HELIOS® TECHNOLOGIES

AUGMENTING STRATEGY
ADVANCING TECHNOLOGIES
ACCELERATING GROWTH

SECOND QUARTER 2023 EARNINGS

AUGUST 8, 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 Centers of 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) the Company's ability to maintain relationships with suppliers and distributors; (iii) conditions in the capital markets, including the interest rate environment and the continued availability of capital on terms acceptable to the Company, or at all; (iv) global and regional economic and political conditions, including inflation, exchange rates, changes in the cost or availability of energy, transportation and the availability of other necessary supplies and services; (v) 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; (vi) risks related to health epidemics, pandemics and similar outbreaks, including, without limitation, the COVID-19 pandemic, which may, among other things, adversely affect the Company's supply chain, material costs and work force and may have material adverse effects on the Company's business, financial position, results of operations and/or cash flows; (vii) compliance costs or liabilities associated with environmental, health and safety laws; (viii) risks related to the Company's international operations, including the potential impact of the ongoing conflict between Russia and Ukraine; (ix) new product introductions, product sales mix and the geographic mix of sales nationally and internationally; (x) the Company's ability to successfully identify acquisition targets and to realize the expected benefits from acquisitions, including any failure to promptly and effectively integrate acquisitions; (xi) the ability of Helios to retain and hire key personnel; (xi) government actions, including the impact of changes in the tax laws in the United States and foreign jurisdictions and any judicial or regulatory interpretation thereof; (xii) the Company's ability to develop new products and to protect intellectual property rights; and (xiii) risks related to IT security threats and sophisticated and targeted computer crime. 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 filed with the Securities and Exchange Commission on February 28, 2023.

Helios has presented forward-looking statements regarding non-GAAP measures. Helios believes that providing these specific non-GAAP figures 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. 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. You should not consider the inclusion of this additional information in isolation or as a substitute for results prepared in accordance with GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and the related additional information provided throughout this presentation. Because these metrics are non-GAAP measures and are thus susceptible to varying calculations, these figures, as presented, may not be directly comparable to other similarly titled measures used by other companies.

This presentation also presents forward-looking statements regarding non-GAAP measures. The Company is unable to present a quantitative reconciliation of these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available, and management cannot reliably predict 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 the Company's 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 the Company's actual results and preliminary financial data set forth above may be material.

Q2 2023 BUSINESS SUMMARY

GREW REVENUE SEQUENTIALLY: Total +7%, Electronics segment +15% (of which Health and Wellness up 22%), Hydraulics segment +3% over 1Q23; **GREW REVENUE ANNUALLY:** Hydraulics +7%, Electronics -24% while +5% (ex. Health and Wellness) over 2Q22

PROTECTING THE BUSINESS: Gross margin steady, operating margin +140 bps, and Adj. EBITDA margin +170 bps sequentially over 1Q23 while navigating supply chain, integration work, acquisition product mix, accelerating investments and fire at Faster facility

Completed strategic **FLYWHEEL ACQUISITION** of i3 Product Development; **NET DEBT TO ADJ. EBITDA** leverage ratio at 2.7x(1) ending the quarter

ACCELERATING INVESTMENTS in operating expense (SEA) to integrate flywheel acquisitions, open previously announced Centers of Excellence, timing of segment manufacturing roadmap projects, and accelerating strategic growth opportunities; **CAPEX SPEND** of $10.5M in 2Q23 (5% of sales) up 33% YoY to support strategic investments for building customer demand

Revising 2023 outlook addressing **PULL FORWARD OF CAPACITY INVESTMENTS** in response to **BUILDING 2024+ CUSTOMER DEMAND** combined with lower near-term visibility from weakness in Asia Pacific as well as impacts from a fire and then a tornado (at Faster facility)

(1) On a pro-forma basis for Daman, Schultes, and i3 Product Development; reflects non-GAAP measure; see supplemental slide for a reconciliation to the most comparable GAAP measure.

STRATEGIC INVESTMENTS IN CAPACITY TO MEET GROWING DEMAND

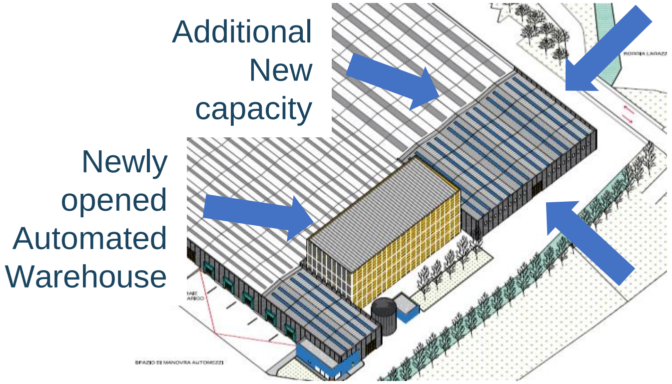
Opened: New capacity in India @ Faster

Adds 21,969 sq. ft. to double the size of this location

Opened: Automated Warehouse in Italy @ Faster

Adds 22,600 sq. feet of floor space in the existing building that can be leveraged for manufacturing

Started: New capacity in Italy @ Faster



Adds 30,000 sq. ft. for production and another 10,000 sq. ft. for offices related to production

STRATEGIC INVESTMENTS IN CAPACITY TO MEET GROWING DEMAND

Nearing Completion: New Hydraulic Valve and Coupling Solutions Center of Excellence in Sarasota @ Sun

Transforming ~27,000 existing sq. ft. - moving out equipment to Indiana and in equipment from (Faster) Ohio

Nearing Completion: New Hydraulic Manifold Solutions Center of Excellence in Indiana @ Daman

Adding 50,000 sq. ft. to the existing 72,000 sq. ft. - moving in equipment from (Sun) Sarasota

In Progress: New capacity expansion in Tijuana, Mexico @ Balboa

Adding 68,000 sq. ft. to the existing 198,000 sq. ft.

