HELIOS TECHNOLOGIES

Fourth Quarter 2020 Earnings

March 1, 2021

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Chief Financial Officer

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VP, IR and 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 timing of completion of the proposed acquisition of Balboa Water Group (the "Acquisition") and the expected benefits and synergies from the Acquisition; (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) conditions in the capital markets, including the interest rate environment and the availability of capital; (ii) the risk that the Acquisition will not be consummated in a timely manner or at all, our failure to realize the benefits expected from the Acquisition, our failure to promptly and effectively integrate the Acquisition and the ability of Helios to retain and hire key personnel, and maintain relationships with suppliers; (iii) risks related to health epidemics, pandemics and similar outbreaks, including, without limitation, the current COVID-19 pandemic, which may have material adverse effects on our business, financial position, results of operations and cash flows; (iv) changes in the competitive marketplace that could affect the Company's revenue and/or costs, such as increased competition, lack of qualified engineering, marketing, management or other personnel, and increased labor and raw materials costs; and (v) new product introductions, product sales mix and the geographic mix of sales nationally and internationally. 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", Part I, Item 1A. "Risk Factors" in the Company's Form 10-K for the year ended December 28, 2019 and Part II, Item IA, "Risk Factors" in the Company's Form 10-Q for the quarter ended September 26, 2020 and other filings with the Securities and Exchange Commission.

Helios has presented forward-looking statements regarding non-GAAP cash EPS and Adjusted EBITDA margin. 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 cash EPS and Adjusted EBITDA margin 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's full year 2020 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's 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.

Q4 2020 Business Summary

EXECUTING TO PLAN diversification of end markets; **CREATING GROWTH** opportunities; delivering results

SPINNING THE M&A FLYWHEEL: acquired **BALBOA WATER GROUP** AC (alternating current) Electronic Controls Technology currently for Health/Wellness industry

Established **HELIOS CENTER OF ENGINEERING EXCELLENCE:** Expanded engineering talent with acquisition of BJN Technologies in January 2021

STRONG DEMAND IN ALL END MARKETS, in particular **AGRICULTURE, MARINE** and **HEALTH/WELLNESS** drove continued sequential top line growth

Demonstrated **SIGNIFICANT CASH GENERATION CAPABILITIES:** $31.5 million cash from operations in the quarter with Cash conversion of 204% for 2020

Helios Subsidiary Receives John Deere Supplier Innovation Award

- Helios’s subsidiary, Faster S.r.l., has been selected as a recipient of the John Deere Supplier Innovation Award for 2020 for its multi-connection couplings with integrated valve system.
- Award selections are based on four factors: creativity, feasibility, collaboration, and bottom-line impact.
- “Our subsidiary, Faster S.r.l., supplies quick release couplings to John Deere operations throughout the world. In synergy with our Sun Hydraulics LLC business, our engineering teams have combined the advantages and features of MultiFaster® and Sun electro-hydraulic cartridge valves into an integrated manifold, reducing complexity and increasing reliability of the hydraulic circuit as a result.” – commented Josef Matosevic, the Company’s President and Chief Executive Officer

Picture: The Helios Technologies multi-connection couplings with integrated valve system

Q4 2020 Financial Results Highlights

($ in millions, except per share data)

$151.6
Sales

20% YoY
24% QoQ

34.8%
Gross Margin

(290 bps) YoY
(350 bps) QoQ

6.9%
Operating Margin(1)

(800 bps) YoY
(800 bps) QoQ

18.8%
Adj. Operating Margin

30 bps YoY
(50 bps) QoQ

(1) Note: Q4 2020 Operating margin includes $1.9 million of inventory step-up amortization related to Balboa acquisition, $7.1 million of acquisition- and financing-related costs and $0.4 million of integration and officer transition costs.

Q4 2020 Financial Results Highlights

($ in millions, except per share data)

$5.6
Net Income

(60%) YoY

(57%) QoQ

$0.60
Non-GAAP Cash EPS(2)

11% YoY

13% QoQ

23.2%
Adj. EBITDA Margin(1)

0% YoY

(20 bps) QoQ

Sales

- Strong sequential and year-over-year growth

Adjusted EBITDA Margin

- 23.2% was inline with prior year

Non-GAAP Cash EPS

- Balboa performance exceeded expectations

(1) See supplemental slide for Adjusted EBITDA reconciliation and other important information regarding Helios's use of Adjusted EBITDA

(2) See supplemental slide for Non-GAAP Cash Net Income reconciliation and other important information regarding Helios's use of Non-GAAP Cash Net Income and EPS

