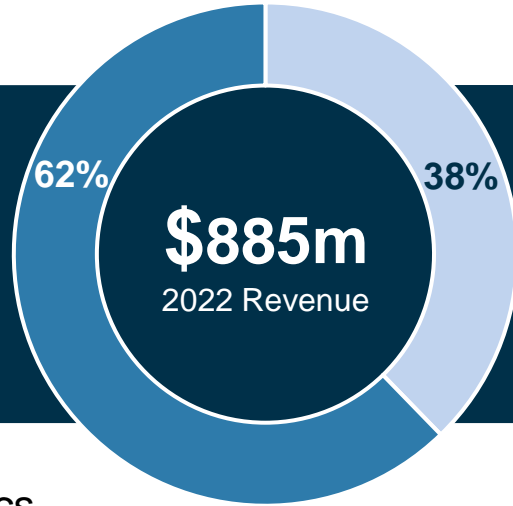
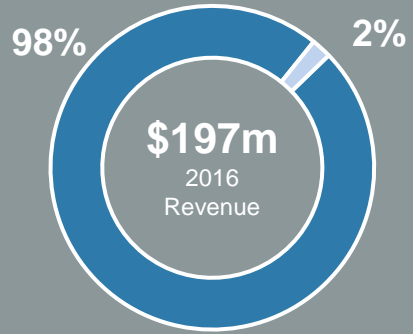
How We Win

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



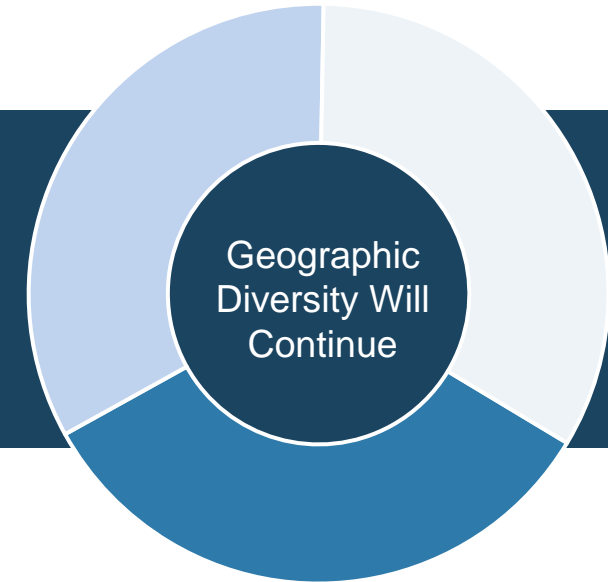
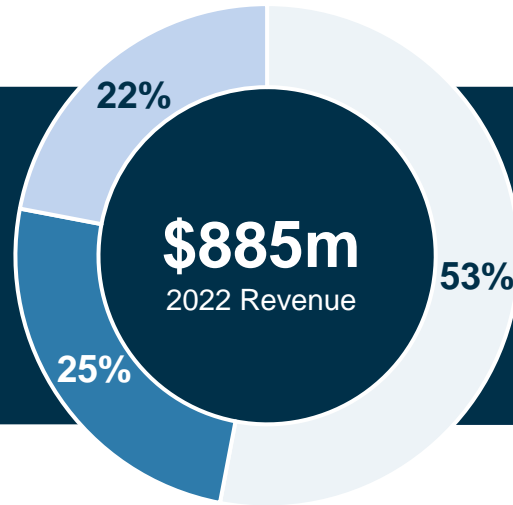
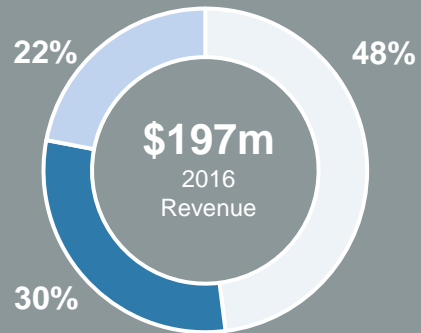
REVENUE DIVERSIFICATION EXPECTED TO CONTINUE