Q2 2023 FINANCIAL RESULTS HIGHLIGHTS

($ in millions, except per share data)

$227.6
Sales

-6% YoY

+7% QoQ

Sales

- Sales in several end markets grew YoY during the 2Q23 including agriculture, recreational, and other diversified markets. QoQ health and wellness was up over 20%, along with growth in recreational and agriculture
- Supply chain constraints delayed an estimated $14.2 million in sales
- QoQ sales grew in Europe the Middle East and Africa ("EMEA") 4%, the Americas 10%, and Asia Pacific ("APAC") 3% over first quarter 2023. YoY sales in all regions decreased impacted by the lower demand for electronics products in the health and wellness market

33.3%
Gross Margin

-80 bps YoY

Even QoQ

Gross Profit & Margin

- Gross profit and margin drivers: gross profit grew 7% QoQ with gross margin steady
- YoY gross profit was down 8% with gross margin down 80 bps driven by lower volume and different margin profile from acquisitions offset by favorable pricing

Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Q2 2023 FINANCIAL RESULTS HIGHLIGHTS

($ in millions, except per share data)

13.0%
Operating Margin

-480 bps YoY

+140 bps QoQ

18.5%
Adj. Operating Margin(1)

-350 bps YoY

+130 bps QoQ

Operating Expenses

- SEA dollars declined slightly QoQ; YoY increased 17% to $38.0 million compared to the prior-year period, driven by acquisitions, integration, and higher wage and benefit costs, new hires for investments primarily in engineering, sales and corporate activities, along with increased R&D investment for new product development
- Amortization of intangible assets increased 22% to $8.3 million YoY reflecting the Company's flywheel acquisitions
- Net interest expense: $7.8 million in the quarter up $4.0 million YoY due to rising interest rates and average net debt balance increases related to acquisitions

Operating Income and Margin

- QoQ operating income grew 19% while operating margin improved 140 basis points
- YoY operating income and margin declined reflecting reduced revenues, decline in discretionary consumer spending in health and wellness market, supply chain constraints, and increased SEA investments

(1) Reflects a non-GAAP financial measure; see supplemental slides for reconciliation of Adjusted Operating Margin and other important information regarding Helios' use of non-GAAP financial measures.
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Q2 2023 FINANCIAL RESULTS HIGHLIGHTS

($ in millions, except per share data)

$16.8
Net Income

-44% YoY
+21% QoQ

22.0%
Adj. EBITDA Margin(1)

-240 bps YoY
+170 bps QoQ

$0.51
Diluted GAAP EPS

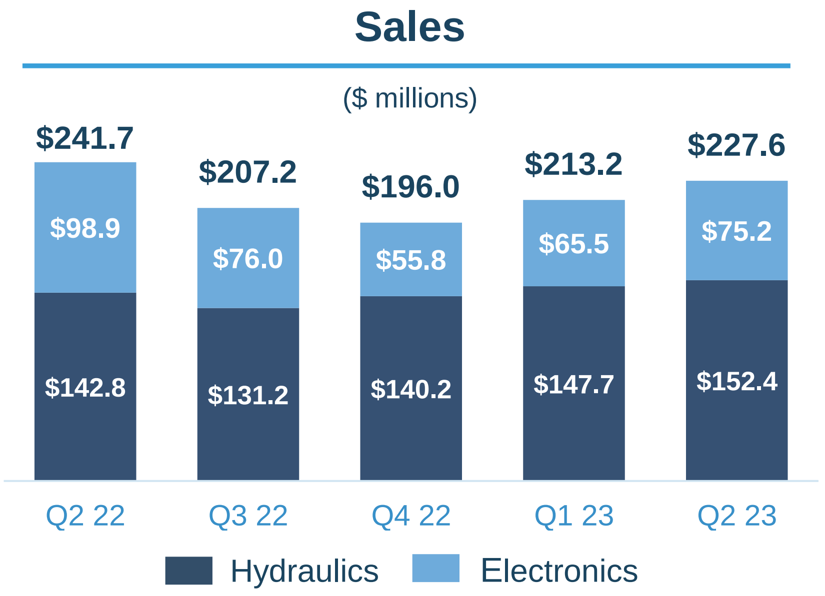
-45% YoY
+21% QoQ

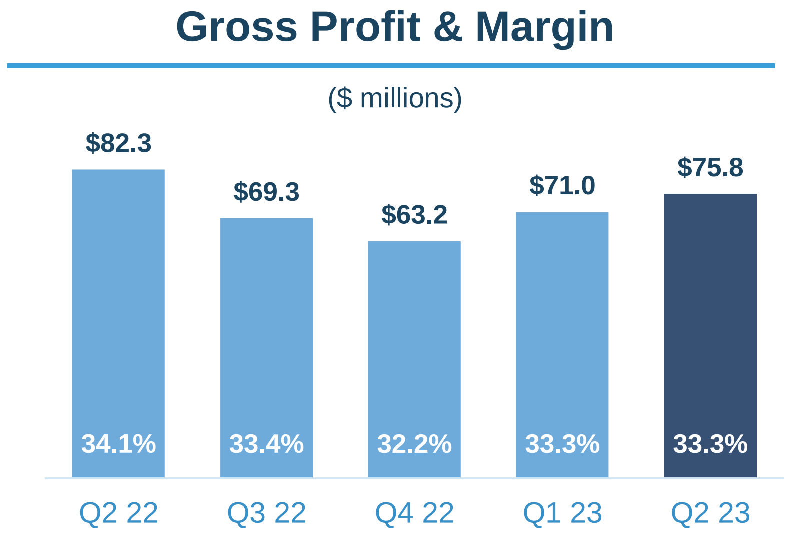
$0.81
Diluted Non-GAAP Cash EPS(1)

