HELIOS TECHNOLOGIES

Fourth Quarter 2021 Earnings

March 1, 2022

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Safe Harbor Statement

This presentation and oral statements made by management in connection herewith that are not historical facts are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve risks and uncertainties, and actual results may differ materially from those expressed or implied by such statements. They include statements regarding current expectations, estimates, forecasts, projections, our beliefs, and assumptions made by Helios Technologies, Inc. ("Helios" or the "Company"), its directors or its officers about the Company and the industry in which it operates, and assumptions made by management, and include among other items, (i) the Company's strategies regarding growth, including its intention to develop new products and make acquisitions; (ii) the effectiveness of creating the Center of Engineering Excellence; (iii) the Company's financing plans; (iv) trends affecting the Company's financial condition or results of operations; (v) the Company's ability to continue to control costs and to meet its liquidity and other financing needs; (vi) the declaration and payment of dividends; and (vii) the Company's ability to respond to changes in customer demand domestically and internationally, including as a result of standardization. In addition, we may make other written or oral statements, which constitute forward-looking statements, from time to time. Words such as "may," "expects," "projects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. Similarly, statements that describe our future plans, objectives or goals also are forward-looking statements. These statements are not guaranteeing future performance and are subject to a number of risks and uncertainties. Our actual results may differ materially from what is expressed or forecasted in such forward-looking statements, and undue reliance should not be placed on such statements. All forward-looking statements are made as of the date hereof, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause the actual results to differ materially from what is expressed or forecasted in such forward-looking statements include, but are not limited to, (i) supply chain disruption and the potential inability to procure goods; (ii) conditions in the capital markets, including the interest rate environment and the availability of capital; (iii) inflation (including hyperinflation) or recession; (iv) changes in the competitive marketplace that could affect the Company's revenue and/or cost bases, such as increased competition, lack of qualified engineering, marketing, management or other personnel, and increased labor and raw materials costs; (v) risks related to health epidemics, pandemics and similar outbreaks 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; and (vi) 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 2, 2021.

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.

Q4 2021 Business Summary

Driving GLOBAL OPERATING MINDSET through INNOVATION and LEADERSHIP; Fostering CUSTOMER-CENTRIC culture

EXECUTING AGAINST AUGMENTED STRATEGY driving performance; INCREASING MARKET SHARE with breakthrough technology solutions and customer demand fulfillment

Achieved 26% ORGANIC GROWTH in the quarter through HIGH RESPONSE RATE, CAPITAL INVESTMENT and BREAKTHROUGH INNOVATION

LEVERAGING GLOBAL R&D to provide solutions; EXERCISING ROBUST AGILITY, further developing TALENT and creating deeper, more strategic RELATIONSHIPS

STRENGTHENING FINANCIAL FLEXIBILITY; net-debt-to-adjusted EBITDA leverage ratio of 1.9x[1]

Expecting to DRIVE GROWTH AND PROFITS IN 2022; Clear path to $1B MILESTONE by 2023

(1) On a pro-forma basis NEM S.r.l.and Joyonway; reflects non-GAAP measure; see supplemental slide for a reconciliation to the most comparable GAAP measure.

Helios Continues to Innovate and be Recognized

Winner of the Systems and Components Trophy – Engineers Choice for 2022

- Helios subsidiary Faster chosen as a winner for its innovative Faster ABC (Always Best Connection) electronic hydraulic hose coupling
- This award demonstrates that Faster is successfully pursuing its vision of becoming the global market leader in smart hydraulic coupling solutions

Picture: The Faster ABC (Always the Best Connection) electronic hydraulic hose coupling with smartphone application

Named to Forbes 2022 List of America's Best Mid-Size Companies

- Ranked #39 overall on this year's list of 100 companies
- Forbes used data from FactSet to compile its annual list of America's Best Mid-Sized Companies
- They screened more than 1,000 companies with a market value between $2 billion and $10 billion
- The top 100 ranking is based on earnings growth, sales growth, return on equity and total stock return for the latest 12 months available and over the last five years

Q4 2021 Financial Results Highlights

($ in millions, except per share data)

$217.7
Sales

44% YoY

2% QoQ

34.2%
Gross Margin

60 bps YoY

200 bps QoQ

14.6%
Operating Margin

770 bps YoY

360 bps QoQ

19.8%
Adj. Operating Margin[1]

100 bps YoY

270 bps QoQ

(1) Reflects a non-GAAP financial measure; see supplemental slide for Adjusted Operating Margin reconciliation and other important information regarding Helios' use of Adjusted Operating Margin.