Segment



■ Hydraulics ■ Electronics

Geographic



■ Americas ■ EMEA ■ APAC



2023 OUTLOOK

Path to Hit 22% Three-Year Earnings* CAGR

	2020 Actual	2021 Actual	2022 Actual	2023 Outlook	Implied 3-Year CAGR at 2023 range mid-point	Exiting 2023 Run-Rate
Consolidated revenue	\$523 million	\$869 million	\$885 million	\$910 - \$940 million	21%	~\$1 billion
Net income	\$14 million	\$105 million	\$98 million	\$99 - \$104 million		
Adjusted EBITDA	\$121 million	\$214 million	\$205 million	\$214 - \$226 million	22%	
Adjusted EBITDA margin	23.2%	24.6%	23.2%	23.5% - 24.0%	+55 bps	~25%
Interest expense	\$13 million	\$17 million	\$17 million	\$23 - \$24 million		
Effective tax rate	18%	20%	19%	21% - 23%		
Depreciation	\$18 million	\$21 million	\$23 million	\$27 - \$29 million		
Amortization	\$22 million	\$33 million	\$29 million	\$30 - \$32 million		
Capital expenditures % total revenue	3%	3%	4%	3% - 5% of sales		
Diluted EPS	\$0.44	\$3.22	\$3.02	\$3.03 - \$3.18		
Diluted Non-GAAP Cash EPS	\$2.24	\$4.25	\$4.03	\$3.95 - \$4.10	22%	

The following provides the Company's expectations for 2023 as of May 9, 2023. This does not include any potential future flywheel acquisitions it may make through the course of the year. This assumes constant currency, using quarter end rates, and that markets served are not further impacted by the global pandemic or the geo-political environment. On a run-rate basis ending 2023, the Company expects to reach approximately \$1 billion in revenue and approximately 25% Adjusted EBITDA margins.

Adjusted EBITDA, Adjusted EBITDA margin and Diluted Non-GAAP Cash EPS represent non-GAAP financial measures. The Company has also presented the related GAAP measures. For 2023, Adjusted EBITDA excludes an estimated \$7-\$8 million of costs for restructuring activities and acquisition related cost including integration. For 2023, Diluted non-GAAP Cash EPS excludes an estimated \$0.88 to \$0.95 per diluted share of costs for amortization, restructuring activities, acquisition related costs including integration and the related tax impact on these items.

* Implied three-year Earnings Compound Annual Growth Rate (CAGR) = Diluted Non-GAAP Cash EPS growth calculated between 2020A to the mid-point of 2023 Outlook issued May 8, 2023.

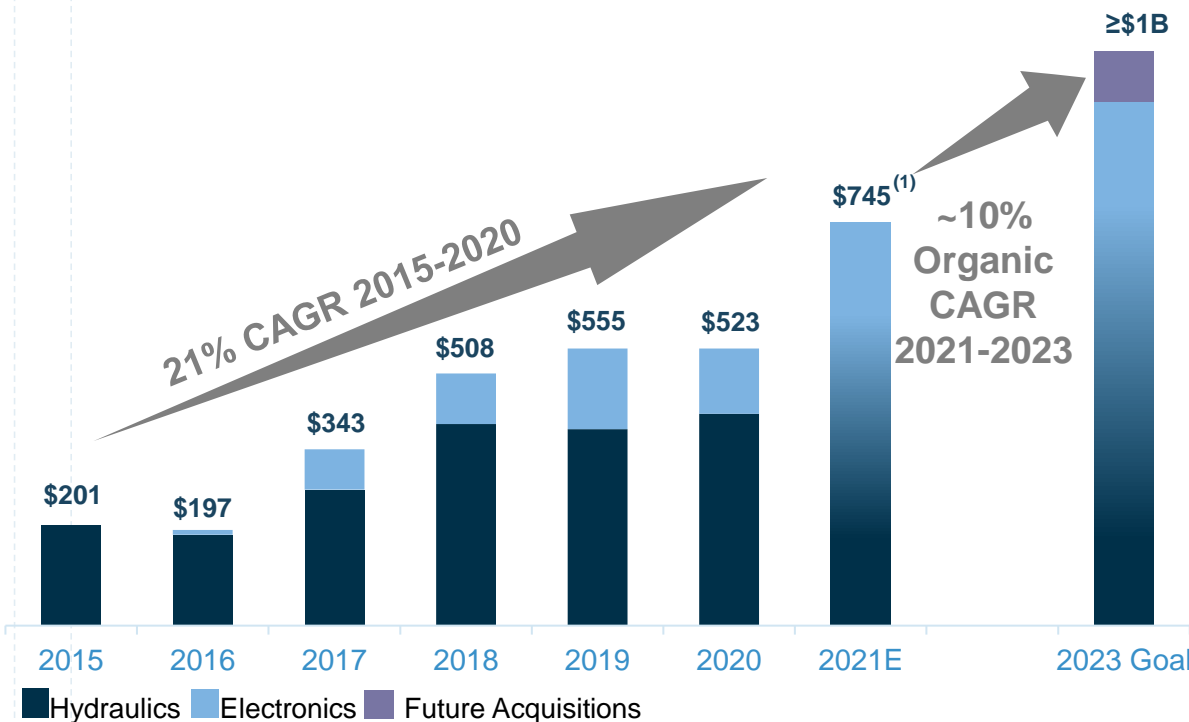
Non-GAAP Financial Measures and Non-GAAP Forward-looking Financial Measures:

