



AUGMENTING STRATEGY
ADVANCING TECHNOLOGIES
ACCELERATING GROWTH



Investor Presentation

May 2022

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Tania Almond – VP, IR, Corp. Comm. & Risk Mgmt.

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 and similar outbreaks, including, without limitation, the current COVID-19 pandemic, which may among other things, adversely affect our supply chain, material costs, and work force and may have material adverse effects on our business, financial position, results of operations and/or cash flows; (vi) risks related to our international operations, including the potential impact of the ongoing conflict between Russia and Ukraine; and (vii) 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” and Item 1A. “Risk Factors” in the Company’s Form 10-K for the year ended January 1, 2022.

Helios has presented forward-looking statements regarding Diluted 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’ full year 2022 financial results. These non-GAAP financial measures are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with quarter-end and year-end adjustments. Any variation between Helios’ actual results and preliminary financial data set forth above may be material.

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



Growing, Global Industrial Technology Leader

Helios Technologies (NYSE: HLIO)

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

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

Financial & Market Data⁽¹⁾

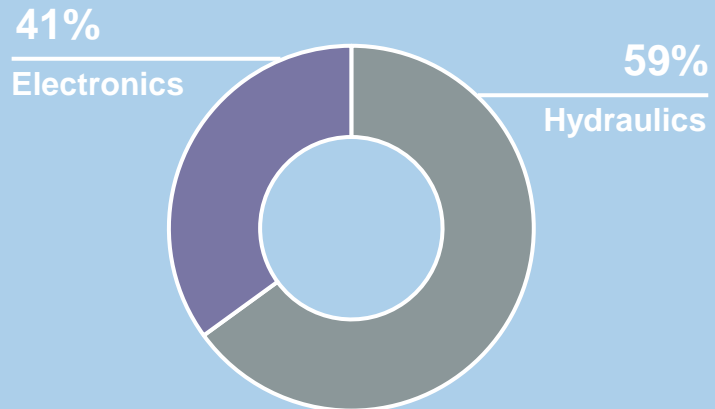
\$869M

Revenue

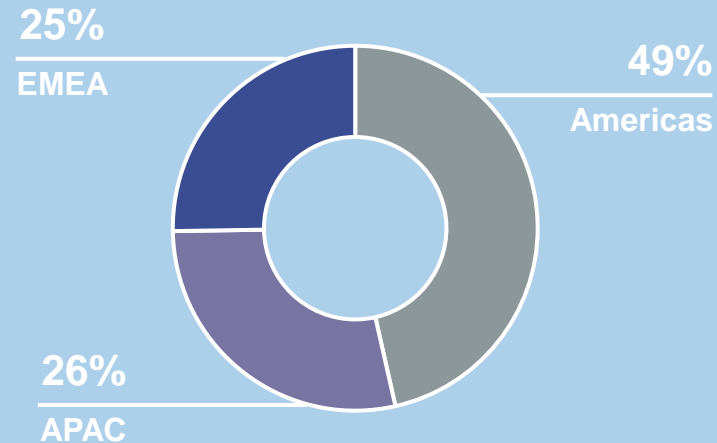
\$2.1B

Market Cap.

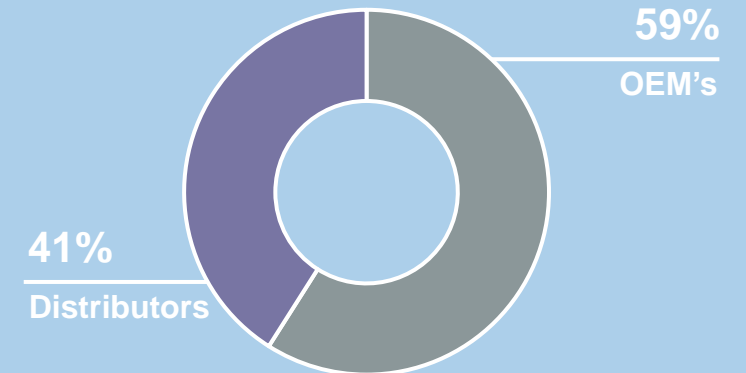
Segments



Geographies



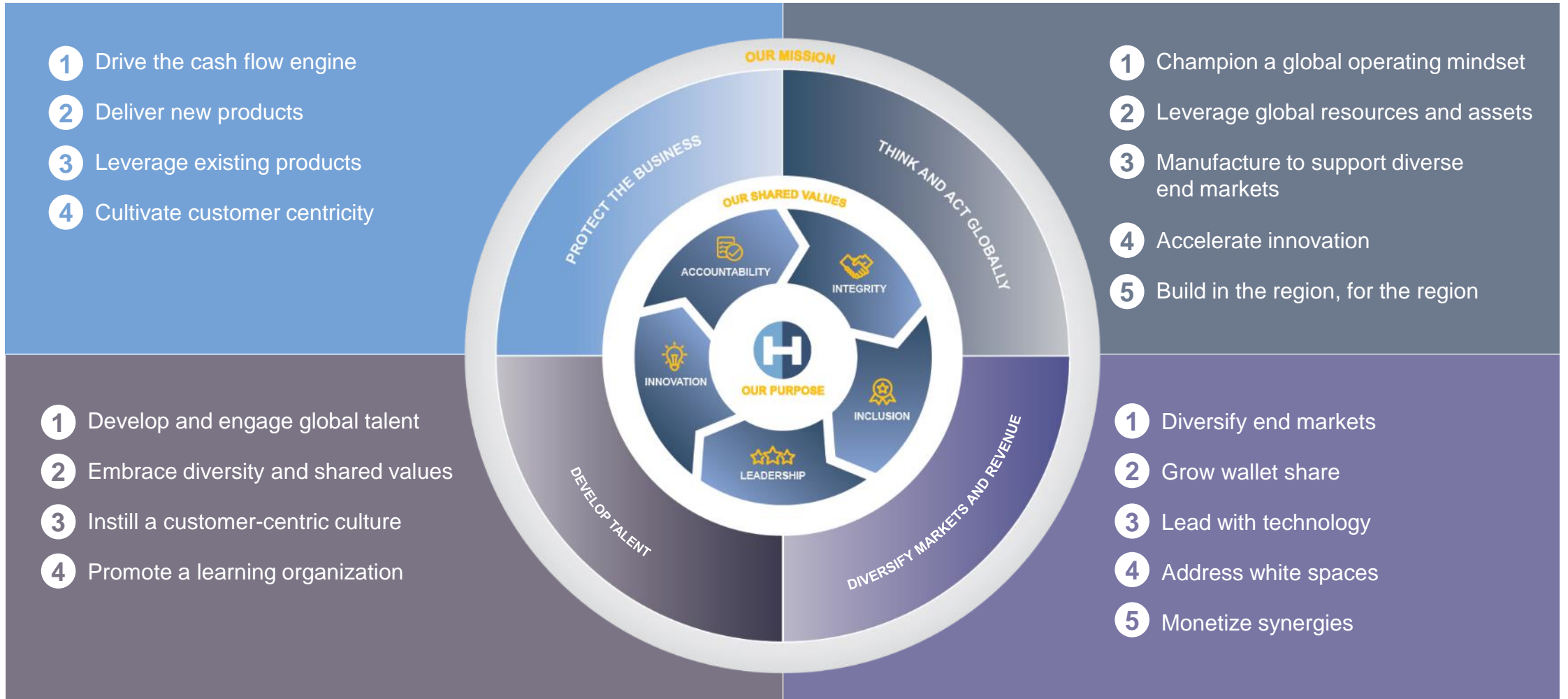
Market Channels⁽²⁾



(1) Note: Market data as of May 11, 2022; Financial data represents FY ended January 1, 2022.