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

Q4 2021 Financial Results Highlights

($ in millions, except per share data)

$23.6
Net Income

321% YoY
15% QoQ

$1.01
Diluted Non-GAAP Cash EPS(2)

68% YoY
6% QoQ

22.7%
Adj. EBITDA Margin(1)

50 bps YoY
240 bps QoQ

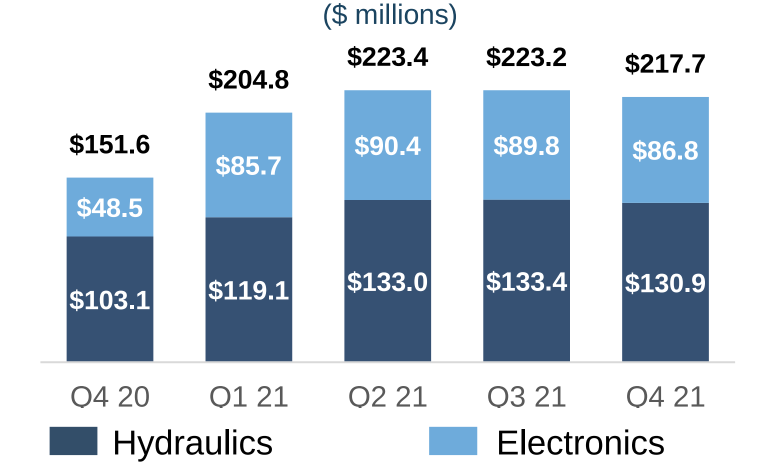
Sales

- Organic growth of 26% in the fourth quarter over the prior year period driven by innovation, demand responsiveness and increased market share
- Strong demand across all markets, enhanced with internal efficiencies, focus on customer satisfaction while delivering higher margins and increased revenue

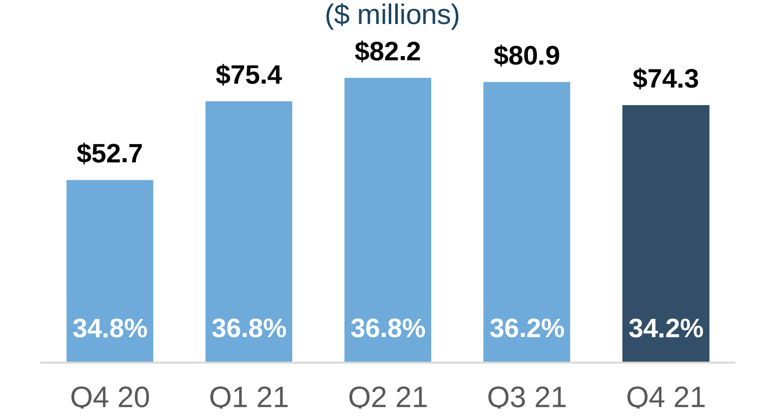
(1) Reflects a non-GAAP financial measure; see supplemental slide for Adjusted EBITDA reconciliation and other important information regarding Helios' use of Adjusted EBITDA.
(2) Reflects a non-GAAP financial measure; see supplemental slide for Non-GAAP Cash Net Income reconciliation and other important information regarding Helios' use of Non-GAAP Cash Net Income and EPS.