Note: YoY = year-over-year | QoQ = quarter-over-quarter

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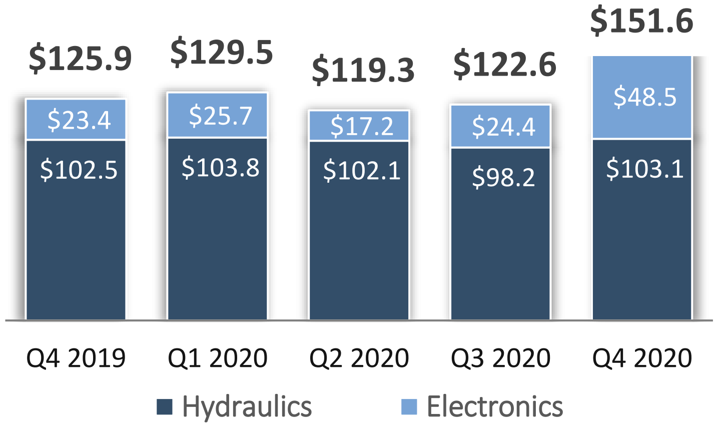
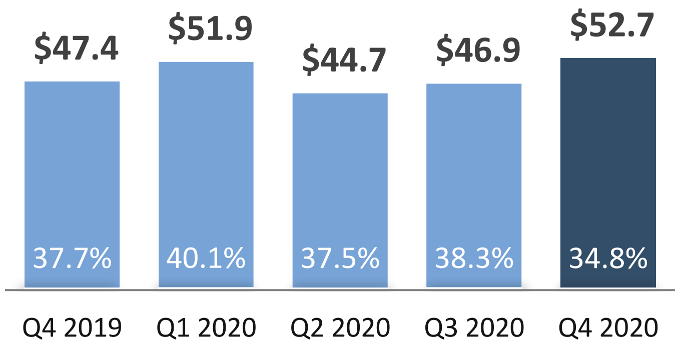
Q4 - Consolidated Results

($ in millions, except per share data)

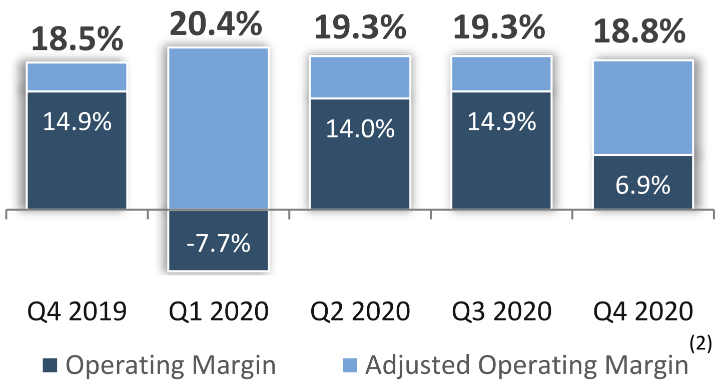
Sales



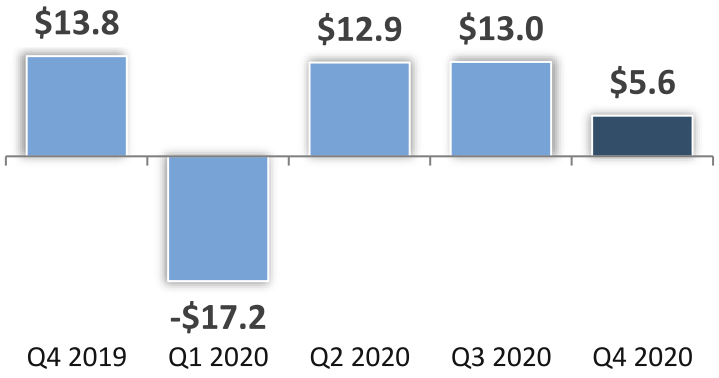
Gross Profit/Gross Margin(1)



Operating/Adj. Op. Margin



Net Income(3)

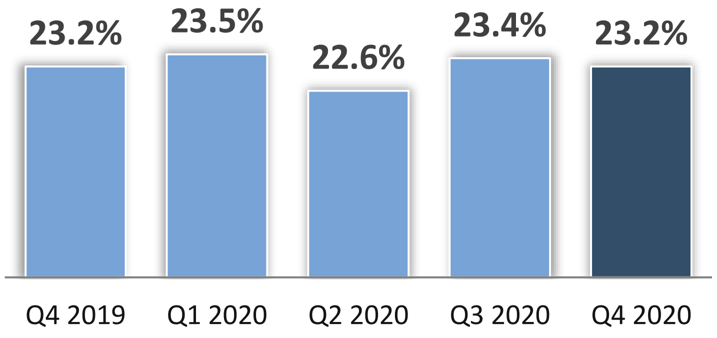


(1) *Note: Q4 2020 gross margin includes $1.9 million of inventory step-up amortization related to Balboa acquisition*
(2) *See supplemental slide for Adjusted Operating Margin reconciliation and other important information regarding Helios's use of Adjusted Operating Margin*
(3) *In Q1 2020 a goodwill impairment charge of $31.9 million is included in Net Income*

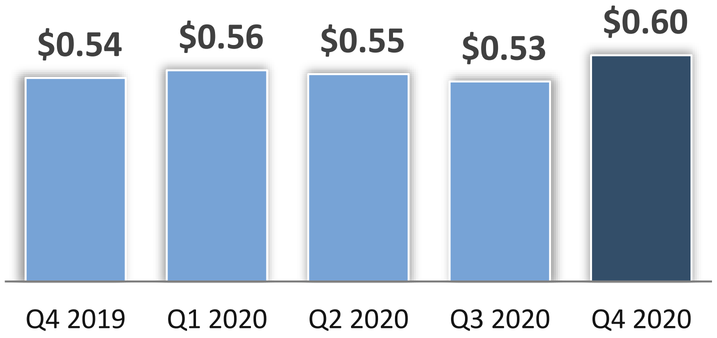
(*$ in millions, except per share data*)

Q4 - Consolidated Results

Adjusted EBITDA Margin[1]



Non-GAAP Cash EPS[2]



Gross Margin

- Impact from gross margin difference of Balboa Acquisition product profile, with lower SEA expenses compared to Helios Electronics segment

Adjusted EBITDA Drivers

- Strong operating margin profile of Balboa Acquisition
- Effective cost management efforts, production efficiencies