(2) Market channels data as of FY ended January 1, 2022.

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



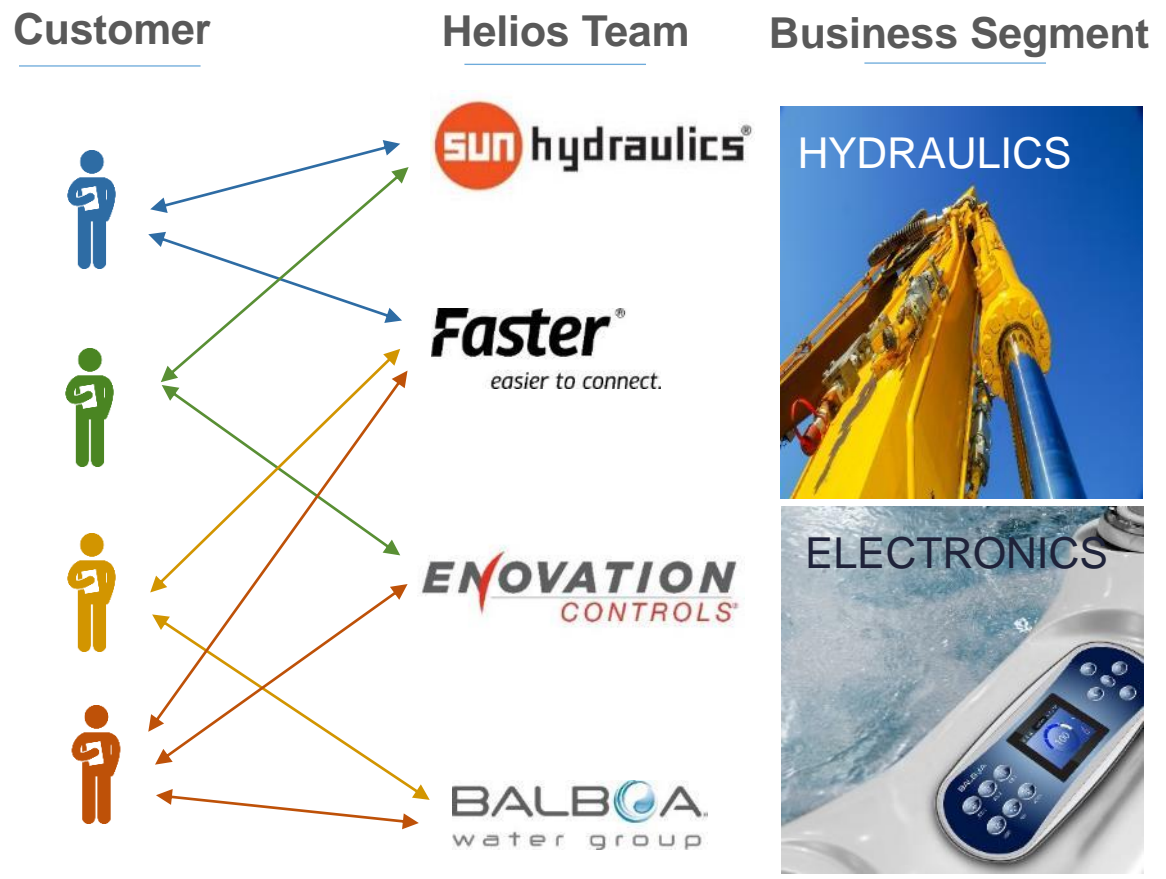
New Applications



Think and Act Global

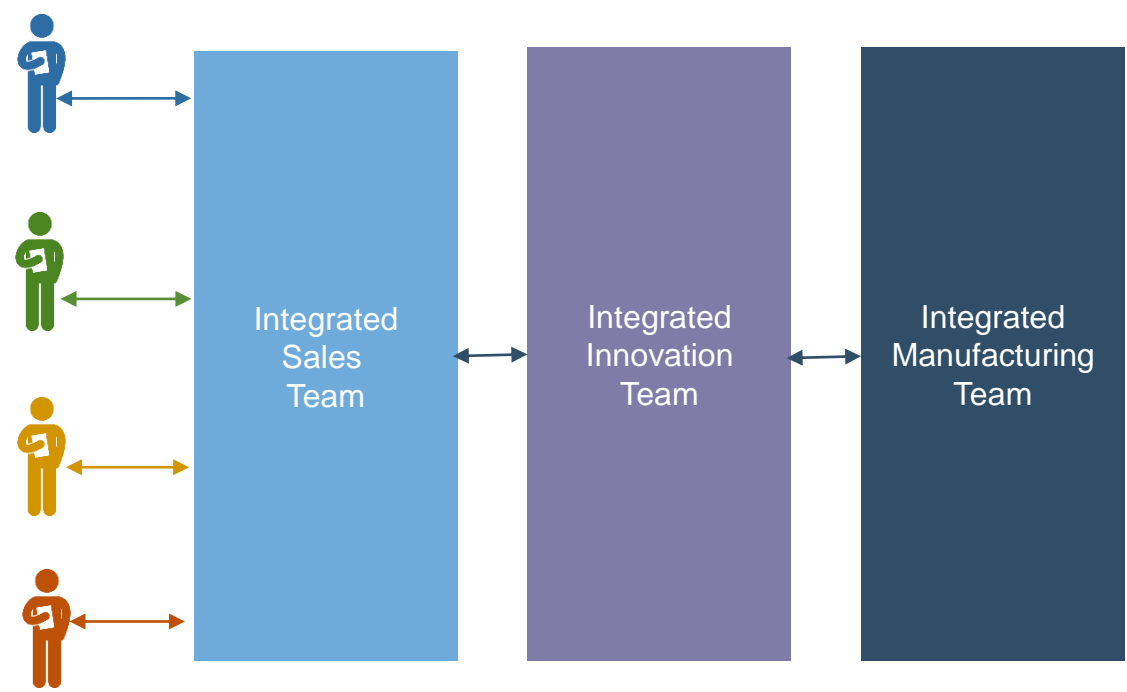
Streamlining the Customer Experience Lifecycle

CURRENT STATE



FUTURE STATE

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



M&A Flywheel Acquisition Strategy At Work



Taimi Hydraulics

Innovative hydraulics component designer and manufacturer

Products

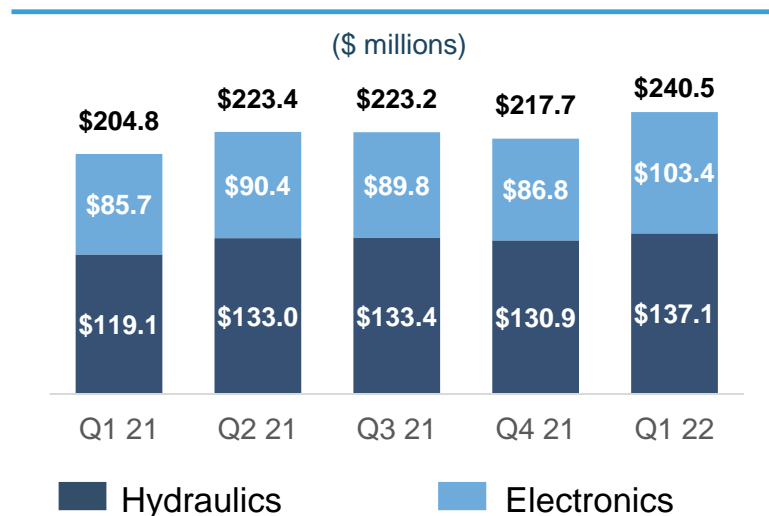
Swivel Cartridges to complete multiline packages