The Company does not provide a reconciliation of forward-looking non-GAAP financial measures, such as adjusted EBITDA, adjusted EBITDA margin and cash net income and cash net income per diluted share disclosed above in our 2023 Outlook, to their comparable GAAP financial measures because it could not do so without unreasonable effort due to the unavailability of the information needed to calculate reconciling items and due to the variability, complexity and limited visibility of the adjusting items that would be excluded from the non-GAAP financial measures in future periods.

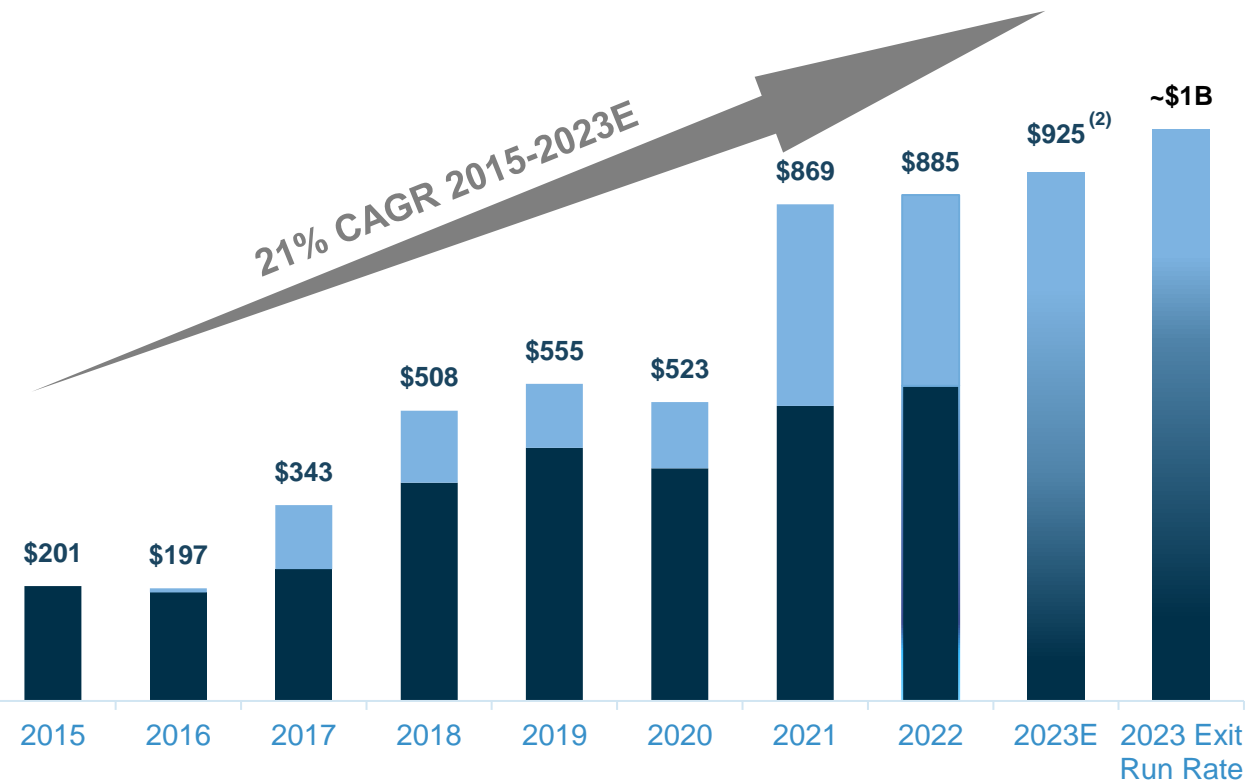
PATH FOR LONG TERM GROWTH PLANS

As Outlined at June 2021 Investor Day

(\$ in millions)



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)
- **January 2023** – Schultes Precision Manufacturing (U.S./Hydraulics)

Acquisitions in Process:

- **May 2023** – i3 Product Development (U.S./Global)