Non-GAAP Cash EPS Drivers

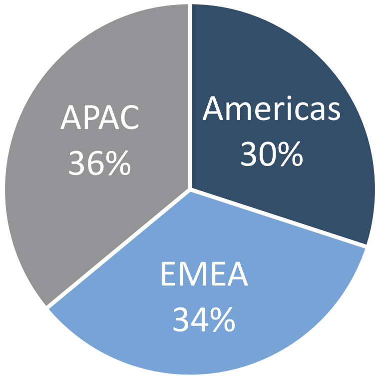
- Better than expected performance of Balboa acquisition

EFFECTIVE EXECUTION OF STRATEGY DEMONSTRATED BY STRONG RESULTS

(1) *See supplemental slide for Adjusted EBITDA reconciliation and other important information regarding Helios's use of Adjusted EBITDA*
(2) *See supplemental slide for Non-GAAP Cash Net Income reconciliation and other important information regarding Helios's use of Non-GAAP Cash Net Income and EPS*

Q4 - Hydraulics Segment

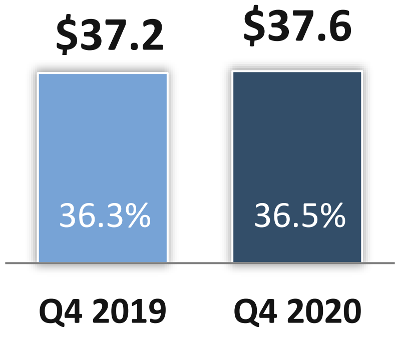
Q4 2020 Sales by Region



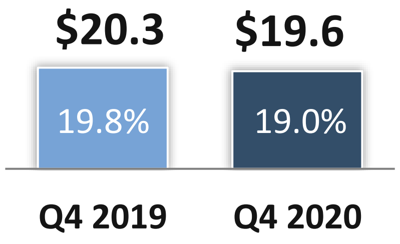
($ in millions)

Sales

Gross Profit



Operating Income



Fourth Quarter Highlights

Sales Drivers

- Gaining new customers, leveraging customer relationships, deeper geographic reach, new products
- Broad end market recovery and strength in Agriculture drove sales $4.8 million, or 5% higher sequentially
- Sales were in line with prior-year period
- Exceeded expectations

Gross Margin Drivers

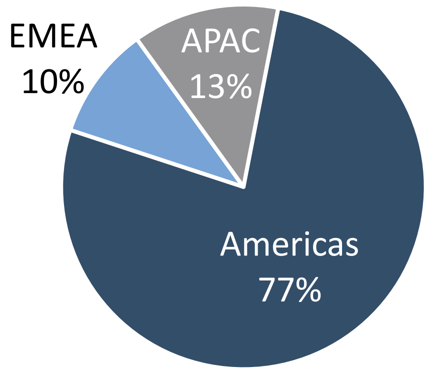
- 20 basis point expansion due to favorable mix and cost containment efforts

Operating Margin

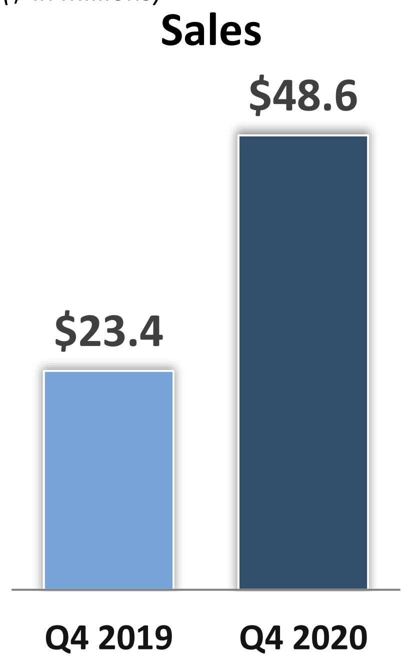
- 80 basis point decline due primarily to foreign currency translation

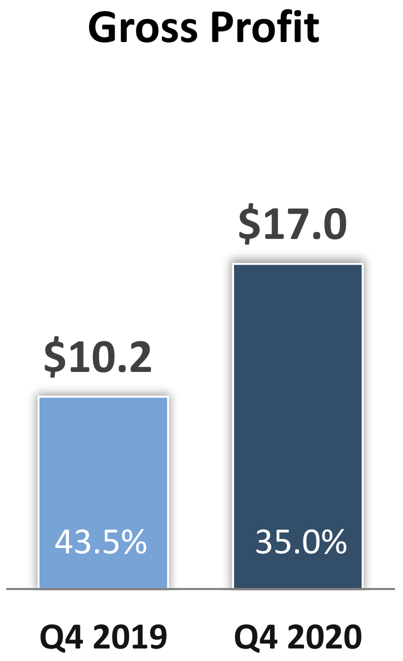
Q4 - Electronics Segment

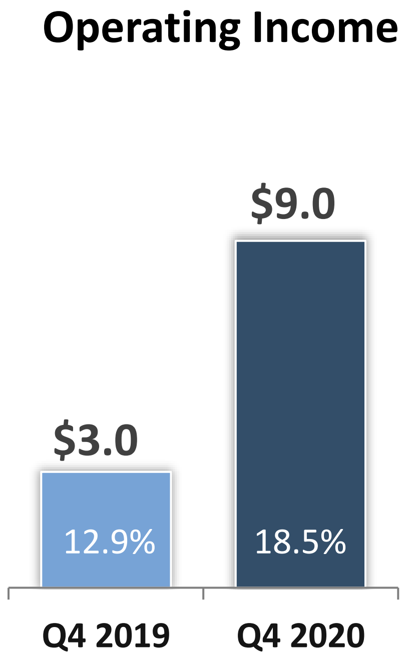
Q4 2020 Sales by Region



($ in millions)