- Founded 2005 -- manufacturer of innovative hydraulic components
 - Ball-less design swivel products
 - Improves hydraulic reliability of equipment
 - Increases service life of components
 - Helps protect the environment by reducing leakage
- **HISTORICAL PARTNERSHIP:** started working with Faster S.r.l. in October 2020 in a collaborative distribution arrangement
- **STRONG ENGINEERING:** proprietary, scalable technology and solutions-based offerings distributed in 34 countries
- **STRONG BRAND RECOGNITION:** swivels translate to higher productivity and lower operating costs
- **BOLT ON TO HELIOS' HYDRAULICS PLATFORM:** expanding solutions offerings and enabling accelerated path into forestry and mining
- Expected to close in the third quarter of 2022 or as soon as practicable

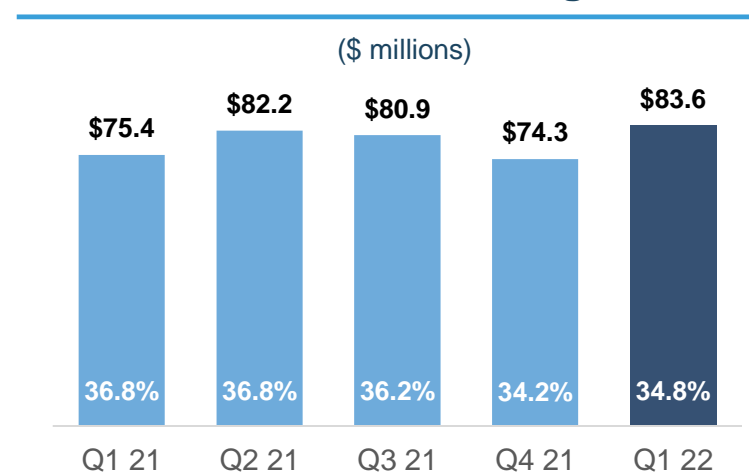


Q1 2022 – Consolidated Results

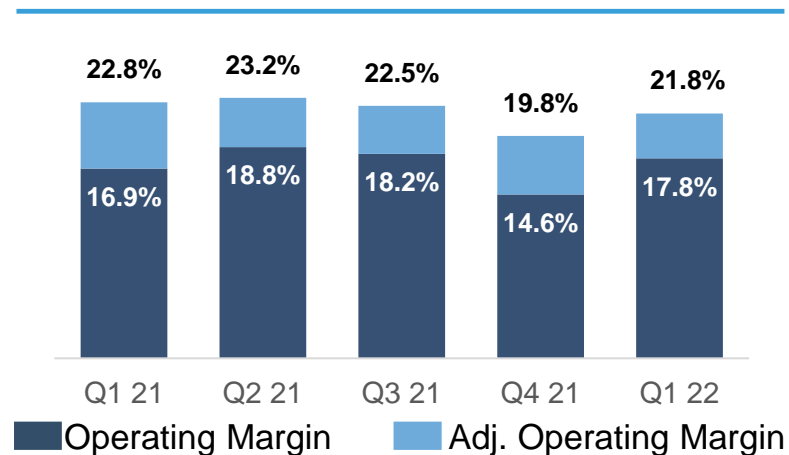
Sales



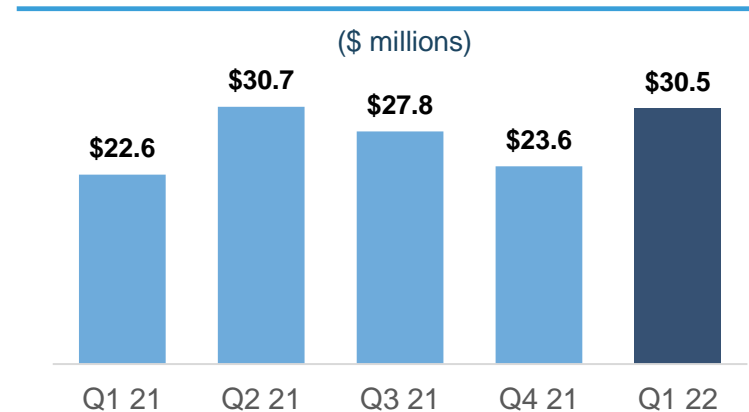
Gross Profit & Margin



Operating / Adj. Op. Margin⁽¹⁾



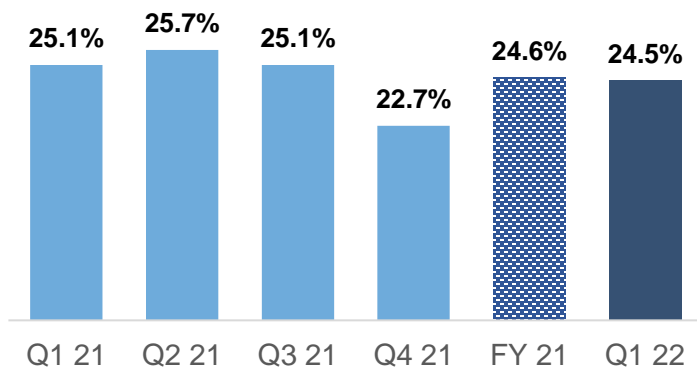
Net Income



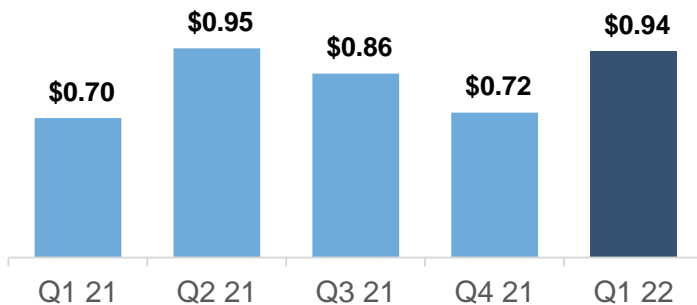
(1) See Supplemental Information for definition of Adjusted Operating Margin, and reconciliation from GAAP and other disclaimers regarding non-GAAP information.

Q1 2022 – Consolidated Results

Adj. EBITDA Margin⁽¹⁾



Diluted GAAP EPS



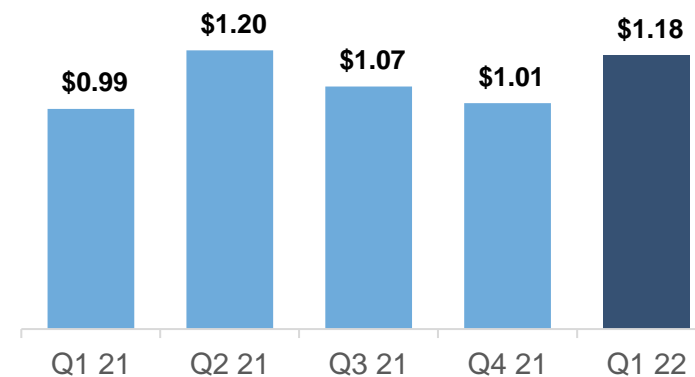
Adjusted EBITDA Margin Drivers

- Top tier industry performance despite challenging macro environment highlighting business model leverage

Diluted Earnings Drivers

- Strong operating leverage dropping to the bottom line reflecting higher sales and manufacturing and operational efficiencies being partially masked by tough macroenvironment

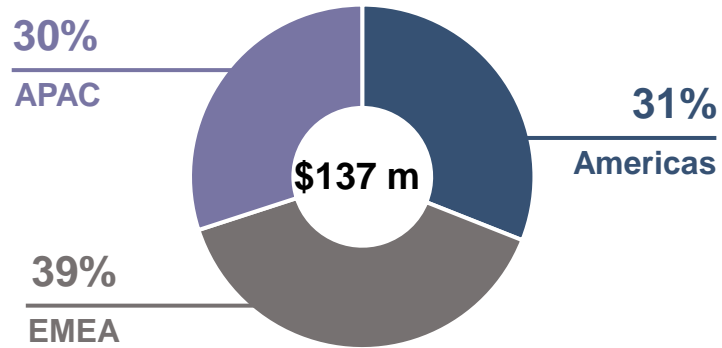
Diluted Non-GAAP Cash EPS⁽¹⁾



(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.