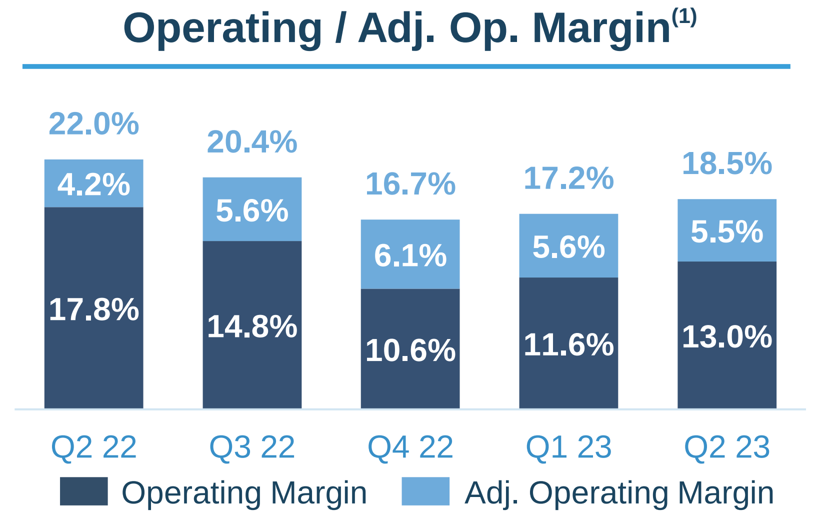
-31% YoY
+13% QoQ

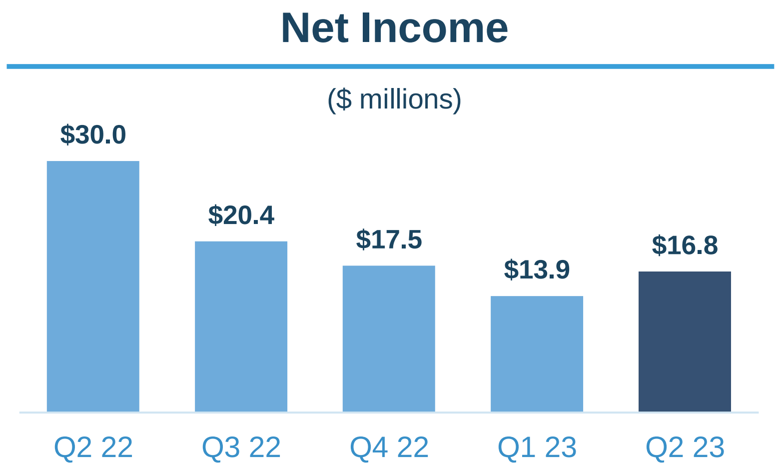
(1) Reflects a non-GAAP financial measure; see supplemental slides for reconciliation of Adjusted EBITDA, Non-GAAP Cash Net Income and other important information regarding Helios' use of non-GAAP financial measures.
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Q2 2023 – CONSOLIDATED RESULTS





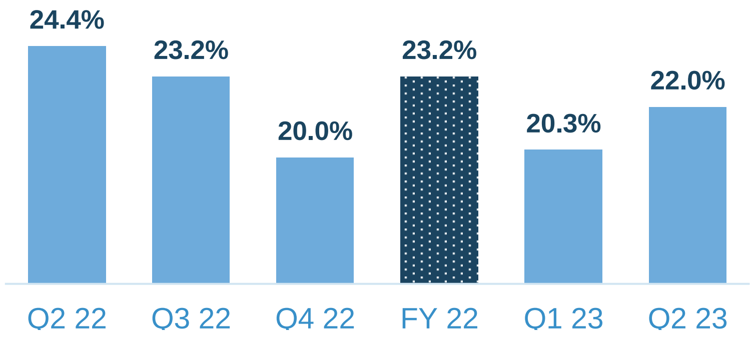




(1) See Supplemental Information for definition of Adjusted Operating Margin and reconciliation from GAAP and other disclaimers regarding non-GAAP information.

Q2 2023 CONSOLIDATED RESULTS

Adj. EBITDA Margin(1)



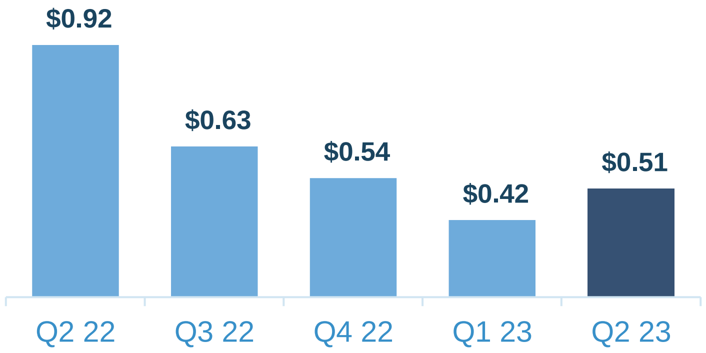
Adjusted EBITDA Margin Drivers

- Adjusted EBITDA margin up QoQ 170 basis points maintaining healthy level at 22.0% in Q2 despite macro headwinds, supply chain delays, fire at Faster facility, acquisition integration, while investing in capacity for future growth

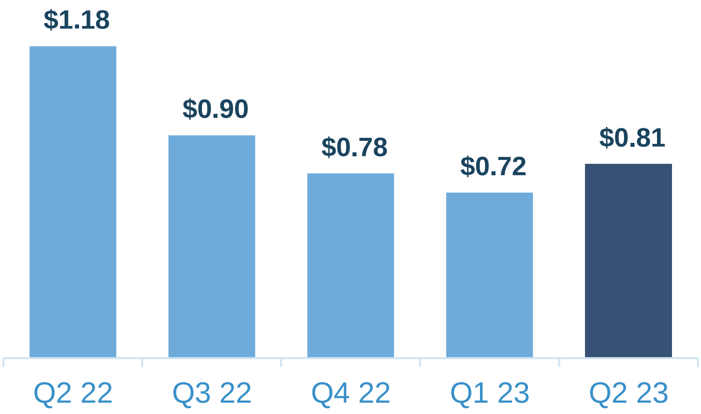
Diluted Earnings Drivers

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

Diluted GAAP EPS



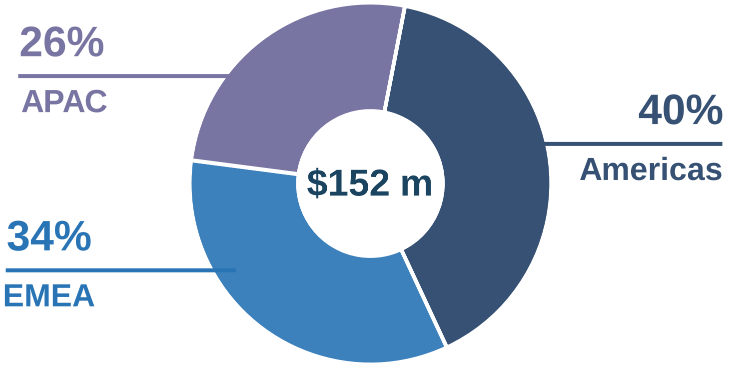
Diluted Non-GAAP Cash EPS(1)



(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.
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