Fourth Quarter Highlights

Sales Drivers

- $24.2 million, or 99% sequential growth
- Balboa revenue was $26 million
- Certain end markets including marine and health and wellness doing very well as a result of pandemic buying shifts

Gross Margin Drivers

- Continued investment in product development for contracted product pipeline and Balboa's product gross margin profile
- Margin decline also from reduced fixed cost leverage in Enovation's business

Operating Margin Drivers

- Leverage offset from lower sales volumes by cost containment efforts and favorable operating margin profile at Balboa

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Cash Flow

($ in millions)

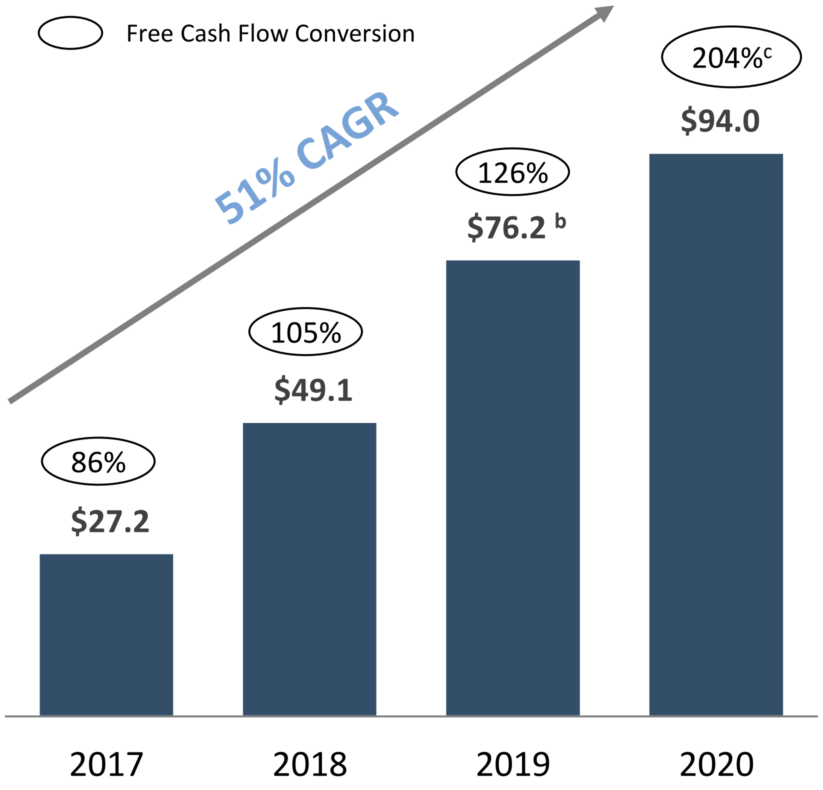
	Three Months Ended		YTD	YTD
	1/2/21	12/28/19	1/2/21	12/28/19
Net cash provided by operating activities	31.6	39.6	108.5	90.5
CapEx	(7.4)	(5.4)	(14.5)	(25.0)
Free cash flow (FCF)	**$24.2**	**$34.2**	**$94.0**	**$65.5**

Note: Components may not add to totals due to rounding

Outstanding cash generation in Q4 2020

- Focus on working capital management drove free cash flow
- 2020 CapEx intentionally lower than historical rates at ~3% of sales; expect 2021 CapEx closer to growth investment level of ~5% of sales
- Sustainable changes in operational efficiency expected to continue to drive cash generation

Free Cash Flow(a)



SIGNIFICANT FREE CASH FLOW GENERATION PROVIDES FINANCIAL FLEXIBILITY

(a) Free cash flow is defined as cash provided by operating activities minus capital expenditures (b) 2019 Free cash flow adjusted for $10.7m contingent liability that impacted operating cash flow instead of financing
(c) free cash flow conversion is defined as free cash flow divided by net income; in 2020 adjusted for a goodwill impairment of $31.9m in Q1 2020

Q4 Capital Structure

($ in millions)

Capitalization		
	1/2/21	12/28/19
Cash and cash equivalents	$25.2	$22.1
Total debt	**462.4**	**300.4**
Total net debt	**437.2**	**278.3**
Shareholders' equity	607.8	577.6
Total capitalization	**$1,070.2**	**$878.0**
Debt/total capitalization	43.2%	34.2%
Net debt/net total capitalization	41.8%	32.5%

Note: Components may not add to totals due to rounding

Financial flexibility

- Generated $32 million of cash in the quarter, and $109 million for fiscal 2020
- Total debt increase of $202 million and net debt by $209 million in Q4 2020 as a result of the Balboa Acquisition
- Net debt/pro forma Adjusted EBITDA: 3.0x(1) - better than expected
- Generating cash to reduce debt and keep the flywheel spinning
- Total liquidity of $169 million at quarter end
- Consistent dividend payer over the last twenty-four years

STRONG CAPITAL STRUCTURE SUPPORTS CURRENT STRATEGY

(1) Pro Forma for the Balboa acquisition. See supplemental slide for net debt-to-Pro Forma Adjusted EBITDA reconciliation and other important information regarding Helios's use of net debt-to-Pro Forma Adjusted EBITDA.