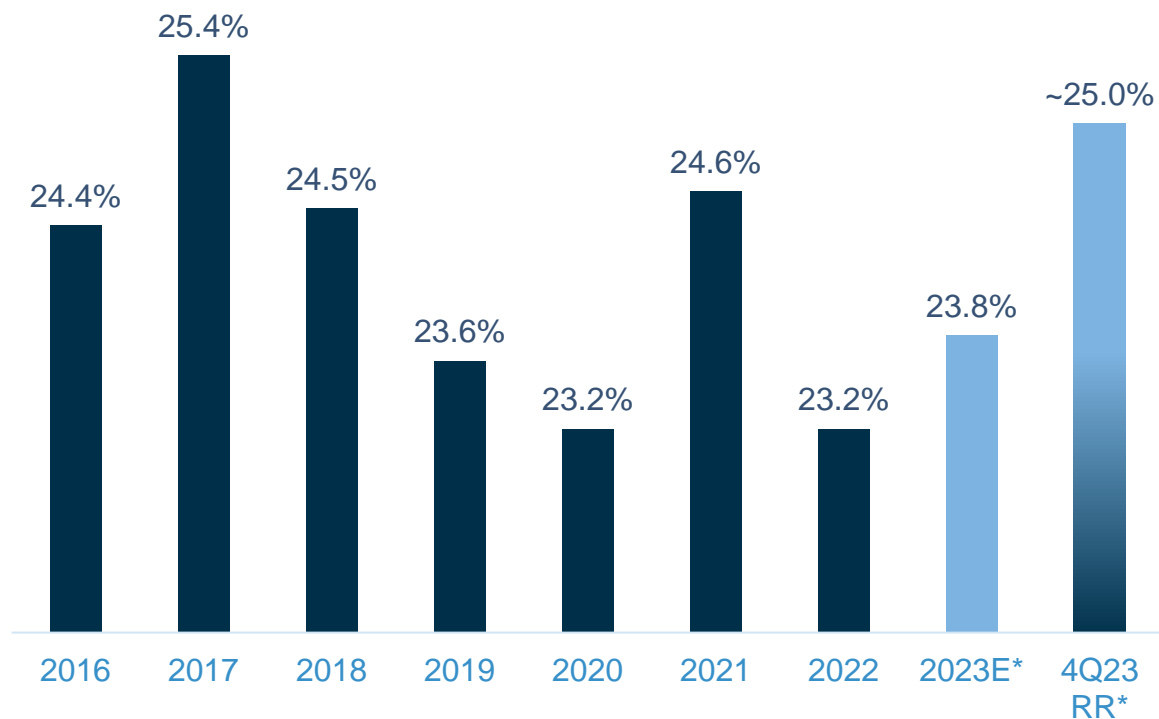
(1) 2021E Mid-Point of FY2021 Outlook provided on May 10, 2021

(2) 2023E Mid-Point of FY2023 Outlook provided May 8, 2023



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.

* 2023E Adjusted EBITDA margin is the mid-point of our guidance ranges issued on February 27, 2023.

Run rate basis defined as annualizing the anticipated fourth quarter of 2023 to equate to ~25% Adjusted EBITDA Margin.



STRONG CASH FLOW

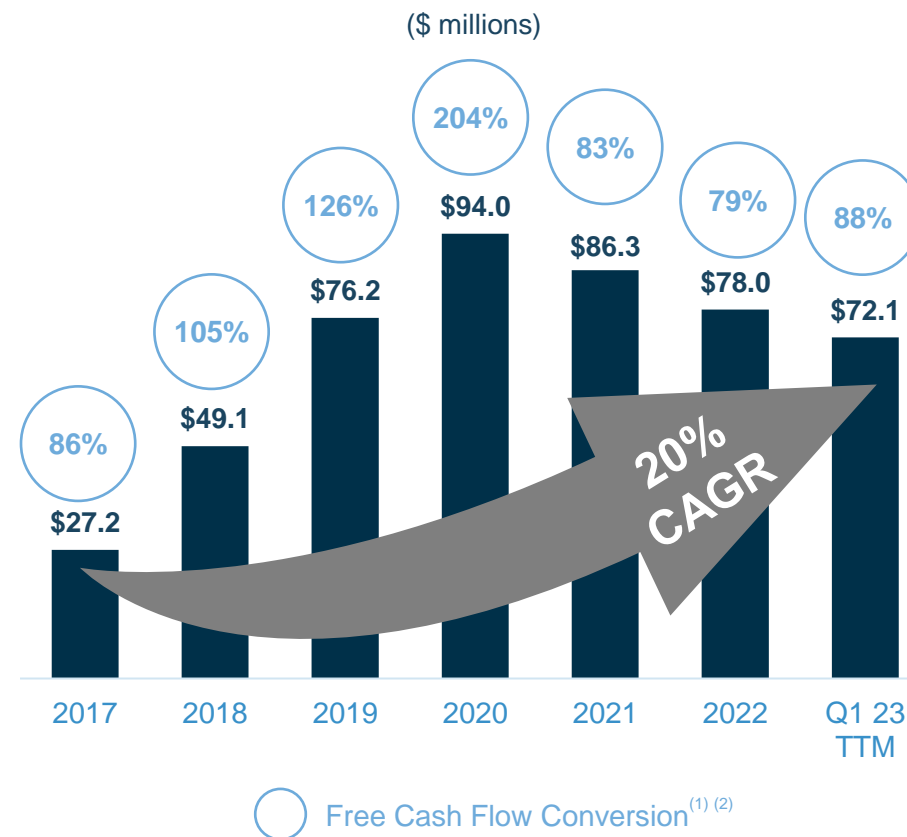
(\$ in millions)