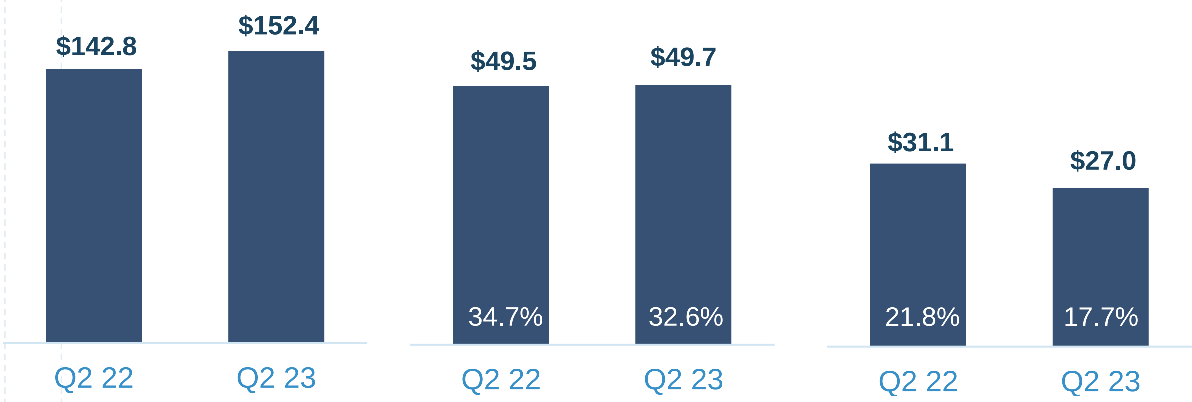
Q2 2023 – HYDRAULICS SEGMENT

Q2 Sales by Region



($ in millions)

Sales | Gross Profit | Operating Income



Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Second Quarter Highlights

Sales Drivers

- Sales up 3% QoQ ; Sales up 7% YoY driven by sales to the Americas, EMEA and some pricing
- Acquisitions added $15.2 million
- FX impact of ($0.2) million; supply chain constraints delayed an estimated $9.7 million in sales

Gross Profit and Margin Drivers

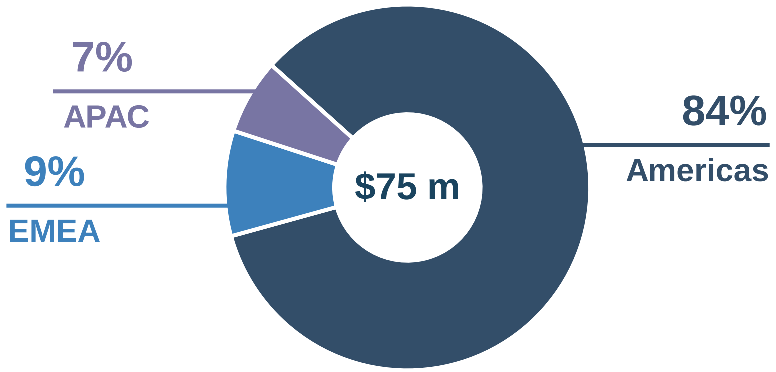
- Gross profit increase driven by price, efficiency, acquisitions partially offset by rising material costs
- $1.9 million of restructuring costs in the second quarter of 2023 compared to $0.6 million in the 2022 second quarter
- Gross margin down due to rising material costs, as well as the different margin profile of our recent acquisitions

Operating Income and Margin Drivers

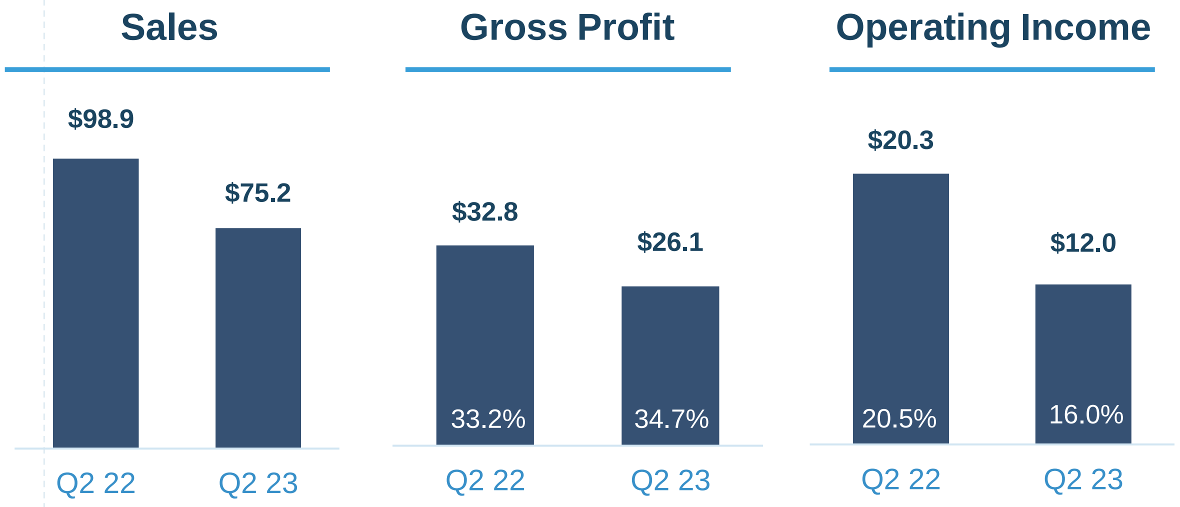
- SEA expenses increased $4.3 million, 23% YoY, from acquisitions, higher labor and operating costs, and higher R&D investments.
- 410 basis point impact on margin reflects gross margin and SEA drivers

Q2 2023 – ELECTRONICS SEGMENT

Q2 Sales by Region



($ in millions)



Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Second Quarter Highlights

Sales Drivers

- Sales up 15% QoQ (of which Health and Wellness up >20%). Sales down YoY 24% while up 5% (excluding Health and Wellness.) End market demand was driven by recreational, mobile, and agriculture which only partially offset supply chain constraints and a contracting health and wellness market
- FX impact was ($0.1) million; supply chain constraints delayed an estimated $4.4 million in sales

Gross Profit and Margin Drivers

- Gross profit grew 24% and gross margin expanded 260 bps QoQ; Gross profit declined $6.7 million YoY primarily due to decreased sales volume in health and wellness. Gross margin increased 150 basis points to 34.7% YoY, driven primarily by favorable material costs, mix of business and cost control