Q4 2021 – Consolidated Results

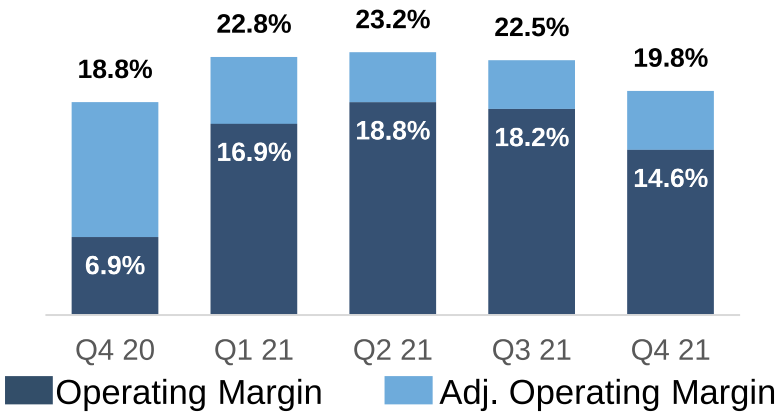
Sales



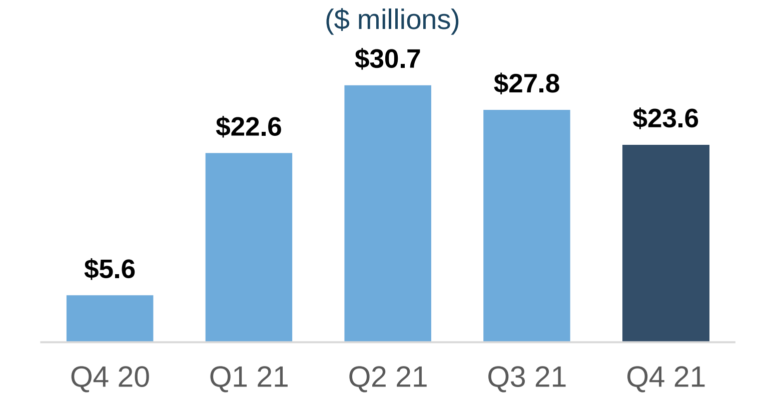
Gross Profit & Margin[1]



Operating / Adj. Op. Margin[2,3]



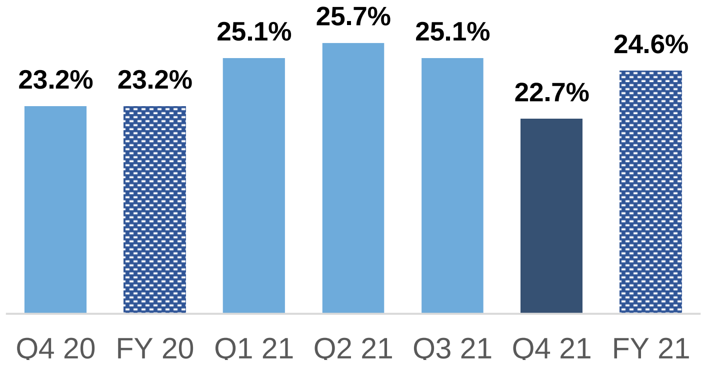
Net Income[2]



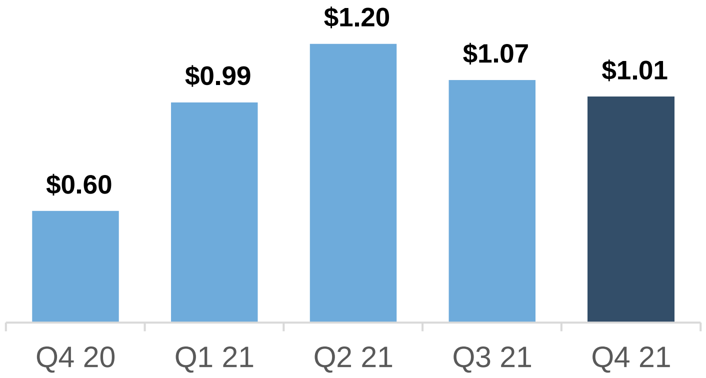
(1) Q4 2020 gross margin includes $1.9 million of inventory step-up amortization related to Balboa acquisition.
(2) Q4 2020 net income included ($7.1) million of Balboa acquisition costs.
(3) See Supplemental Information for definition of Adjusted Operating Margin, and reconciliation from GAAP and other disclaimers regarding non-GAAP information.