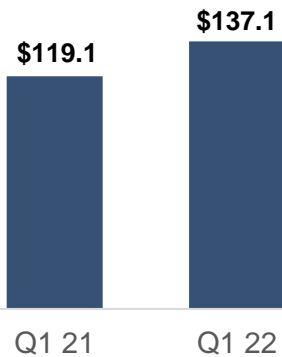
Q1 2022 – Hydraulics Segment

Q1 Sales by Region

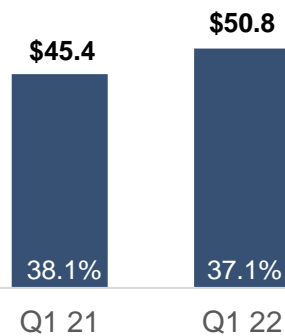


(\$ in millions)

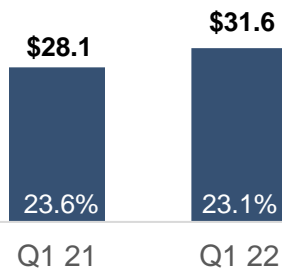
Sales



Gross Profit



Operating Income



First Quarter Highlights

Sales Drivers

- Growth as end markets rebound, especially mobile and industrial equipment markets. Improved demand seen in the Americas and EMEA.
- Acquisitions added \$6.4 million, with organic revenue growth of 10% YoY
- Unfavorable FX impact of \$4.5M

Gross Margin Drivers

- 100 basis point reduction reflects increases in material, logistics, labor costs and unfavorable FX offsetting benefits from price increases and fixed cost leverage on higher volume

Operating Income and Margin

- Growth in operating income driven by strong leverage and cost discipline
- 50 basis point decline in margin reflects gross margin contraction



Hydraulics Segment Overview



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



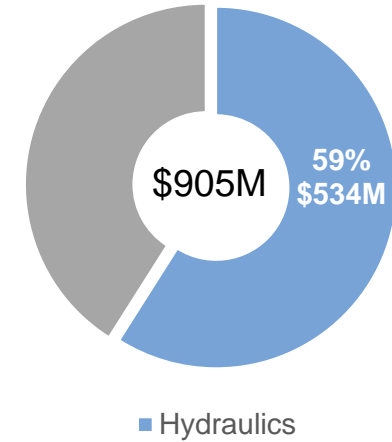
Distribution of hydraulic, pneumatic, filtration, lubrication and electronic products; system design & installation, servicing & repairs



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

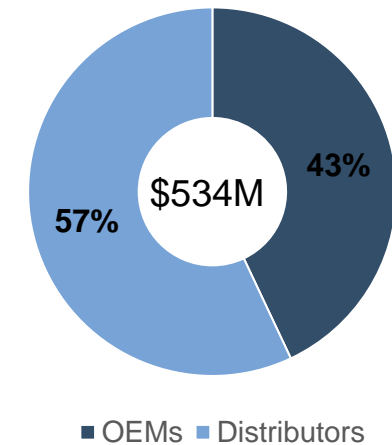
Segment Revenue as % of Total

(TTM 1Q22)



Hydraulics Revenue by Channel

(TTM 1Q22)¹

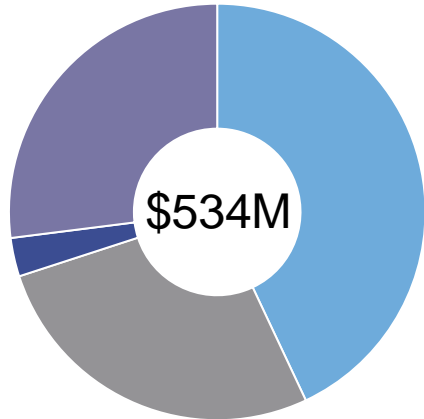


(1) OEM and Distributors channel percentages based on FY2021 mix

Hydraulics End Markets Today

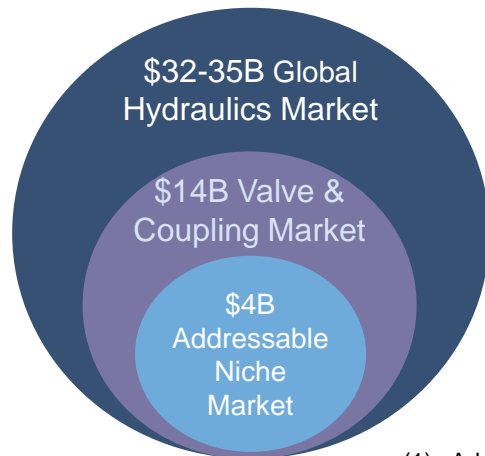
Revenue by End Market

(TTM 1Q22)⁽²⁾



- Mobile
- Industrial
- Recreational
- Agricultural

Current Total Addressable Market⁽¹⁾



Defining End Markets

- Channels to market are decades strong
- A material “off-balance sheet asset”
- Conduit for growth and expansion



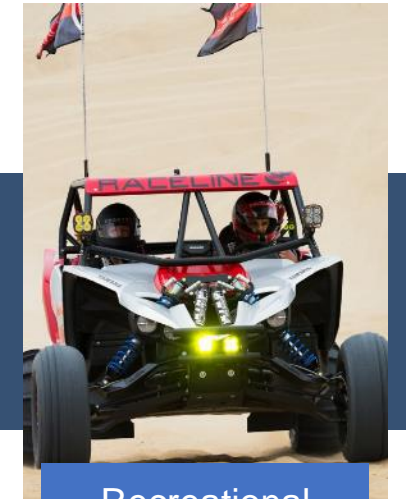
Mobile



Industrial



Agricultural



Recreational



(1) Addressable market data analyzed through a variety of industry analyst reports and management estimates.
 (2) Absolute dollars based on TTM 1Q22; End market mix based on FY 2021 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

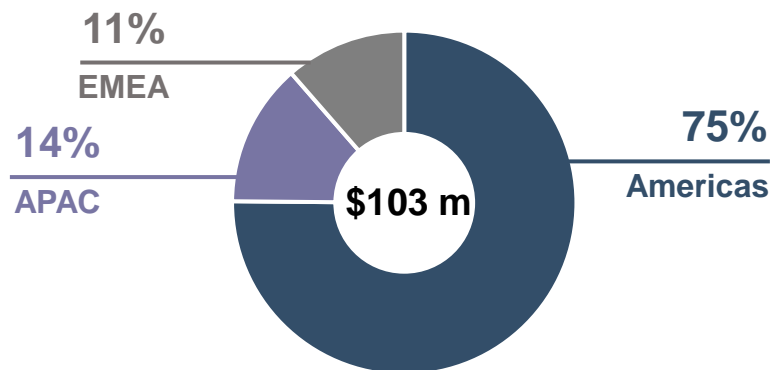


Thermo-Dynamic



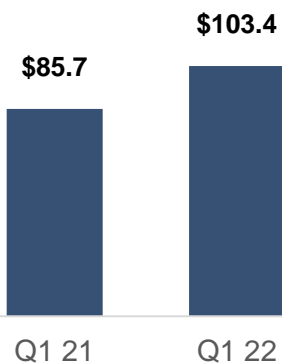
Q1 2022 – Electronics Segment

Q1 Sales by Region

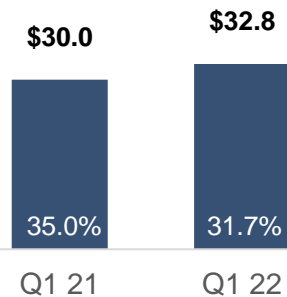


(\$ in millions)