Operating Income and Margin Drivers

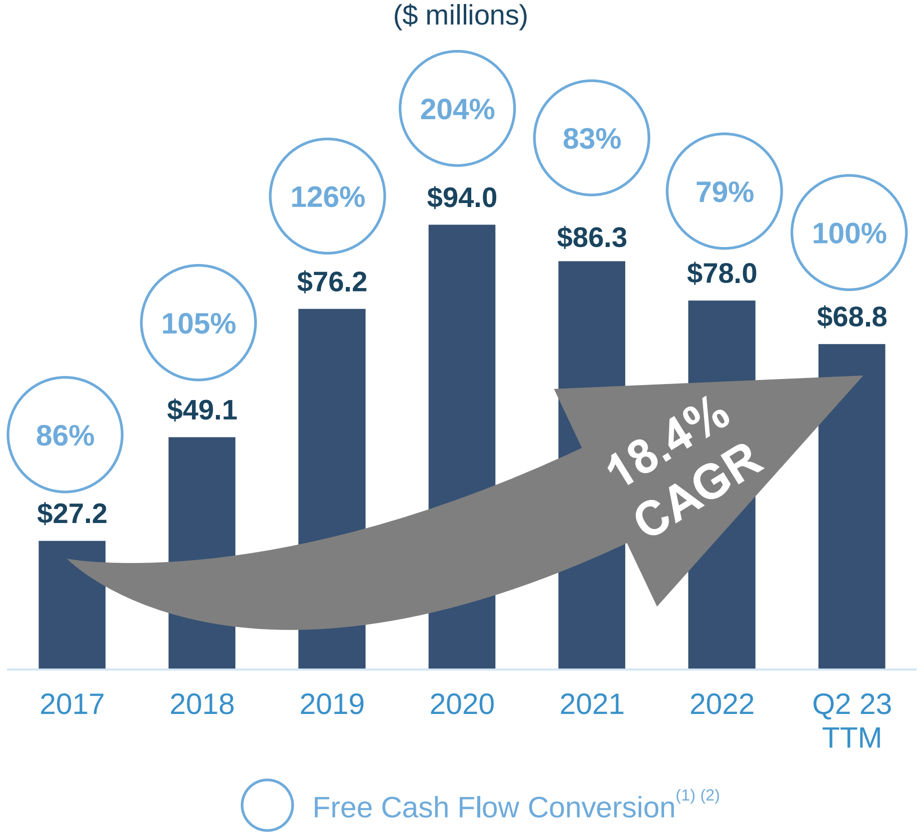
- Operating income decreased $8.3 million YoY, while operating margin declined to 16.0% reflecting flow through of gross margin and operating expenses

STRONG CASH FLOW

($ in millions)

	Three Months Ended	
	7/1/23	7/2/22
Adjusted net cash provided by operating activities	$28.8	$29.5
CapEx	(10.5)	(7.9)
Free cash flow (FCF)[1]	**$18.3**	**$21.6**

Free Cash Flow[1]



Consistent cash generation and free cash flow

- Capex of $10.5M up 33% YoY to support strategic investments for accelerating capacity based on growing customer demand
- Cash and cash equivalents ending 2Q23 $37.5M up $1.2M from ending 1Q23 level
- Q2 2023 TTM (trailing twelve months) free cash flow conversion[2] was 100% compared with 79% in FY 2022

(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.

CAPITAL STRUCTURE

($ in millions)

Capitalization		
	7/1/23	7/2/22
Cash and cash equivalents	$37.5	$41.3
Total debt	549.1	419.1
Total net debt[1]	511.6	377.7
Shareholders' equity	847.5	747.0
Total capitalization	$1.396.6	$1,166.1
Debt/total capitalization	39.3%	36.0%

Financial Flexibility

- Cash and cash equivalents down $3.8 million from prior year
- Generated $28.8 million of Adjusted operating cash flow in Q2
- Net debt/pro forma Adjusted EBITDA of 2.7x[2]
- Company expects to spend between 3% to 5% of sales in capital investments in 2023 – 2Q23 Capex was 5% of sales
- Ended the quarter with total liquidity of $220.9 million
- Paid dividends consistently for 106 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 Daman, Schultes, and i3 Product Development 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.

REVISING 2023 OUTLOOK

	2020 Actual	Previous 2023 Outlook	Updated 2023 Outlook	Implied 3-Year CAGR at 2023 range mid-point
Consolidated revenue	$523 million	$910 - $940 million	$880 - $900 million	19%
Net income	$14 million	$99 - $104 million	$65 - $66 million	
Adjusted EBITDA	$121 million	$214 - $226 million	$187 - $196 million	17%
Adjusted EBITDA margin	23.2%	23.5% - 24.0%	21.0% - 22.0%	
Interest expense	$13 million	$23 - $24 million	$30 - $32 million	
Effective tax rate	18%	21% - 23%	21% - 23%	
Depreciation	$18 million	$27 - $29 million	$31 - $33 million	
Amortization	$22 million	$30 - $32 million	$33 - $35 million	
Capital expenditures % total revenue	3%	3% - 5% of sales	3% - 5% of sales	
Diluted EPS	$0.44	$3.03 - $3.18	$1.96 - $2.00	
Diluted Non-GAAP Cash EPS	$2.24	$3.95 - $4.10	$3.04 - $3.12	11%

The following provides the Company's expectations for 2023 as of August 7, 2023. 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.