Q4 2021 – Consolidated Results

Adj. EBITDA Margin(1)



Diluted Non-GAAP Cash EPS(1)



Gross Profit & Margin

- Gross profit benefitted from increased volume
- Gross margin impacted by manufacturing labor inefficiencies and increases in logistics and raw materials
- Improved leverage over fixed costs helped to offset impacts

Adjusted EBITDA Drivers

- 4Q21 50 basis point decline compared to year ago period impacted by material inflation and operational inefficiencies related to supply chain challenges
- FY21 140 basis point increase compared to FY20 due to higher volume and operational efficiencies

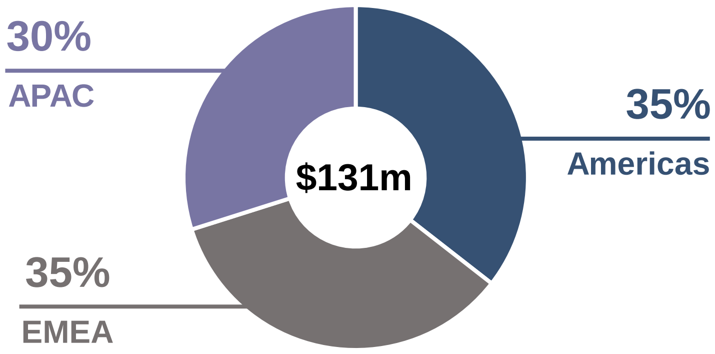
Diluted Non-GAAP Cash EPS Drivers

- Year-over-year growth driven by higher sales, operational efficiencies, and strong outperformance from the Balboa acquisition

(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.

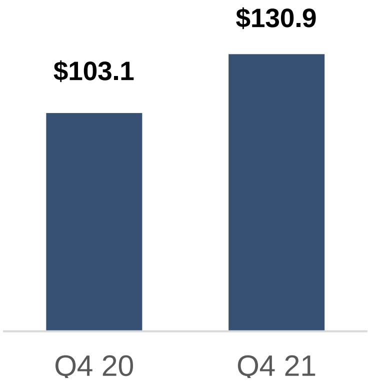
Q4 2021 – Hydraulics Segment

Q4 Sales by Region

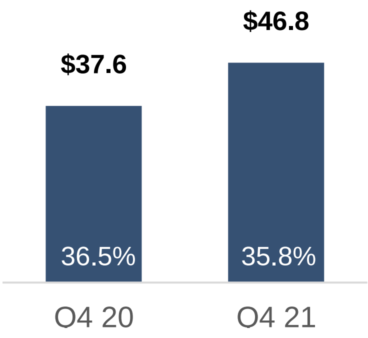


($ in millions)

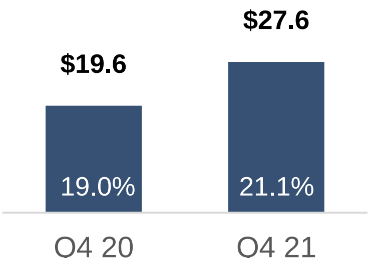
Sales



Gross Profit



Operating Income



Fourth Quarter Highlights

Sales Drivers

- Strong demand across all markets, order flow recovering, responsive manufacturing processes, timely delivery of solutions and contributions from acquisitions of $5.7 million
- Organic revenue growth of 21% YoY
- Unfavorable FX impact of $1.5M

Gross Margin Drivers

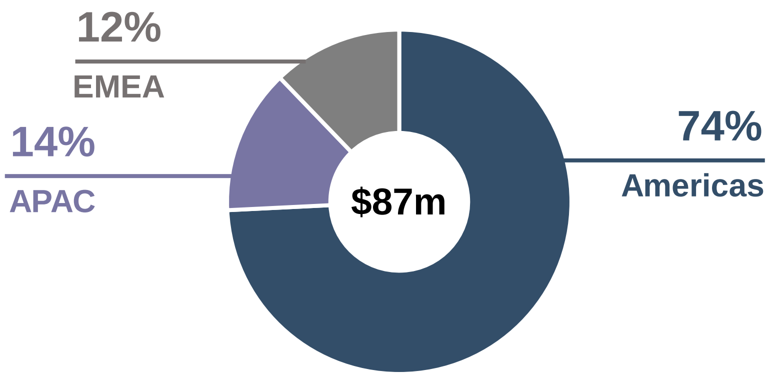
- 70 basis point reduction reflects improved leverage on higher volume offset by reduced production labor efficiencies and higher material and freight costs