2021 Outlook

	2020 Actual	2021 Outlook
Consolidated revenue	$523 million	$675 - $705 million
Adjusted EBITDA margin	23.2%	23% - 24%
Interest expense	$13 million	$16 - $18 million
Effective tax rate*	17.6%	24% - 26%
Depreciation	$18 million	$22 - $24 million
Amortization	$22 million	$30 - $31 million
Capital expenditures	~3% of sales	~5% of sales
Non-GAAP Cash EPS	$2.24	$2.75 - $3.10

** Excludes goodwill impairment charge in 2020 Actual*

DRIVING PROFITABLE GROWTH WHILE INVESTING FOR THE FUTURE

Note: This assumes constant currency rates and that markets served continue to recover from the global pandemic.

Strategic Direction

Our Purpose

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

Our Mission

- Protect the Business
- Think & Act Globally
- Diversify Markets and Revenue
- Develop Talent

Continued confidence in successful execution of strategy with augmented value streams

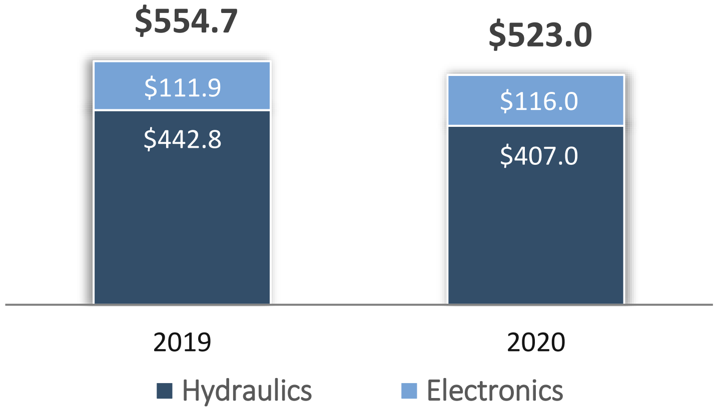
DRIVING GROWTH AND MARKET EXPANSION

Supplemental Information

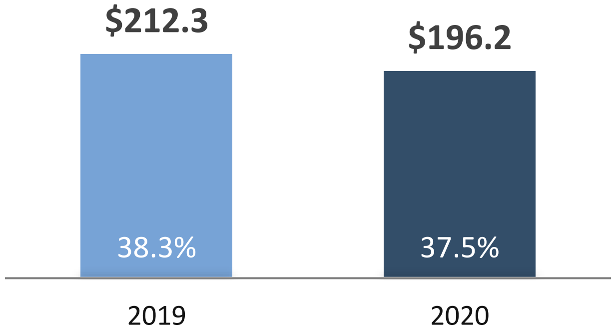
2020 Consolidated Results

($ in millions, except per share data)

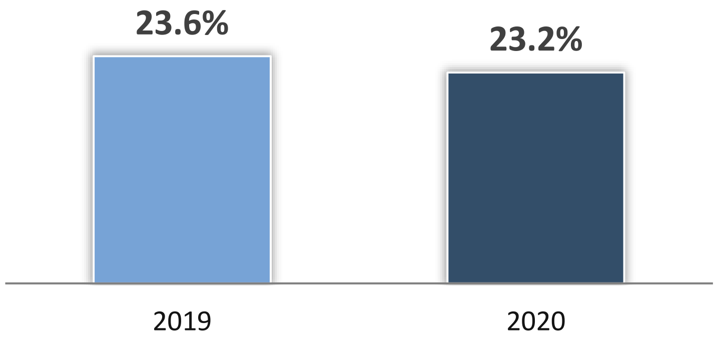
Sales



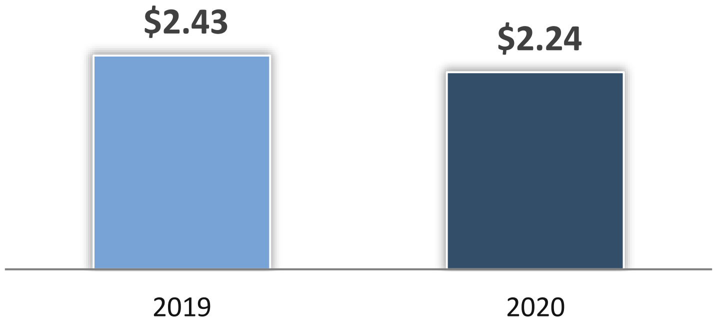
Gross Profit / Gross Margin



Adjusted EBITDA Margin(1)



Non-GAAP Cash EPS(2)