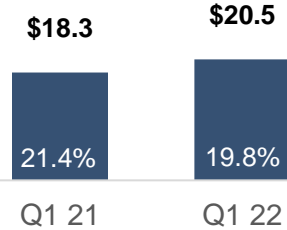
Sales



Gross Profit



Operating Income



First Quarter Highlights

Sales Drivers

- Strong demand in health & wellness and recreational markets drove growth in all regions despite approximately \$11 million of delays due to supply chain shortages
- FX and acquisitions were minimal impacts on sales

Gross Margin Drivers

- Gross profit rose on higher volume
- Gross margin impacted by increases in raw material, freight and logistics costs related to supply chain shortages as company maintains timely shipment requirements
- Price increases implemented to meet these challenges

Operating Margin

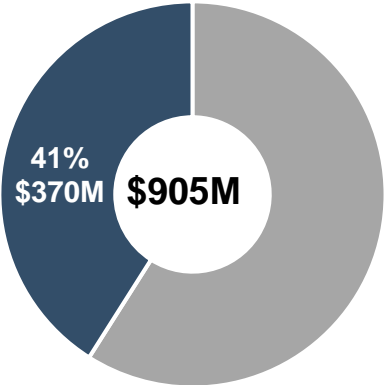
- 160 basis point reduction reflects flow through of gross margin impacts and higher personnel costs offset by fixed cost leverage on higher sales



Electronics Segment Overview

Segment Revenue as % of Total

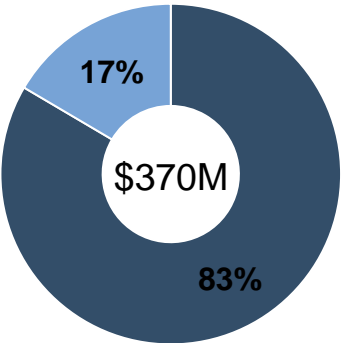
(TTM 1Q22)



■ Electronics

Electronics Revenue by Channel

(TTM 1Q22)⁽¹⁾



■ OEMs

■ Distributors

(1) OEM and Distributors channel percentages based on FY2021 mix



Hydraulic Control Solutions

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

Rugged Electronic Monitoring & Control Solutions



GPS Speed Control for Recreational Marine

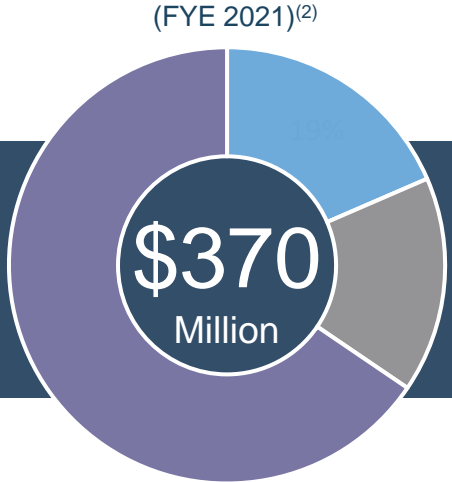


Our trusted global brands deliver technology solutions that ensure safety, reliability, connectivity & control



Electronics End Markets Today

Revenue by End Market



- Industrial & Mobile
- Recreational
- Health & Wellness



Industrial & Mobile

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



Recreational

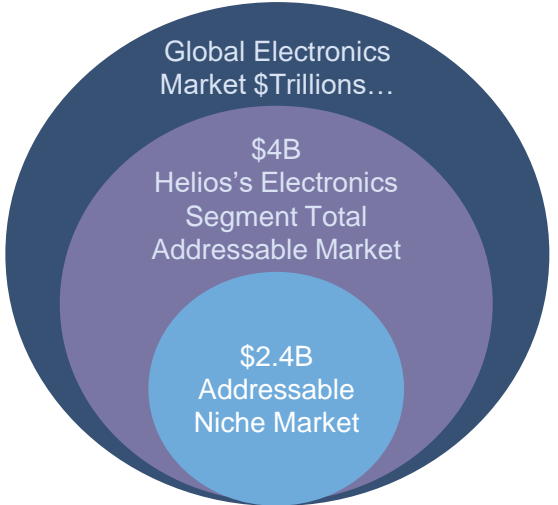
- Marine
- On/Off-Road Vehicles



Health & Wellness

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

Current Addressable Market⁽¹⁾



(1) Addressable market data analyzed through a variety of industry analyst reports and management estimates. End markets include; agriculture, construction, material handling, industrial stationary, recreational marine, recreational vehicle, and lawn and garden. Product categories include; Spa & Swim Spa, Walk-in Baths, and Whirlpool Baths.
 (2) Absolute dollars based on TTM 1Q22; End market mix based on FY 2021 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