Operating Margin

- 210 basis point improvement reflecting improved leverage of our fixed cost base and disciplined cost management efforts

Q4 2021 – Electronics Segment

Q4 Sales by Region



($ in millions)

Fourth Quarter Highlights

Sales Drivers

- Contributions from acquisitions of $20.7 million as well as strong demand in health & wellness and recreational markets drove 79% revenue growth despite supply chain constraints
- Organic revenue growth of 36% YoY

Gross Margin Drivers

- Reflects the different business model of the Balboa acquisition, which has lower gross margins that are offset by a lower SEA expense structure
- Additionally, raw material, freight and logistics costs increased as a result of materials shortages and efforts to meet customer requirements on a timely basis.

Operating Margin

- 80 basis point reduction reflects flow through of gross margin impacts offset by fixed cost leverage on higher sales

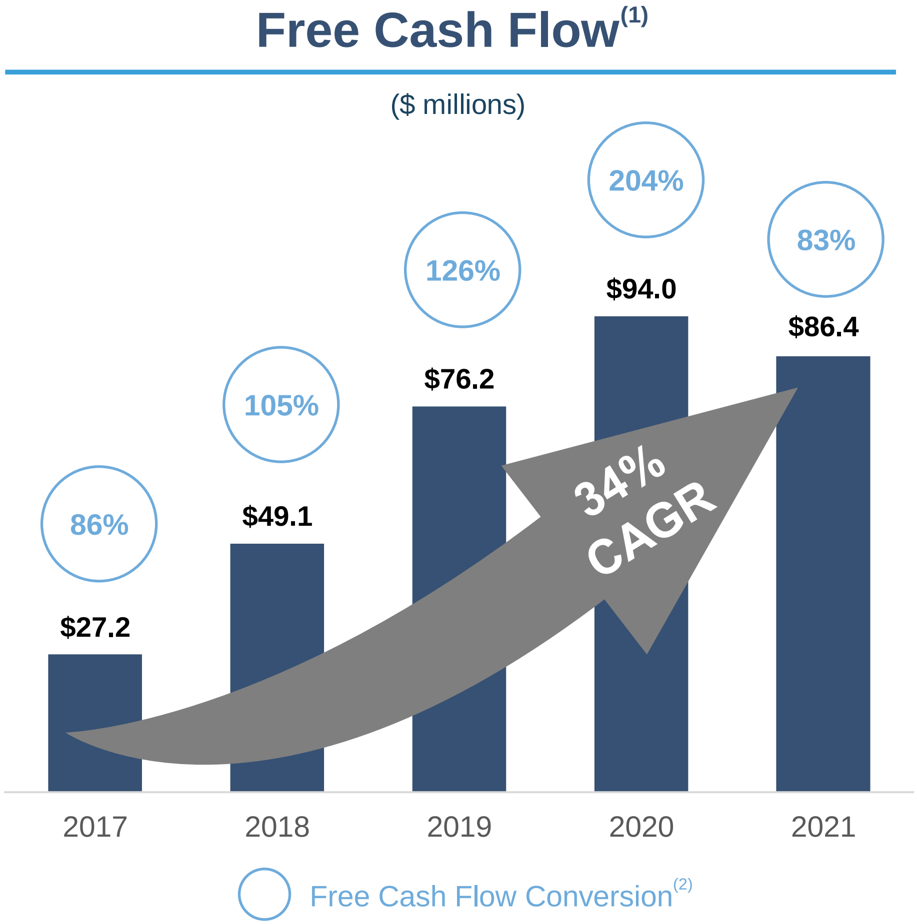
Strong Cash Flow

	Three Months Ended		FYE	
	1/1/22	1/2/21	1/1/22	1/1/21
Net cash provided by operating activities	31.2	31.5	113.2	108.6
CapEx	(9.7)	(7.4)	(26.8)	(14.6)
Free cash flow (FCF)[1]	**$21.5**	**$24.1**	**$86.4**	**$94.0**