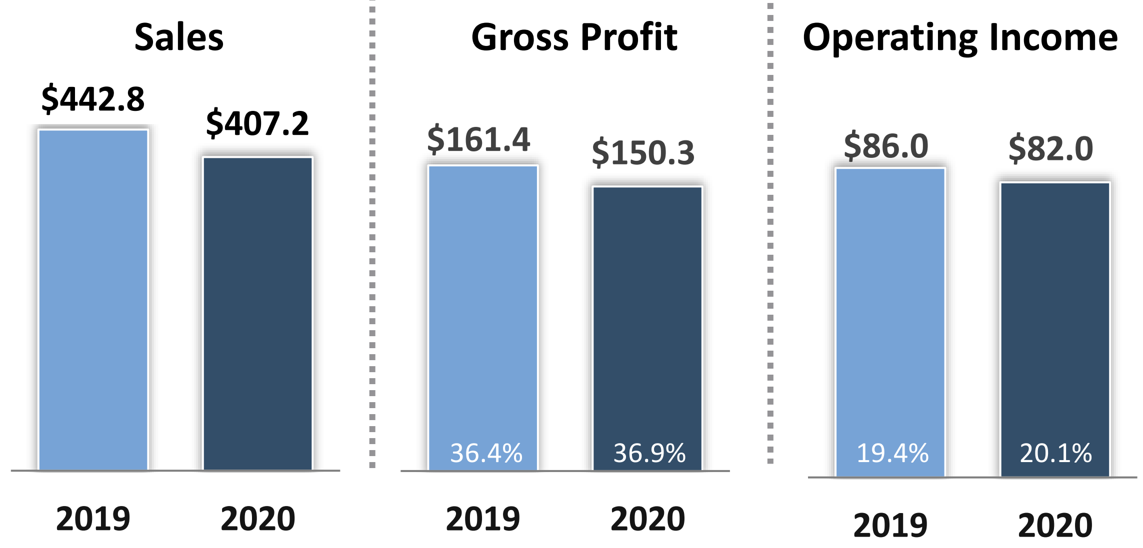
SOLID PROFITABILITY DUE TO PRODUCTIVITY IMPROVEMENTS AND DISCIPLINED COST MANAGEMENT

(1) *See supplemental slide for Adjusted EBITDA reconciliation and other important information regarding Helios's use of Adjusted EBITDA*
(2) *See supplemental slide for Non-GAAP Cash Net Income reconciliation and other important information regarding Helios's use of Non-GAAP Cash Net Income and EPS*

2020 Segment Results

Hydraulics

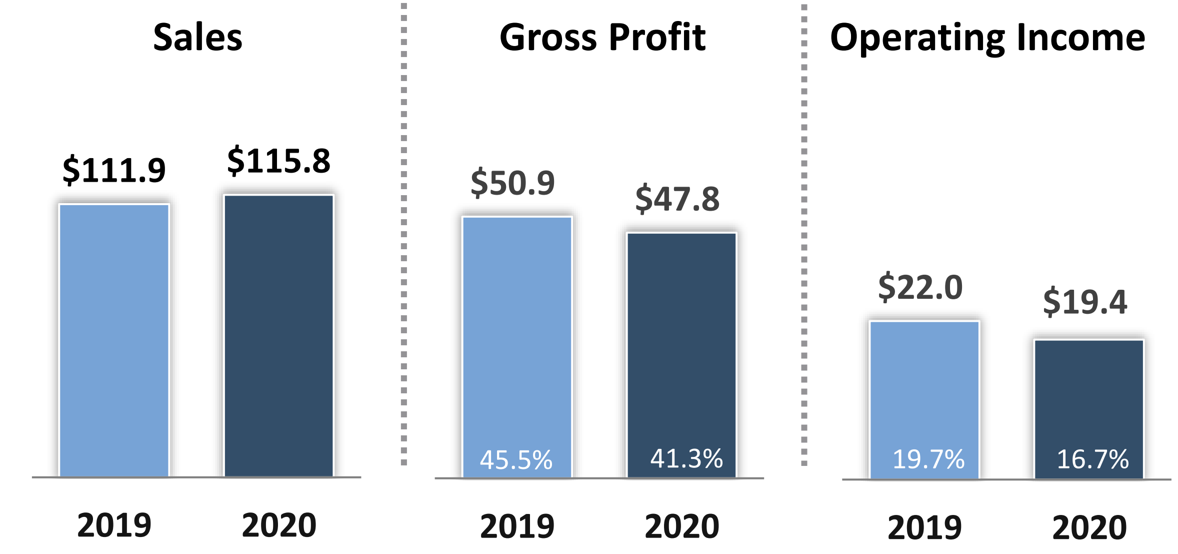
($ in millions)



- **Sales volume adversely impacted by temporary factory closures and softer end market demand as a result of the COVID-19 pandemic**
- **Gross margin expansion of 50 bps and operating margin expansion of 70 bps**
  - Consolidation related production efficiencies
  - Rapid cost alignment with changed environment
  - Some restructuring and other expenses last year

Electronics

($ in millions)



- **Drivers of sales volume:**
  - Impact of COVID-19
  - Incremental revenue from Balboa
  - Intentional shift in customer base
- **Gross and operating margin reduction resulting from lower sales volume, partially offset by cost management initiatives**

Segment Data

($ in thousands)	Three Months Ended January 2, 2021	Three Months Ended December 28, 2019	For the Year Ended January 2, 2021	For the Year Ended December 28, 2019
Sales:				
Hydraulics	$ 103,079	$ 102,550	$ 407,192	$ 442,812
Electronics	48,539	23,377	115,848	111,853
Consolidated	$ 151,618	$ 125,927	$ 523,040	$ 554,665
Gross profit and margin:				
Hydraulics	$ 37,617	$ 37,248	$ 150,312	$ 161,401
	36.5%	*36.3%*	*36.9%*	*36.4%*
Electronics	16,973	10,179	47,790	50,881
	35.0%	*43.5%*	*41.3%*	*45.5%*
Corporate and other	(1,874)	-	(1,874)	-
Consolidated	$ 52,716	$ 47,427	$ 196,228	$ 212,282
	34.8%	*37.7%*	*37.5%*	*38.3%*
Operating income and margin:				
Hydraulics	$ 19,584	$ 20,275	$ 81,996	$ 86,027
	19.0%	*19.8%*	*20.1%*	*19.4%*
Electronics	8,963	3,016	19,363	21,994
	18.5%	*12.9%*	*16.7%*	*19.7%*
Corporate and other	(18,147)	(4,519)	(65,947)	(17,906)
Consolidated	$ 10,400	$ 18,772	$ 35,412	$ 90,115
	6.9%	*14.9%*	*6.8%*	*16.2%*