	Three Months Ended	
	<u>4/1/23</u>	<u>4/2/22</u>
Net cash provided by operating activities	\$12.3	\$14.7
CapEx	(9.1)	(5.6)
Free cash flow (FCF) ⁽¹⁾	\$3.2	\$9.1

Consistent cash generation and free cash flow

- Capex of \$9.1M up 63% YoY to support strategic investments for future growth as planned
- Cash and cash equivalents at 4/1/23 \$36.3M up 10% YoY
- Q1 2023 TTM (trailing twelve months) free cash flow conversion⁽²⁾ was 88% compared with 79% in FY 2022

Free Cash Flow⁽¹⁾



(1) Free cash flow and free cash flow conversion are non-GAAP financial measures; see supplemental slide for a reconciliation to the most comparable GAAP measure

(2) Free cash flow conversion is a non-GAAP financial measure and defined as free cash flow divided by net income

H 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 $\leq 2.0x$ net debt / adjusted EBITDA

3

ACQUISITIVE GROWTH

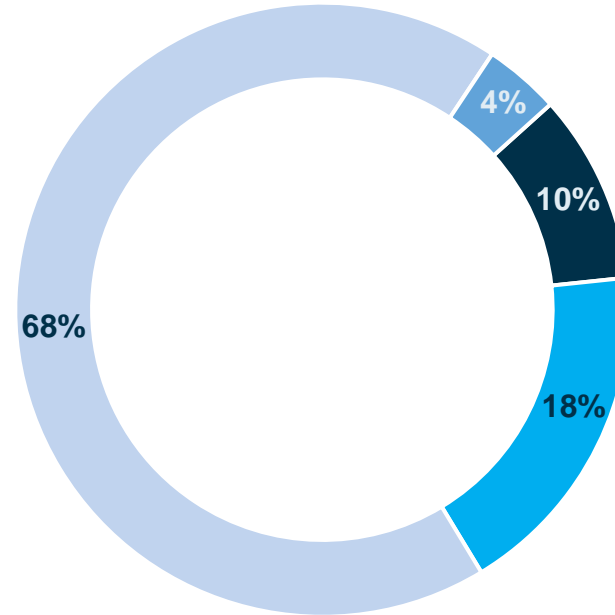
- Ongoing assessment of M&A opportunities

4

SUPPORT DIVIDEND

- Maintain quarterly dividend

Last 5 Years⁽¹⁾



Near-Term



- Organic Growth
- Debt Reduction
- Acquisitive Growth
- Support Dividend

(1) Based on YE 2022 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

(\$ in millions)

Capitalization		
	<u>4/1/22</u>	<u>4/2/22</u>
Cash and cash equivalents	\$36.3	\$33.0
Total debt	525.8	438.1
Total net debt⁽¹⁾	489.5	405.1
Shareholders' equity	808.6	735.6
Total capitalization	\$1,334.4	\$1,173.7
Debt/total capitalization	39.4%	37.3%

Financial Flexibility

- Cash and cash equivalents up \$3.3 million from prior year
- Generated \$12.3 million of operating cash flow in Q1
- Achieved net debt/pro forma Adjusted EBITDA of 2.5x⁽²⁾:
 - Reflects acquisition of Schultes
- Company expects to spend between 3% to 5% of sales in capital investments in 2023 – 1Q23 Capex was 4% of sales
- Ended the quarter with total liquidity of \$90.6 million
- Paid dividends consistently for 105 sequential quarters or over 26 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, Daman, and Schultes 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	Targets	Integration Model
<ul style="list-style-type: none"> • Meets Growth and Profitability Goals • Enhances Technology • Diversifies End Markets • Deepens Geographic Reach • Accretive to EPS • Operational Synergies 	<ul style="list-style-type: none"> • Strong management • Culture supporting innovation • Superior profitability • <\$100M "Flywheel" bolt-on • >\$100M "Transformational" 	<ul style="list-style-type: none"> • 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			