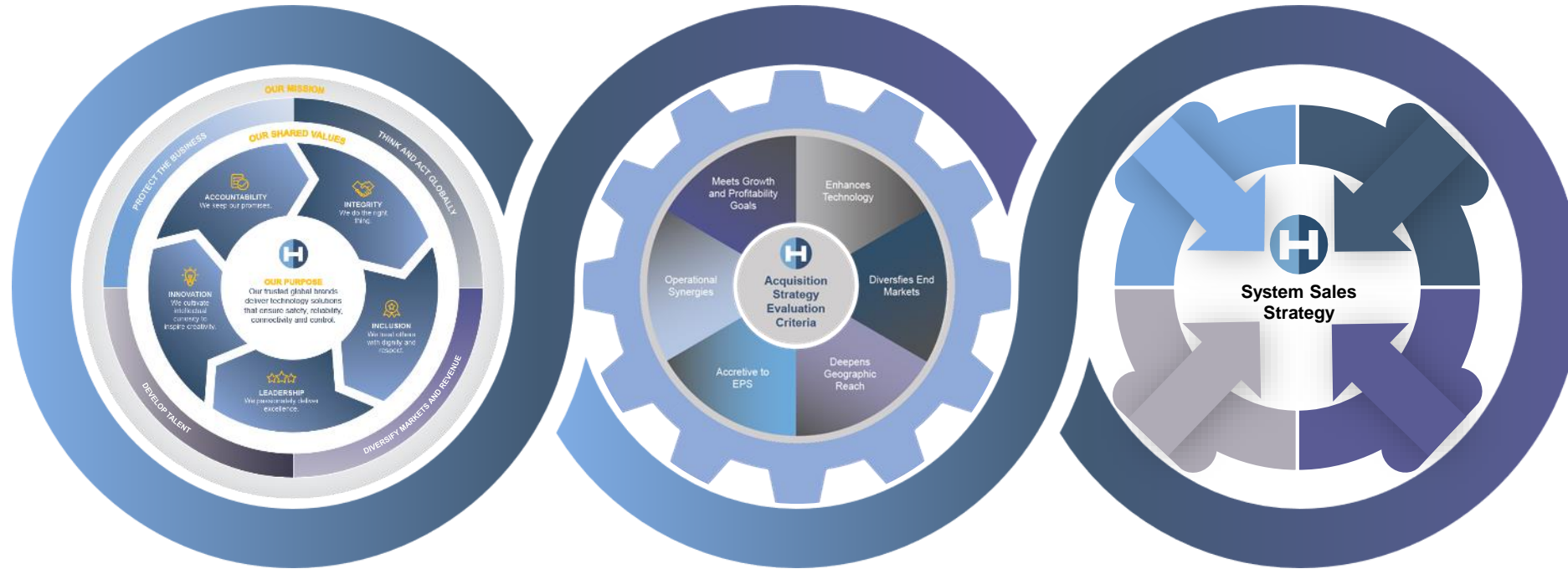
Commercial Lawn Equipment



Commercial HVAC



Value Proposition of Augmented Strategy



How We Win

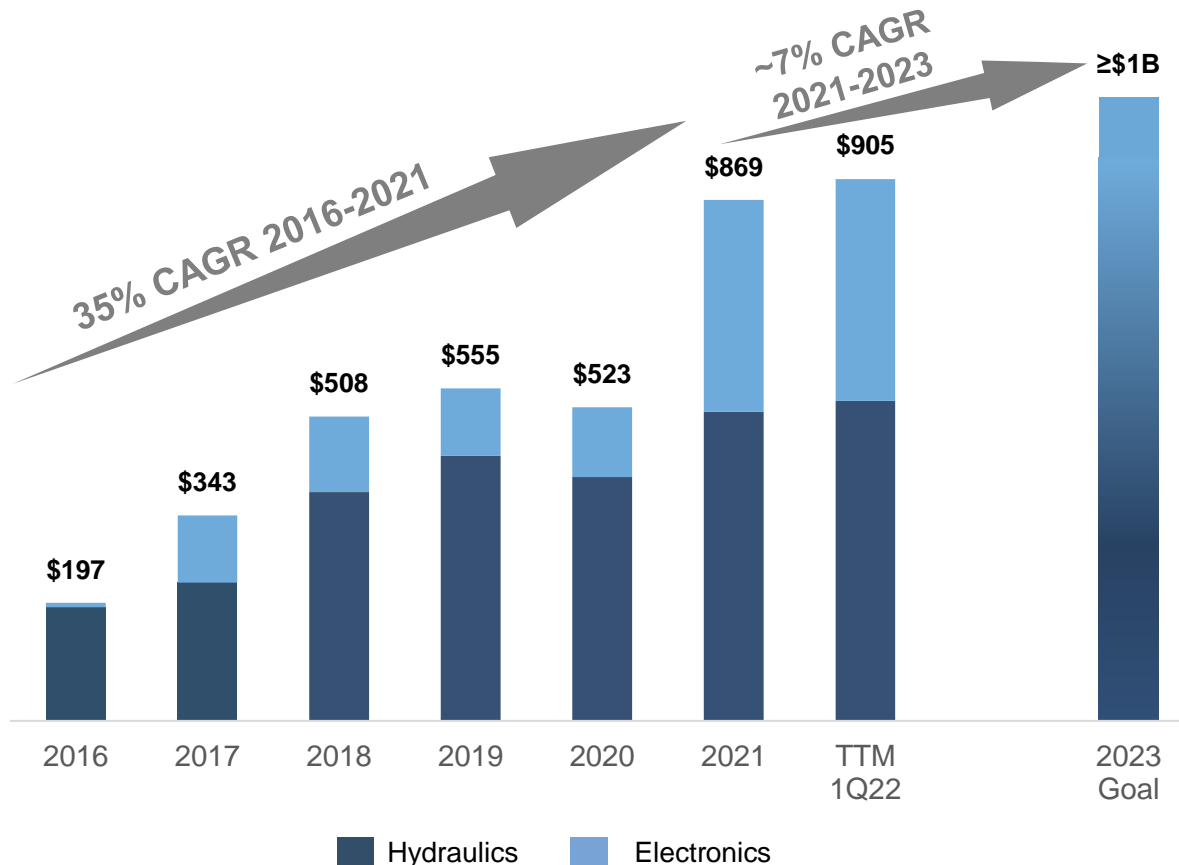
- ✓ Increase wallet/market share
- ✓ Create “Sticky Solutions”
- ✓ Drive operational efficiencies
- ✓ Develop deeper, more strategic relationships
- ✓ Grow diversified markets through R&D cross pollination



Accelerating Growth: Hitting \$1B Milestone Two Years Early

Historic and Projected Revenue

(\$ millions)



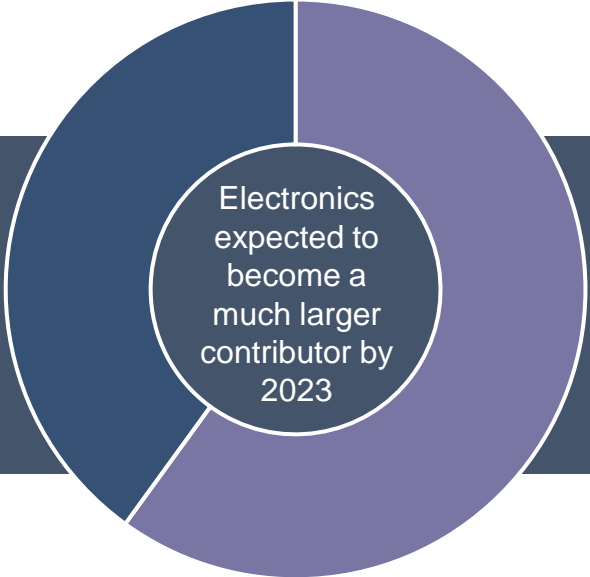
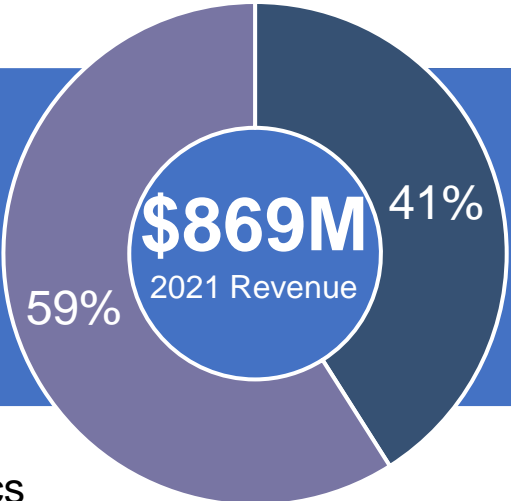
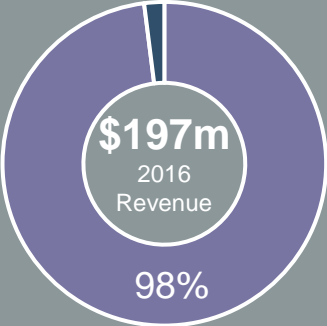
Growth Highlights

- Outpacing market growth by ~2x; Our markets grow on average 3% to 5%
- Diversifying our markets, our products and our applications
- Leveraging a strong pipeline of new innovative products
- Executing well on our disciplined acquisition strategy
- Pivoting to an integrated operating company
- Implementing our strategy through a scalable approach
- Transitioning from component to system sales
- Growth driven by combination of organic growth and flywheel acquisitions