Note: Components may not add to totals due to rounding

Strong cash generation and free cash flow in Q4 2021

- Solid profitability, offset by higher working capital
- Q4 2021 CapEx of $9.7 million
- FY21 CapEx of $26.8 million (3% of sales)



(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 Structure

Capitalization		
	1/1/22	1/2/21
Cash and cash equivalents	$28.5	$25.2
Total debt	**445.0**	**462.4**
Total net debt[1]	**416.5**	**437.2**
Shareholders' equity	709.0	607.8
Total capitalization	**$1,154.0**	**$1,070.2**
Debt/total capitalization	38.6%	43.2%

Note: Components may not add to totals due to rounding

Financial flexibility

- Generated $31 million of operating cash flow in Q4 and $113 million for fiscal 2021
- Achieved net debt/pro forma Adjusted EBITDA of 1.89x[2] :
  - Surpassed long-term target level of 2.0x down from 3.0x[3] at the end of 2020
- Kept the cash flywheel spinning and used $24 million in cash to reduce net debt in the quarter
- Ended the quarter with total liquidity of $187 million
- Paid dividends consistently for 100 sequential quarters or 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 Balboa acquisitions.
(3) Pro Forma for the Balboa acquisition. 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.

2022 Outlook

	2021 Actual	2022 Outlook
Consolidated revenue	$869.2 million	$930 - $950 million
Adjusted EBITDA	$214.1 million	$219 - $238 million
Adjusted EBITDA margin	24.6%	23.5% - 25.0%
Interest expense	$16.9 million	$14 - $15 million
Effective tax rate	20.3%	21% - 23%
Depreciation	$21.4 million	$24.5 - $26.5 million
Amortization	$33.0 million	$28 - $29 million
Capital expenditures % total revenue	3%	3% - 5% of sales
Diluted Non-GAAP Cash EPS	$4.25	$4.35 -$4.60

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 2022 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. When planning, forecasting and analyzing future periods, the Company does so primarily on a non-GAAP basis without preparing a GAAP analysis.

Note: This assumes constant currency rates, using quarter end rates, and that markets served are not further impacted by the global pandemic.

Strategic Direction Guided by The Helios Business System

Supplemental Information

Segment Data

(Unaudited) *($ in thousands)*	Three Months Ended		For the Year Ended	
	January 1, 2022	January 2, 2021	January 1, 2022	January 2, 2021
Sales:				
Hydraulics	$ 130,900	$ 103,079	$ 516,449	$ 407,192
Electronics	86,787	48,539	352,736	115,848
Consolidated	$ 217,687	$ 151,618	$ 869,185	$ 523,040
Gross profit and margin:				
Hydraulics	$ 46,819	$ 37,617	$ 193,366	$ 150,312
	35.8%	*36.5%*	*37.5%*	*36.9%*
Electronics	27,527	16,973	119,997	47,790
	31.7%	*35.0%*	*34.0%*	*41.3%*
Corporate and other	-	(1,874)	(558)	(1,874)
Consolidated	$ 74,346	$ 52,716	$ 312,805	$ 196,228
	34.2%	*34.8%*	*36.0%*	*37.5%*
Operating income (loss) and margin:				
Hydraulics	$ 27,627	$ 19,584	$ 119,824	$ 81,996
	21.1%	*19.0%*	*23.2%*	*20.1%*
Electronics	15,371	8,963	71,695	19,363
	17.7%	*18.5%*	*20.3%*	*16.8%*
Corporate and other	(11,108)	(18,147)	(42,210)	(65,947)
Consolidated	$ 31,890	$ 10,400	$ 149,309	$ 35,412
	14.6%	*6.9%*	*17.2%*	*6.8%*