M&A SCORECARD – PROFILE OF EACH DEAL WHEN ACQUIRED

											
Acquisition Type:	2016 Transformational	2018 Transformational	2018 Flywheel	2020 Transformational	2021 Flywheel	2021 Flywheel	2021 Flywheel	2022 Flywheel	2022 Flywheel	2023 Flywheel	2023 Flywheel

1 Meets Growth & Profitability Goals



2 Enhances Technology



3 Diversifies End Markets



4 Deepens Geographic Reach



5 Accretive to EPS



6 Operational Synergies



Hitting \$1B Milestone on a Run Rate (RR) Basis by YE23



With Enhanced Margin Profile

- (1) Run rate basis defined as annualizing the anticipated fourth quarter of 2023 to equate to ~\$1 billion in revenues.
- (2) Reflects non-GAAP measure; reference supplemental slides for definitions of each measure.
- (3) CAGR is calculated between 2020A to the mid-point of 2023 Outlook issued February 27, 2023.

H DRIVING GROWTH AND DELIVERING PROFITABILITY

1

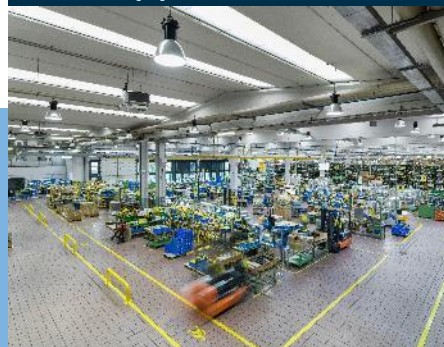
Strategy Recap



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 on run rate basis, expanding margin profile

SUPPLEMENTAL INFORMATION





SEGMENT DATA

(Unaudited)

(\$ in millions)

	For the Three Months Ended	
	April 1, 2023	April 2, 2022
<i>Sales:</i>		
Hydraulics	\$ 147.7	\$ 137.1
Electronics	65.5	103.4
Consolidated	<u>\$ 213.2</u>	<u>\$ 240.5</u>
<i>Gross profit and margin:</i>		
Hydraulics	\$ 50.0	\$ 50.8
	33.9%	37.1%
Electronics	21.0	32.8
	32.1%	31.7%
Consolidated	<u>\$ 71.0</u>	<u>\$ 83.6</u>
	33.3%	34.8%
<i>Operating income (loss) and margin:</i>		
Hydraulics	\$ 28.0	\$ 31.6
	19.0%	23.1%
Electronics	7.5	20.5
	11.5%	19.8%
Corporate and other	(10.7)	(9.2)
Consolidated	<u>\$ 24.8</u>	<u>\$ 42.9</u>
	11.6%	17.8%

H ORGANIC AND ACQUIRED SALES

(Unaudited)

(\$ in millions)

	Three Months Ended				Full Year Ended	Three Months Ended
	April 2, 2022	July 2, 2022	October 1, 2022	December 31, 2022	December 31, 2022	April 1, 2023
Hydraulics						
Organic	\$ 130.7	\$ 137.1	\$ 129.1	\$ 132.0	\$ 528.9	\$ 134.0
Acquisition	6.4	5.7	2.1	8.2	22.4	13.7
Total	\$ 137.1	\$ 142.8	\$ 131.2	\$ 140.2	\$ 551.3	\$ 147.7
Electronics						
Organic	\$ 102.7	\$ 97.9	\$ 75.2	\$ 55.8	\$ 331.6	\$ 65.5
Acquisition	0.8	1.0	0.7	-	2.5	-
Total	\$ 103.4	\$ 98.9	\$ 75.9	\$ 55.8	\$ 334.1	\$ 65.5
Consolidated						
Organic	\$ 233.4	\$ 235.0	\$ 204.3	\$ 187.8	\$ 860.5	\$ 199.5
Acquisition	7.2	6.6	2.9	8.2	24.9	13.7
Total	\$ 240.5	\$ 241.7	\$ 207.2	\$ 196.0	\$ 885.4	\$ 213.2



SALES BY GEOGRAPHIC REGION & SEGMENT

(Unaudited)

2022 Sales by Geographic Region and Segment

(\$ in millions)