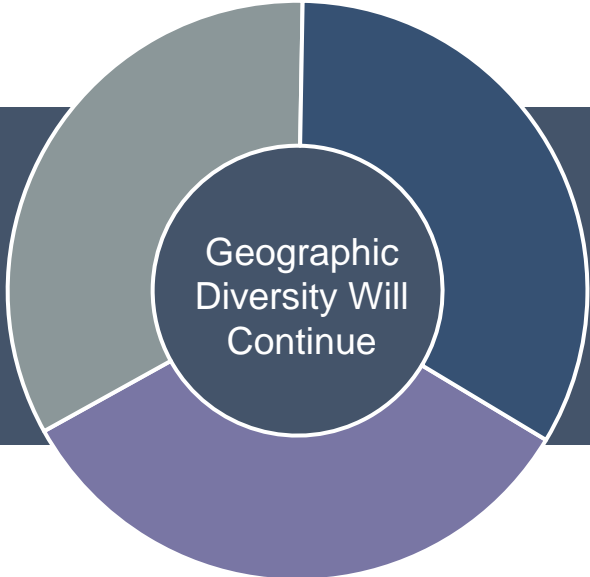
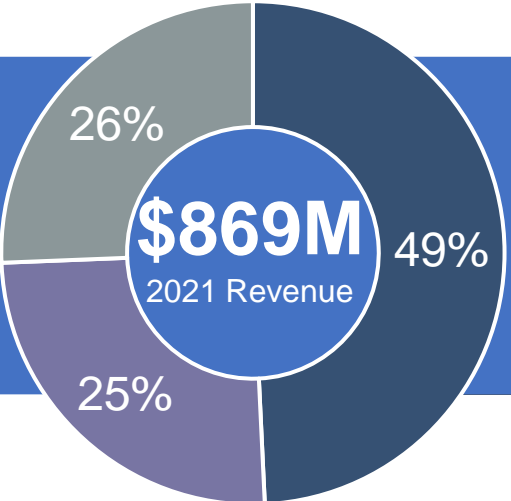
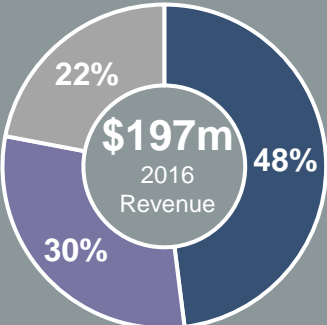
Revenue Diversification Expected to Continue

Segment



Hydraulics Electronics

Geographic

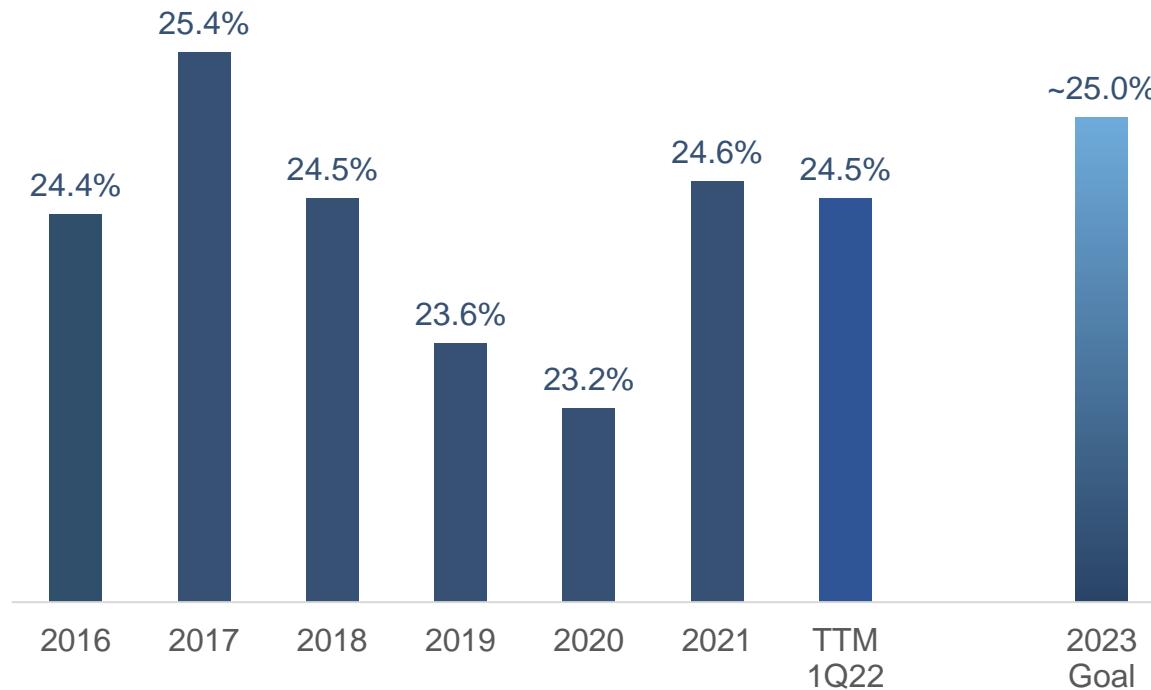


Americas EMEA APAC



Strong Margins with a Pathway to Grow

Historic and Projected Adj. EBITDA Margin



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



Strong Cash Flow

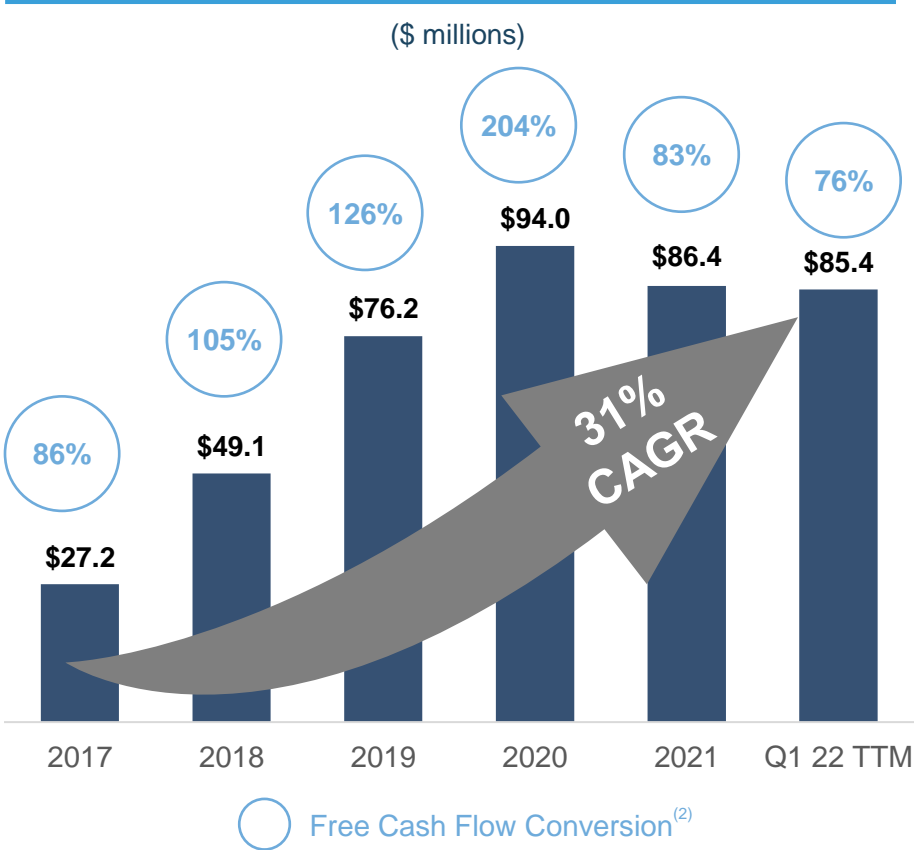
	Three Months Ended	
	<u>4/2/22</u>	<u>4/3/21</u>
Net cash provided by operating activities	\$14.7	\$15.1
CapEx	(5.6)	(5.0)
Free cash flow (FCF)⁽¹⁾	\$9.1	\$10.1

Note: Components may not add to totals due to rounding

Strong cash generation and free cash flow in Q1 2022

- Solid profitability despite higher working capital to combat supply chain challenges
- Q1 2022 CapEx of \$5.6 million
- Inventory increased 8.9%, from the end of 2021 driven by focused inventory investments to mitigate supply chain issues, anticipate customer needs and maintain top tier lead times.