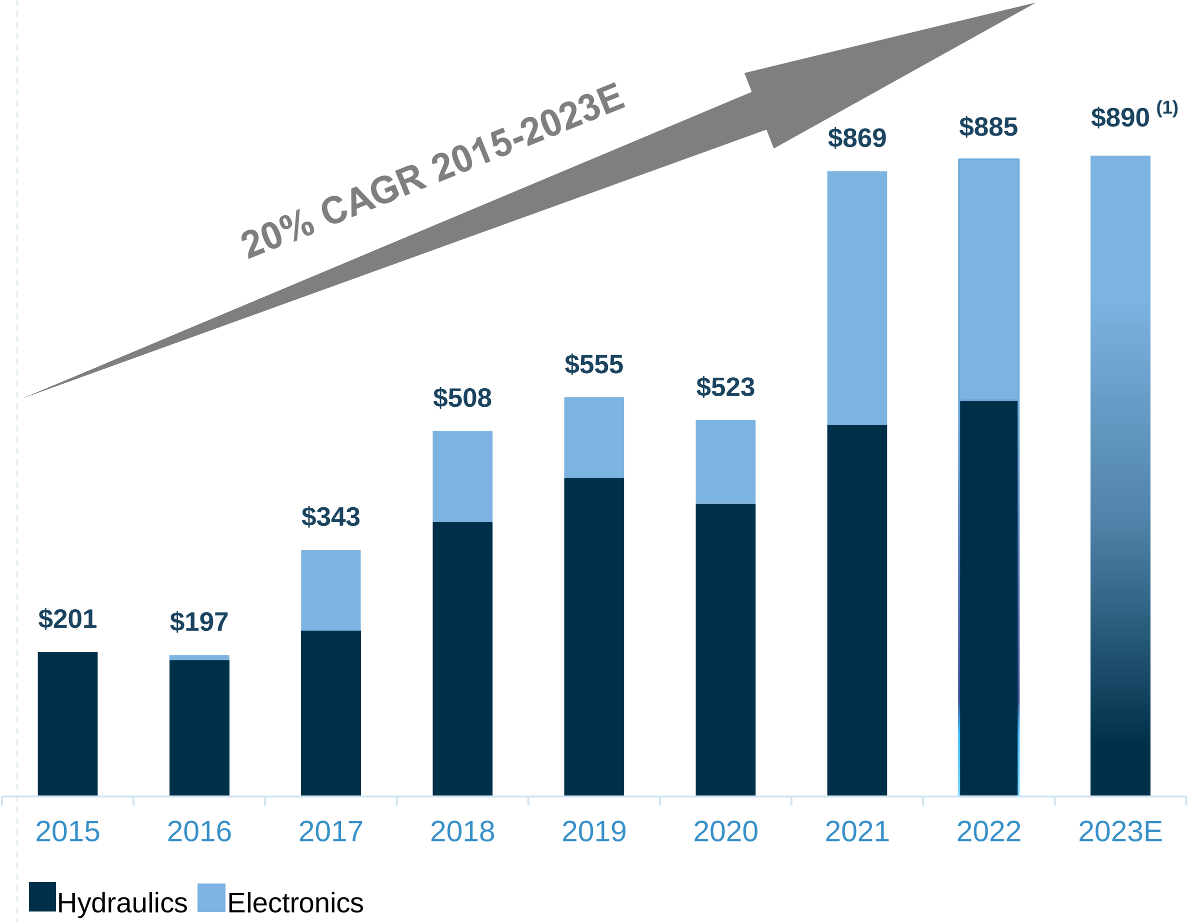
Adjusted EBITDA, Adjusted EBITDA margin and Diluted Non-GAAP Cash EPS represent non-GAAP financial measures. The Company has presented the comparable GAAP figures in the table above. For 2023 Outlook, Adjusted EBITDA excludes an estimated $8 million to $9 million of costs for restructuring activities and acquisition related costs including integration. For 2023 Outlook, Diluted non-GAAP Cash EPS excludes an estimated $1.08 to $1.12 per diluted share of costs primarily 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 on August 7, 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.

FUTURE GROWTH BUILDING ON A STRONG FOUNDATION

Our Performance & Current View



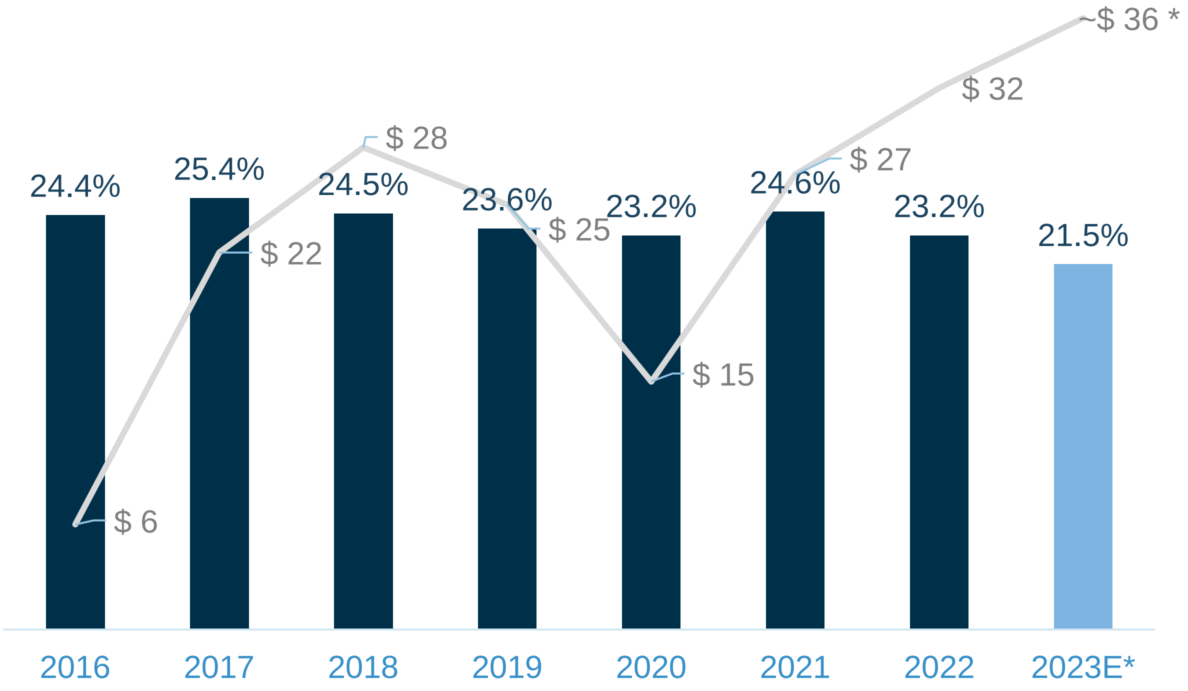
Highlights

- Transitioning from a holding company to an integrated operating company
- Growing the top line while diversifying the business and markets
- Leveraging regional manufacturing Centers of Excellence in the region for the region, optimized for our customers
- Investing in manufacturing capacity to support building customer demand for new solutions
- Acquiring strategically to fill in technology gaps, geographic white spaces, and expand end markets
- Progressing several OEM opportunities through the sales funnel that could be top 20 customers over the coming years

(1) 2023E Mid-Point of FY2023 Outlook provided August 7, 2023

MAINTAINING STRONG MARGINS WHILE INVESTING FOR GROWTH

Historic / Projected Capex & Adj. EBITDA Margin(1)



Bars = Adj. EBITDA margin Line = Capex

Highlights

- Integrating manufacturing operations and opening regional Centers of Excellence to position for long term growth
- Leveraging shared global supply chains 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 and prepare for building customer demand
- 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 Capex and Adjusted EBITDA margin is the mid-point of our guidance ranges issued on August 7, 2023.