Sales by Geographic Region & Segment

(Unaudited)

2020 Sales by Geographic Region and Segment

($ in millions)

	Q1	% Change y/y	Q2	% Change y/y	Q3	% Change y/y	Q4	% Change y/y	YTD 2020	% Change y/y
Americas:										
Hydraulics	$ 37.3	*(10%)*	$ 34.2	*(17%)*	$ 27.7	*(36%)*	$ 31.3	*(14%)*	$ 130.5	*(20%)*
Electronics	21.6	*(17%)*	13.4	*(50%)*	21.4	*(11%)*	37.5	*92%*	93.9	*(2%)*
Consol. Americas	**58.9**	***(13%)***	**47.6**	***(30%)***	**49.1**	***(27%)***	**68.8**	***24%***	**224.4**	***(13%)***
% of total	*45%*		*40%*		*40%*		*45%*		*43%*	
EMEA:										
Hydraulics	33.5	*(20%)*	31.2	*(15%)*	32.1	*1%*	34.4	*11%*	131.2	*(7%)*
Electronics	2.5	*0%*	1.9	*6%*	1.5	*(29%)*	4.9	*145%*	10.8	*29%*
Consol. EMEA	**36.0**	***(19%)***	**33.1**	***(14%)***	**33.6**	***(1%)***	**39.3**	***19%***	**142.0**	***(5%)***
% of total	*28%*		*28%*		*27%*		*26%*		*27%*	
APAC:										
Hydraulics	$ 33.0	*(0%)*	$ 36.7	*3%*	$ 38.4	*10%*	$ 37.4	*6%*	$ 145.5	*5%*
Electronics	1.6	*(11%)*	1.9	*12%*	1.5	*(17%)*	6.1	*221%*	11.1	*54%*
Consol. APAC	**34.6**	***(1%)***	**38.6**	***3%***	**39.9**	**9%**	**43.5**	**17%**	**156.6**	***7%***
% of total	*27%*		*32%*		*33%*		*29%*		*30%*	
Total	**$ 129.5**	***(12%)***	**$ 119.3**	***(17%)***	**$ 122.6**	***(11%)***	**$ 151.6**	***20%***	**$ 523.0**	***(6%)***

2019 Sales by Geographic Region and Segment

($ in millions)

	Q1	% Change y/y	Q2	% Change y/y	Q3	% Change y/y	Q4	% Change y/y	YTD 2019	% Change y/y
Americas:										
Hydraulics	$ 41.6	*58%*	$ 41.2	*4%*	$ 43.3	*13%*	$ 36.2	*(18%)*	$ 162.3	*9%*
Electronics	26.1	*(13%)*	26.6	*(5%)*	24.0	*(12%)*	19.5	*(17%)*	96.3	*(12%)*
Consol. Americas	**67.7**	***20%***	**67.8**	***0%***	**67.3**	***2%***	**55.7**	***(18%)***	**258.6**	***0%***
% of total	*46%*		*47%*		*49%*		*44%*		*47%*	
EMEA:										
Hydraulics	41.8	*113%*	36.8	*(9%)*	31.9	*(8%)*	31.1	*(11%)*	141.6	*9%*
Electronics	2.5	*(7%)*	1.8	*(33%)*	2.1	*(22%)*	2.0	*0%*	8.4	*(17%)*
Consol. EMEA	**44.3**	***99%***	**38.6**	***(11%)***	**34.0**	***(9%)***	**33.1**	***(10%)***	**150.0**	***7%***
% of total	*30%*		*27%*		*25%*		*26%*		*27%*	
APAC:										
Hydraulics	33.1	*99%*	35.7	*53%*	34.9	*12%*	35.2	*9%*	138.9	*34%*
Electronics	1.8	*(5%)*	1.7	*(15%)*	1.8	*13%*	1.9	*12%*	7.2	*0%*
Consol. APAC	**34.9**	***89%***	**37.4**	***47%***	**36.7**	***12%***	**37.1**	***9%***	**146.1**	***32%***
% of total	*24%*		*26%*		*26%*		*29%*		*26%*	
Total	**$ 146.9**	***51%***	**$ 143.8**	***6%***	**$ 138.0**	***2%***	**$ 125.9**	***(9%)***	**$ 554.7**	***9%***

Adjusted Operating Income Reconciliation

(Unaudited)
($ in thousands)

	Three Months Ended				
	January 2, 2021	September 26, 2020	June 27, 2020	March 28, 2020	December 28, 2019
GAAP operating income	$ 10,400	$ 18,343	$ 16,702	$ (10,033)	$ 18,772
Acquisition-related amortization of intangible assets	8,791	4,558	4,417	4,348	4,521
Acquisition and financing-related expenses	7,088	101	-	74	-
Restructuring charges	-	64	298	165	-
CEO and officer transition costs	161	622	1,644	622	-
Loss on disposal of intangible asset	-	-	-	-	-
Goodwill impairment	-	-	-	31,871	-
Other	-	-	-	-	-
Inventory Step-up amortization	1,874	-	-	-	-
M&A Integration Costs	257	-	-	-	-
Non-GAAP adjusted operating income	$ 28,571	$ 23,688	$ 23,061	$ 27,047	$ 23,293
GAAP operating margin	*6.9%*	*14.9%*	*14.0%*	*-7.7%*	*14.9%*
Non-GAAP Adjusted operating margin	*18.8%*	*19.3%*	*19.3%*	*20.4%*	*18.5%*

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's financial statements, as they are used as analytical indicators by Helios's 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.