	Q1	% Change y/y	Q2	% Change y/y	Q3	% Change y/y	Q4	% Change y/y	2022	% Change y/y
Americas:										
Hydraulics	\$ 43.1	26%	\$ 49.9	20%	\$ 49.7	10%	\$ 56.8	22%	\$ 199.5	19%
Electronics	77.7	20%	80.2	25%	65.0	1%	\$ 48.0	(26%)	270.9	5%
Consol. Americas	120.8	22%	130.1	23%	114.7	5%	104.8	(6%)	470.4	11%
% of total	50%		54%		55%		53%		53%	
EMEA:										
Hydraulics	\$ 52.9	22%	\$ 49.0	5%	\$ 41.3	(8%)	\$ 43.3	(4%)	\$ 186.5	4%
Electronics	11.8	27%	12.3	12%	7.7	(31%)	5.3	(50%)	37.1	(12%)
Consol. EMEA	64.7	23%	61.3	6%	49.0	(12%)	48.6	(13%)	223.6	1%
% of total	27%		25%		24%		25%		25%	
APAC:										
Hydraulics	\$ 41.1	(1%)	\$ 43.9	(2%)	\$ 40.2	(7%)	\$ 40.1	3%	\$ 165.3	(2%)
Electronics	13.9	23%	6.4	(58%)	3.3	(77%)	\$ 2.5	(79%)	26.1	(51%)
Consol. APAC	55.0	4%	50.3	(16%)	43.5	(25%)	42.6	(16%)	191.4	(14%)
% of total	23%		21%		21%		22%		22%	
Total	\$ 240.5	17%	\$ 241.7	8%	\$ 207.2	(7%)	\$ 196.0	(10%)	\$ 885.4	2%

2023 Sales by Geographic Region and Segment

(\$ in millions)

	Q1	% Change y/y
Americas:		
Hydraulics	\$ 57.9	34%
Electronics	55.1	(29%)
Consol. Americas	113.0	(6%)
% of total	53%	
EMEA:		
Hydraulics	\$ 49.4	(7%)
Electronics	6.7	(43%)
Consol. EMEA	56.1	(13%)
% of total	26%	
APAC:		
Hydraulics	\$ 40.4	(2%)
Electronics	3.7	(73%)
Consol. APAC	44.1	(20%)
% of total	21%	
Total	\$ 213.2	(11%)



ADJUSTED OPERATING INCOME RECONCILIATION

(Unaudited)

(\$ in millions)

	Three Months Ended	
	April 1, 2023	April 2, 2022
GAAP operating income	\$ 24.8	\$ 42.9
Acquisition-related amortization of intangible assets	8.1	7.0
Acquisition and financing-related expenses ^(A)	1.7	0.9
Restructuring charges ^(B)	1.2	0.2
Officer transition costs	0.8	0.3
Acquisition integration costs ^(C)	-	1.1
Non-GAAP adjusted operating income	\$ 36.6	\$ 52.4
GAAP operating margin	11.6%	17.8%
Non-GAAP adjusted operating margin	17.2%	21.8%

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. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.



NON-GAAP CASH NET INCOME RECONCILIATION

(Unaudited)

(\$ in millions)

	Three Months Ended	
	April 1, 2023	April 2, 2022
Net income	\$ 13.9	\$ 30.5
Amortization of intangible assets ^(D)	8.3	7.1
Acquisition and financing-related expenses ^(A)	1.7	0.9
Restructuring charges ^(B)	1.2	0.2
Officer transition costs	0.8	0.3
Acquisition integration costs ^(C)	-	1.1
Change in fair value of contingent consideration	0.2	0.8
Tax effect of above	(2.7)	(2.6)
Non-GAAP cash net income	\$ 23.4	\$ 38.3
Non-GAAP cash net income per diluted share	\$ 0.72	\$ 1.18

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

H ADJUSTED EBITDA RECONCILIATION

(Unaudited)

(\$ in millions)

	Three Months Ended		Twelve Months Ended
	April 1, 2023	April 2, 2022	April 1, 2023
Net income	\$ 13.9	\$ 30.5	\$ 81.8
Interest expense, net	6.2	3.8	19.1
Income tax provision	4.1	8.8	18.7
Depreciation and amortization	15.2	12.6	54.2
EBITDA	39.4	55.6	173.8
Acquisition and financing-related expenses ^(A)	1.7	0.9	6.7
Restructuring charges ^(B)	1.2	0.2	4.4
Officer transition costs	0.8	0.3	0.8
Acquisition integration costs ^(C)	-	1.1	2.5
Change in fair value of contingent consideration	0.2	0.8	1.1
Other	-	-	0.1
Adjusted EBITDA	\$ 43.3	\$ 59.0	\$ 189.4
<i>Adjusted EBITDA margin</i>	<i>20.3%</i>	<i>24.5%</i>	<i>22.1%</i>
Pre-acquisition adjusted EBITDA, 2023 Schultes, 2022 Taimi and Daman			9.5
TTM Pro forma adjusted EBITDA			\$ 198.9

(A) 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 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 months ended April 1, 2023, the charges include recurring labor costs of \$0.2 million, professional fees of \$1.1 million, travel costs of \$0.1 million and other M&A related costs of \$0.3 million.