SUPPLEMENTAL INFORMATION

SEGMENT DATA

(Unaudited)

($ in millions)

	For the Three Months Ended		For the Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Sales:				
Hydraulics	$ 152.4	$ 142.8	$ 300.1	$ 279.9
Electronics	75.2	98.9	140.7	202.3
Consolidated	$ 227.6	$ 241.7	$ 440.8	$ 482.2
Gross profit and margin:				
Hydraulics	$ 49.7	$ 49.5	$ 99.6	$ 100.3
	32.6%	*34.7%*	*33.2%*	*35.8%*
Electronics	26.1	32.8	47.2	65.6
	34.7%	*33.2%*	*33.5%*	*32.4%*
Consolidated	$ 75.8	$ 82.3	$ 146.8	$ 166.0
	33.3%	*34.1%*	*33.3%*	*34.4%*
Operating income (loss) and margin:				
Hydraulics	$ 27.0	$ 31.1	$ 55.0	$ 62.7
	17.7%	*21.8%*	*18.3%*	*22.4%*
Electronics	12.0	20.3	19.5	40.8
	16.0%	*20.5%*	*13.9%*	*20.2%*
Corporate and other	(9.5)	(8.4)	(20.2)	(17.6)
Consolidated	$ 29.5	$ 43.0	$ 54.3	$ 85.9
	13.0%	*17.8%*	*12.3%*	*17.8%*

ORGANIC AND ACQUIRED SALES

(Unaudited)
($ in millions)

	Three Months Ended				Full Year Ended	Three Months Ended		Six Months Ended
	April 2, 2022	July 2, 2022	October 1, 2022	December 31, 2022	December 31, 2022	April 1, 2023	July 1, 2023	July 1, 2023
Hydraulics								
Organic	$ 130.7	$ 137.1	$ 129.1	$ 132.0	$ 528.9	$ 134.0	$ 137.2	$ 271.2
Acquisition	6.4	5.7	2.1	8.2	22.4	13.7	15.2	28.9
Total	$ 137.1	$ 142.8	$ 131.2	$ 140.2	$ 551.3	$ 147.7	$ 152.4	$ 300.1
Electronics								
Organic	$ 102.7	$ 97.9	$ 75.2	$ 55.8	$ 331.6	$ 65.5	$ 74.0	$ 139.5
Acquisition	0.8	1.0	0.7	-	2.5	-	1.2	1.2
Total	$ 103.4	$ 98.9	$ 75.9	$ 55.8	$ 334.1	$ 65.5	$ 75.2	$ 140.7
Consolidated								
Organic	$ 233.4	$ 235.0	$ 204.3	$ 187.8	$ 860.5	$ 199.5	$ 211.2	$ 410.7
Acquisition	7.2	6.6	2.9	8.2	24.9	13.7	16.4	30.1
Total	$ 240.5	$ 241.7	$ 207.2	$ 196.0	$ 885.4	$ 213.2	$ 227.6	$ 440.8

Note: Revenue is considered to be acquisition related until the acquisition has been included in the Company’s financial results for one full year.

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	Q2	% Change y/y	YTD 2023	% Change y/y
Americas:						
Hydraulics	$ 57.9	*34%*	$ 60.6	*21%*	$ 118.5	*27%*
Electronics	55.1	*(29%)*	63.2	*(21%)*	118.3	*(25%)*
Consol. Americas	**113.0**	***(6%)***	**123.8**	***(5%)***	**236.8**	***(6%)***
% of total	*53%*		*54%*		*54%*	
EMEA:						
Hydraulics	$ 49.4	*(7%)*	$ 51.3	*5%*	$ 100.7	*(1%)*
Electronics	6.7	*(43%)*	7.0	*(43%)*	13.7	*(43%)*
Consol. EMEA	**56.1**	***(13%)***	**58.3**	***(5%)***	**114.4**	***(9%)***
% of total	*26%*		*26%*		*26%*	
APAC:						
Hydraulics	$ 40.4	*(2%)*	$ 40.5	*(8%)*	$ 80.9	*(5%)*
Electronics	3.7	*(73%)*	5.0	*(22%)*	8.7	*(57%)*
Consol. APAC	**44.1**	***(20%)***	**45.5**	***(10%)***	**89.6**	***(15%)***
% of total	*21%*		*20%*		*20%*	
Total	**$ 213.2**	***(11%)***	**$ 227.6**	***(6%)***	**$ 440.8**	***(9%)***

ADJUSTED OPERATING INCOME RECONCILIATION

(Unaudited)
($ in millions)

	Three Months Ended		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
GAAP operating income	$ 29.5	$ 43.0	$ 54.3	$ 85.9
Acquisition-related amortization of intangible assets	8.3	6.8	16.4	13.8
Acquisition and financing-related expenses(A)	1.1	0.9	2.8	1.8
Restructuring charges(B)	3.1	1.7	4.3	1.9
Officer transition costs	-	-	0.8	0.3
Acquisition integration costs (C)	0.1	0.6	0.2	1.7
Other	-	0.2	(0.1)	0.2
Non-GAAP adjusted operating income	$ 42.1	$ 53.2	$ 78.7	$ 105.6
GAAP operating margin	*13.0%*	*17.8%*	*12.3%*	*17.8%*
Non-GAAP adjusted operating margin	*18.5%*	*22.0%*	*17.9%*	*21.9%*