Adjusted Operating Income Reconciliation

(Unaudited)
($ in thousands)

	Three Months Ended		For the Year Ended	
	January 2, 2021	December 28, 2019	January 2, 2021	December 28, 2019
GAAP operating income	$ 10,400	$ 18,772	$ 35,412	$ 90,115
Acquisition-related amortization of intangible assets	8,791	4,521	22,114	17,924
Acquisition and financing-related expenses	7,088	-	7,264	11
Restructuring charges	-	-	361	1,724
CEO and officer transition costs	161	-	2,592	-
Loss on disposal of intangible asset	-	-	-	2,713
Goodwill impairment	-	-	31,871	-
Other	-	-	-	127
Inventory step-up amortization	1,874	-	1,874	-
M&A integration costs	257	-	257	-
Non-GAAP adjusted operating income	$ 28,571	$ 23,293	$ 101,745	$ 112,614
GAAP operating margin	*6.9%*	*14.9%*	*6.8%*	*16.2%*
Non-GAAP adjusted operating margin	*18.8%*	*18.5%*	*19.5%*	*20.3%*

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's financial statements, as they are used as analytical indicators by Helios's 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		For the Year Ended	
	January 2, 2021	December 28, 2019	January 2, 2021	December 28, 2019
Net income	$ 5,551	$ 13,809	$ 14,218	$ 60,268
Amortization of intangible assets	8,791	4,521	22,114	18,065
Acquisition and financing-related expenses	7,088	-	7,264	11
Restructuring charges	-	-	361	1,724
CEO and officer transition costs	161	-	2,592	-
Goodwill impairment	-	-	31,871	-
Change in fair value of contingent consideration	-	(51)	(47)	652
Loss on disposal of intangible asset	-	-	-	2,713
Other	-	-	-	127
Inventory step-up amortization	1,874	-	1,874	-
M&A integration costs	257	-	257	-
Tax effect of above	(4,543)	(1,118)	(8,604)	(5,823)
Non-GAAP cash net income	$ 19,179	$ 17,161	$ 71,900	$ 77,737
Non-GAAP cash net income per diluted share	$ 0.60	$ 0.54	$ 2.24	$ 2.43

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's financial statements, as they are used as analytical indicators by Helios's 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 January 2, 2021	Three Months Ended December 28, 2019	For the Year Ended January 2, 2021	For the Year Ended December 28, 2019
Net income	$ 5,551	$ 13,809	$ 14,218	$ 60,268
Interest expense, net	4,714	3,164	13,286	15,387
Income tax provision	1,605	3,052	9,829	15,039
Depreciation and amortization	13,890	9,209	39,695	35,215
EBITDA	25,760	29,234	77,028	125,909
Acquisition and financing-related expenses	7,088	-	7,264	11
Restructuring charges	-	-	361	1,724
CEO and officer transition costs	161	-	2,592	-
Goodwill impairment	-	-	31,871	-
Loss on disposal of intangible asset	-	-	-	2,713
Other	-	-	-	127
Inventory step-up amortization	1,874	-	1,874	-
M&A integration costs	257	-	257	-
Change in fair value of contingent consideration	-	(51)	(47)	652
Adjusted EBITDA	$ 35,140	$ 29,183	$ 121,200	$ 131,136
Adjusted EBITDA margin	*23.2%*	*23.2%*	*23.2%*	*23.6%*
Balboa Water Group pre-acquisition adjusted EBITDA			22,589	
TTM Pro forma adjusted EBITDA			$ 143,789	

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's financial statements, as they are used as analytical indicators by Helios's 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.

Free Cash Flow Reconciliation

(Unaudited) ($ in thousands)	2017	2018	2019	2020
Net cash provided by operating activities	$ 49,382	$ 77,450	$ 90,480	$ 108,556
Contingent consideration payment in excess of acquisition date fair value	-	-	10,731	-
Adjusted net cash provided by operating activities	49,382	77,450	101,211	108,556
Capital expenditures and software development costs	22,205	28,380	25,025	15,445
Adjusted free cash flow	$ 27,177	$ 49,070	$ 76,186	$ 93,111
Net Income	31,558	46,730	60,268	14,218
Goodwill Impairment	-	-	-	31,871
Net income, less goodwill impairment	$ 31,558	$ 46,730	$ 60,268	$ 46,089
Free cash flow conversion	86%	105%	126%	202%

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's financial statements, as they are used as analytical indicators by Helios's 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 January 2, 2021	
Current portion of long-term non-revolving debt, net	$	16,229
Revolving lines of credit		256,225
Long-term non-revolving debt, net		189,932
Total debt		**462,386**
Less: Cash and cash equivalents		25,216
Net debt	**$**	**437,170**
TTM Pro forma adjusted EBITDA	$	143,789
Ratio of net debt to TTM pro forma adjusted EBITDA		**3.0**

Note: On a pro-forma basis for the Balboa acquisition.

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's financial statements, as they are used as analytical indicators by Helios's 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.

HELIOS® TECHNOLOGIES

Fourth Quarter 2020 Earnings

March 1, 2021

Josef Matosevic
President & CEO

Tricia Fulton
Chief Financial Officer

Tania Almond
VP, IR and Corp. Comm.