(B) Restructuring activities include costs associated with the creation of our two new Regional Operational Centers of Excellence. 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 months ended April 1, 2023, the charges include non-recurring labor costs of \$0.6 million, travel costs of \$0.2 million and manufacturing relocation and other costs of \$0.4 million.

(C) 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 months ended April 1, 2023, costs incurred for our integration activities were minimal.

(D) Amortization of intangible assets presented here includes \$0.2 million of amortization for capitalized software development costs included within cost of sales in the income statement.

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. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.

H FREE CASH FLOW RECONCILIATION

(Unaudited)

(\$ in millions)

	Full Year						TTM
	2017	2018	2019	2020	2021	2022	Q1 2023
Net cash provided by operating activities	\$ 49.4	\$ 77.5	\$ 90.5	\$ 108.6	\$ 113.1	109.9	107.5
Contingent consideration payment in excess of acquisition date fair value	-	-	10.7	-	-	-	-
Adjusted net cash provided by operating activities	49.4	77.5	101.2	108.6	113.1	109.9	107.5
Capital expenditures	22.2	28.4	25	14.6	26.8	31.9	35.4
Adjusted Free cash flow	\$ 27.2	\$ 49.1	\$ 76.2	\$ 94.0	\$ 86.3	78.0	72.1
Net income	31.6	46.7	60.3	14.2	104.6	98.4	81.8
Goodwill impairment	-	-	-	31.9	-	-	-
Net income, less goodwill impairment	\$ 31.6	\$ 46.7	\$ 60.3	\$ 46.1	\$ 104.6	98.4	81.8
Free cash flow conversion	86%	105%	126%	204%	83%	79%	88%

	Three Months Ended	
	April 1, 2023	April 2, 2022
Net cash provided by operating activities	\$ 12.3	\$ 14.7
Capital expenditures	(9.1)	(5.6)
Free cash flow	\$ 3.2	\$ 9.1
Net income	\$ 13.9	\$ 30.5
Free cash flow conversion	23%	30%

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. Free cash flow conversion is a non-GAAP financial measure and defined as free cash flow divided by net income. 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. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.



NON-GAAP SALES GROWTH RECONCILIATION

(Unaudited)

(\$ in millions)

	Three Months Ended		
	Hydraulics	Electronics	Consolidated
Q1 2023 Net Sales	\$ 147.7	\$ 65.5	\$ 213.2
Impact of foreign currency translation ^(E)	3.3	0.2	3.5
Net Sales in constant currency	151.0	65.7	216.7
Less: Acquisition related sales	(13.7)	-	(13.7)
Organic sales in constant currency	\$ 137.3	\$ 65.7	\$ 203.0
Q1 2022 Net Sales	\$ 137.1	\$ 103.4	\$ 240.5
Net sales growth	8%	-37%	-11%
Net sales growth in constant currency	10%	-36%	-10%
Organic net sales growth in constant currency	0%	-36%	-16%

^(E) The impact from foreign currency translation is calculated by translating current period activity at average prior period exchange rates.

Non-GAAP Financial Measure:

Net Sales in Constant Currency is Net Sales adjusted for the impact of foreign currency translation. The impact from foreign currency translation is calculated by translating current period activity at average prior period exchange rates. Net Sales in Constant Currency is not a measure 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 Sales in Constant Currency 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 Net Sales in Constant Currency is non-GAAP measures and are thus susceptible to varying calculations, Net Sales in Constant Currency, as presented, may not be directly comparable to other similarly titled measures used by other companies. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.



NET DEBT TO ADJUSTED EBITDA RECONCILIATION

(Unaudited)

(\$ in millions)

	As of April 1, 2023
Current portion of long-term non-revolving debt, net	20.2
Revolving lines of credit	346.7
Long-term non-revolving debt, net	158.9
Total debt	525.8
Less: Cash and cash equivalents	36.3
Net debt	489.5
TTM Pro forma adjusted EBITDA ^(F)	198.9
Ratio of net debt to TTM pro forma adjusted EBITDA	2.46

^(F) On a pro-forma basis for Taimi, Daman, and Schultes.

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. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.



AUGMENTING STRATEGY
ADVANCING TECHNOLOGIES
ACCELERATING GROWTH