Free Cash Flow⁽¹⁾



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

Capital Allocation Priorities

Capital Allocation Priorities

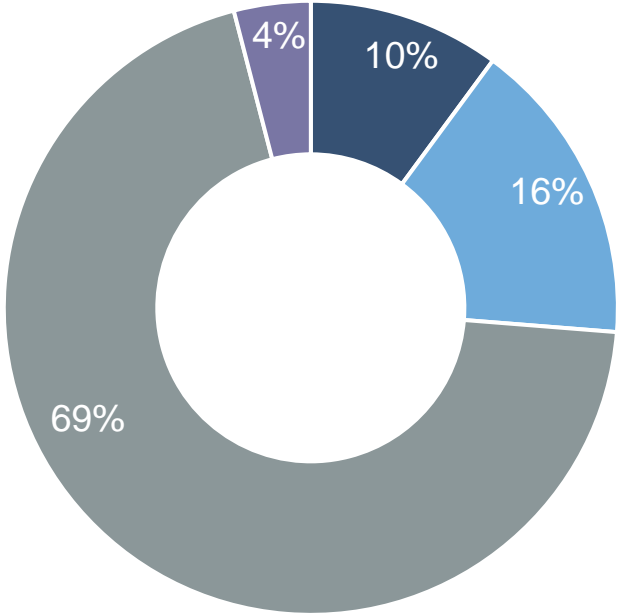
- 1 ORGANIC GROWTH**
 - Grow at ~2x market
 - New product development
 - Integrate electronics and hydraulics know-how
 - Support product platform

- 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 2021 data.

Capital Structure

Capitalization		
	<u>4/2/22</u>	<u>4/3/21</u>
Cash and cash equivalents	\$33.0	\$25.9
Total debt	438.1	452.2
Total net debt⁽¹⁾	405.1	426.3
Shareholders' equity	735.6	625.3
Total capitalization	\$1,173.7	\$1,077.5
Debt/total capitalization	37.3%	42.0%

Note: Components may not add to totals due to rounding

Financial Flexibility

- Cash and cash equivalents up \$4.5 million from the end of 2021
- Generated \$14.7 million of operating cash flow in Q1
- Achieved net debt/pro forma Adjusted EBITDA of 1.79x⁽²⁾ :
 - Maintained long-term target level of below 2.0x down from 1.89x⁽²⁾ at the end of 2021
- Company expects to spend between 3% to 5% of sales in capital investments in 2022
- Ended the quarter with total liquidity of \$192 million
- Paid dividends consistently for 101 sequential quarters or over twenty-five 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 NEM and Joyonway 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

Goals

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

Targets

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

Integration Model

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



Accelerated Plans

Hitting \$1B Milestone in Sales Two Years Early

≥\$1B in Sales
by YE 2023

Organic Sales
Growth ~2x
Market Rates

~25% Adj.
EBITDA Margin⁽¹⁾
by YE 2023

Organic Non-
GAAP Cash EPS
CAGR⁽²⁾ ≥22%

With Enhanced Margin Profile

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

(2) CAGR is calculated between 2020 to 2023. Tax rate assumption is 24% to 26%.

Driving Growth and Delivering Profitability

1

Strategy
Recap



Pivoting to an operating
company

2

Growth
Opportunities



Expanding existing
markets, adding
adjacent markets,
diversifying geographic
markets

3

Operational
Efficiencies



Streamlining sales,
innovation, and global
manufacturing teams

4

Financial
Position



Growing free cash flow
driving growth and
leverage reduction

5

Targets



Meeting revenue goals
2 years early,
expanding margin
profile



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



Non-GAAP Reconciliation Tables



Adjusted Operating Income Reconciliation

(Unaudited) (\$ in thousands)	Three Months Ended	
	April 2, 2022	April 3, 2021
GAAP operating income	\$ 42,887	\$ 34,608
Acquisition-related amortization of intangible assets	6,980	10,198
Acquisition and financing-related expenses	859	922
Restructuring charges	268	418
Officer transition costs	302	-
Acquisition integration costs	1,119	594
Non-GAAP adjusted operating income	\$ 52,415	\$ 46,740
<i>GAAP operating margin</i>	<i>17.8%</i>	<i>16.9%</i>
<i>Non-GAAP adjusted operating margin</i>	<i>21.8%</i>	<i>22.8%</i>

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.



Adjusted EBITDA Reconciliation

(Unaudited)

(\$ in thousands)

	Three Months Ended		Twelve Months Ended
	April 2, 2022	April 3, 2021	April 2, 2022
Net income	\$ 30,478	\$ 22,587	\$ 112,487
Interest expense, net	3,809	4,751	15,929
Income tax provision	8,774	6,807	28,550
Depreciation and amortization	12,554	15,237	51,718
EBITDA	55,615	49,382	208,684
Acquisition and financing-related expenses	859	922	5,678
Restructuring charges	268	418	323
Officer transition costs	302	-	619
Inventory step-up amortization	-	-	558
Acquisition integration costs	1,119	594	3,374
Change in fair value of contingent consideration	836	-	1,886
Other	-	-	626
Adjusted EBITDA	\$ 58,999	\$ 51,316	\$ 221,748
<i>Adjusted EBITDA margin</i>	<i>24.5%</i>	<i>25.1%</i>	<i>24.5%</i>
Pre-acquisition adjusted EBITDA, 2021 NEM and Joyonway			4,334
TTM Pro forma adjusted EBITDA			\$ 226,082

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.



Non-GAAP Cash Net Income Reconciliation

(Unaudited)

(\$ in thousands)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net income	\$ 30,478	\$ 22,587
Amortization of intangible assets	7,105	10,231
Acquisition and financing-related expenses	859	922
Restructuring charges	268	418
Officer transition costs	302	-
Acquisition integration costs	1,119	594
Change in fair value of contingent consideration	836	-
Tax effect of above	(2,622)	(3,041)
Non-GAAP cash net income	\$ 38,345	\$ 31,711
Non-GAAP cash net income per diluted share	\$ 1.18	\$ 0.99

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



Free Cash Flow Reconciliation

(Unaudited)
(\$ in thousands)

(Unaudited)

(\$ in thousands)

	2017	2018	2019	2020	2021	Q1 2022 TTM
Net cash provided by operating activities	\$ 49,382	\$ 77,450	\$ 90,480	\$ 108,556	\$ 113,202	\$ 112,808
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	113,202	112,808
Capital expenditures	22,205	28,380	25,025	14,580	26,794	27,388
Adjusted Free cash flow	\$ 27,177	\$ 49,070	\$ 76,186	\$ 93,976	\$ 86,408	\$ 85,420
Net income	31,558	46,730	60,268	14,218	104,596	112,487
Goodwill impairment	-	-	-	31,871	-	-
Net income, less goodwill impairment	\$ 31,558	\$ 46,730	\$ 60,268	\$ 46,089	\$ 104,596	\$ 112,487
Free cash flow conversion	86%	105%	126%	204%	83%	76%

Non-GAAP Financial Measure:

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



Net Debt to Adjusted EBITDA Reconciliation

(Unaudited)
(\$ in thousands)

	As of
	April 2, 2022
Current portion of long-term non-revolving debt, net	\$ 18,141
Revolving lines of credit	240,086
Long-term non-revolving debt, net	179,864
Total debt	438,091
Less: Cash and cash equivalents	33,019
Net debt	\$ 405,072
TTM Pro forma adjusted EBITDA*	\$ 226,082
Ratio of net debt to TTM pro forma adjusted EBITDA	1.79

*On a pro-forma basis for NEM and Joyonway

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.