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		Six Months Ended	
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022
Net income	$ 16.8	$ 30.0	$ 30.6	$ 60.5
Amortization of intangible assets[(D)]	8.4	6.9	16.8	14.0
Acquisition and financing-related expenses[(A)]	1.1	0.9	2.8	1.8
Restructuring charges[(B)]	3.1	1.7	4.3	1.9
Officer transition costs	-	-	0.8	0.3
Acquisition integration costs [(C)]	0.1	0.6	0.2	1.7
Change in fair value of contingent consideration	0.6	0.6	0.7	1.5
Other	(0.5)	0.2	(0.5)	0.2
Tax effect of above	(2.8)	(2.7)	(5.5)	(5.4)
Non-GAAP cash net income	$ 26.8	$ 38.3	$ 50.2	$ 76.6
Non-GAAP cash net income per diluted share	$ 0.81	$ 1.18	$ 1.53	$ 2.35

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 millions)

	Three Months Ended		Six Months Ended		Twelve Months Ended
	July 1, 2023	July 2, 2022	July 1, 2023	July 2, 2022	July 1, 2023
Net income	$ 16.8	$ 30.0	$ 30.6	$ 60.5	$ 68.6
Interest expense, net	7.8	3.8	14.0	7.6	23.1
Income tax provision	5.0	8.7	9.2	17.5	15.0
Depreciation and amortization	16.1	12.4	31.3	25.0	57.9
EBITDA	45.7	55.0	85.1	110.6	164.6
Acquisition and financing-related expenses (A)	1.1	0.9	2.8	1.8	6.9
Restructuring charges (B)	3.1	1.7	4.3	1.9	5.8
Officer transition costs	-	-	0.8	0.3	0.8
Acquisition integration costs (C)	0.1	0.6	0.2	1.7	2.0
Change in fair value of contingent consideration	0.6	0.6	0.7	1.5	1.1
Other	(0.5)	0.2	(0.5)	0.2	(0.6)
Adjusted EBITDA	$ 50.1	$ 59.0	$ 93.4	$ 118.0	$ 180.6
Adjusted EBITDA margin	*22.0%*	*24.4%*	*21.2%*	*24.5%*	*21.4%*
Pre-acquisition adjusted EBITDA, 2023 Schultes and i3, 2022 Daman					7.4
TTM Pro forma adjusted EBITDA					$ 188.0

(A) Acquisition and financing-related expenses include costs associated with our M&A activities. We believe these costs are not representative of the Company's operational performance and it is therefore meaningful to analyze results with the costs excluded. For the three months and six months ended July 1, 2023, the charges include recurring labor costs of $0.2 million and $0.5 million, professional fees of $0.5 million and $1.6 million and other M&A related costs of $0.4 million and $0.7 million, respectively.

(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 meaningful to analyze results with the costs excluded. For the three months and six months ended July 1, 2023, the charges include non-recurring labor costs of $2.0 million and $2.6 million, travel costs of $0.3 million and $0.5 million and manufacturing relocation and other costs of $0.8 million and $1.2 million, respectively.

(C) Acquisition integration activities include costs associated with integrating our recently 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 meaningful to analyze results with the costs excluded. For the three months and six months ended July 1, 2023, these costs totaled $0.1 million and $0.2 million, respectively.

(D) Amortization of intangible assets presented here includes $0.1 million and $0.4 million of amortization for capitalized software development costs included within cost of sales in the income statement for the three months and six months ended July 1, 2023, respectively.

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.

FREE CASH FLOW RECONCILIATION

(Unaudited)

($ in millions)

	Full Year						TTM
	2017	2018	2019	2020	2021	2022	Q2 2023
Net cash provided by operating activities	$ 49.4	$ 77.5	$ 90.5	$ 108.6	$ 113.1	109.9	104.1
Contingent consideration payment in excess of acquisition date fair value	-	-	10.7	-	-	-	2.7
Adjusted net cash provided by operating activities	49.4	77.5	101.2	108.6	113.1	109.9	106.8
Capital expenditures	22.2	28.4	25	14.6	26.8	31.9	38.0
Adjusted Free cash flow	$ 27.2	$ 49.1	$ 76.2	$ 94.0	$ 86.3	78.0	68.8
Net income	31.6	46.7	60.3	14.2	104.6	98.4	68.5
Goodwill impairment	-	-	-	31.9	-	-	-
Net income, less goodwill impairment	$ 31.6	$ 46.7	$ 60.3	$ 46.1	$ 104.6	98.4	68.5
Free cash flow conversion	86%	105%	126%	204%	83%	79%	100%

	Three Months Ended	
	July 1, 2023	July 2, 2022
Net cash provided by operating activities	26.1	29.5
Contingent consideration payment in excess of acquisition	2.7	-
Adjusted net cash provided by operating activities	28.8	29.5
Capital expenditures	10.5	7.9
Adjusted Free cash flow	18.3	21.6
Net income	16.8	30.0
Goodwill impairment	-	-
Net income, less goodwill impairment	16.8	30.0
Free cash flow conversion	109%	72%

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			Six Months Ended		
	Hydraulics	Electronics	Consolidated	Hydraulics	Electronics	Consolidated
Q2 2023 Net Sales	$ 152.4	$ 75.2	$ 227.6	$ 300.1	$ 140.7	$ 440.8
Impact of foreign currency translation[E]	0.2	0.1	0.3	3.4	0.3	3.7
Net Sales in constant currency	152.6	75.3	227.9	303.5	141.0	444.5
Less: Acquisition related sales	(15.2)	(1.2)	(16.4)	(28.9)	(1.2)	(30.1)
Organic sales in constant currency	$ 137.4	$ 74.1	$ 211.5	$ 274.6	$ 139.8	$ 414.4
Q2 2022 Net Sales	$ 142.8	$ 98.9	$ 241.7	$ 279.9	$ 202.3	$ 482.2
Net sales growth	7%	-24%	-6%	7%	-30%	-9%
Net sales growth in constant currency	7%	-24%	-6%	8%	-30%	-8%
Organic net sales growth in constant currency	-4%	-25%	-12%	-2%	-31%	-14%

[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 July 1, 2023
Current portion of long-term non-revolving debt, net	20.5
Revolving lines of credit	218.9
Long-term non-revolving debt, net	309.7
Total debt	549.1
Less: Cash and cash equivalents	37.5
Net debt	511.6
TTM Pro forma adjusted EBITDA [F]	188.0
Ratio of net debt to TTM pro forma adjusted EBITDA	2.72

[F] *On a pro-forma basis for Daman, Schultes, and i3.*

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.

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