Organic and Acquired Sales

(Unaudited)

($ in thousands)

	Three Months Ended				Full Year Ended	Three Months Ended				Full Year Ended
	March 28, 2020	June 27, 2020	September 26, 2020	January 2, 2021	January 2, 2021	April 3, 2021	July 3, 2021	October 2, 2021	January 1, 2022	January 1, 2022
Hydraulics										
Organic	$ 103,818	$ 102,089	$ 98,206	$ 103,079	$ 407,192	$ 119,106	$ 133,039	$ 128,672	$ 125,200	$ 506,017
Acquisition	-	-	-	-	-	-	-	4,732	5,700	10,432
Total	$ 103,818	$ 102,089	$ 98,206	$ 103,079	$ 407,192	$ 119,106	$ 133,039	$ 133,404	$ 130,900	$ 516,449
Electronics										
Organic	$ 25,665	$ 17,205	$ 24,439	$ 22,481	$ 89,790	$ 29,459	$ 30,191	$ 30,808	$ 66,107	$ 156,565
Acquisition	-	-	-	26,058	26,058	56,279	60,183	59,029	20,680	196,171
Total	$ 25,665	$ 17,205	$ 24,439	$ 48,539	$ 115,848	$ 85,738	$ 90,374	$ 89,837	$ 86,787	$ 352,736
Consolidated										
Organic	$ 129,483	$ 119,294	$ 122,645	$ 125,560	$ 496,982	$ 148,565	$ 163,230	$ 159,480	$ 191,307	$ 662,582
Acquisition	-	-	-	26,058	26,058	56,279	60,183	63,761	26,380	206,603
Total	$ 129,483	$ 119,294	$ 122,645	$ 151,618	$ 523,040	$ 204,844	$ 223,413	$ 223,241	$ 217,687	$ 869,185

Sales by Geographic Region & Segment

(Unaudited)

2021 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 2021	% Change y/y
Americas:										
Hydraulics	$ 34.3	*(8%)*	$ 41.7	*22%*	$ 45.2	*63%*	$ 46.5	*49%*	$ 167.7	*29%*
Electronics	65.0	*201%*	64.1	*378%*	64.2	*200%*	$ 64.5	*72%*	257.8	*175%*
Consol. Americas	**99.3**	***69%***	**105.8**	***122%***	**109.4**	***123%***	**111.0**	***61%***	**425.5**	***90%***
% of total	*48%*		*47%*		*49%*		*51%*		*49%*	
EMEA:										
Hydraulics	$ 43.3	*29%*	$ 46.6	*49%*	$ 44.8	*40%*	$ 45.3	*32%*	$ 180.0	*37%*
Electronics	9.3	*272%*	11.0	*479%*	11.1	*640%*	$ 10.6	*116%*	42.0	*289%*
Consol. EMEA	**52.6**	***46%***	**57.6**	***74%***	**55.9**	***66%***	**55.9**	***42%***	**222.0**	***56%***
% of total	*26%*		*26%*		*25%*		*26%*		*26%*	
APAC:										
Hydraulics	$ 41.5	*26%*	$ 44.7	*22%*	$ 43.4	*13%*	$ 39.1	*5%*	$ 168.7	*16%*
Electronics	11.4	*613%*	15.3	*705%*	14.5	*867%*	$ 11.7	*92%*	52.9	*377%*
Consol. APAC	**52.9**	***53%***	**60.0**	***55%***	**57.9**	***45%***	**50.8**	***17%***	**221.7**	***42%***
% of total	*26%*		*27%*		*26%*		*23%*		*26%*	
Total	**$ 204.8**	***58%***	**$ 223.4**	***87%***	**$ 223.2**	***82%***	**$ 217.7**	***44%***	**$ 869.2**	***66%***

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	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%)***

Adjusted Operating Income Reconciliation

(Unaudited)
($ in thousands)

	Three Months Ended		For the Year Ended	
	January 1, 2022	January 2, 2021	January 1, 2022	January 2, 2021
GAAP operating income	$ 31,890	$ 10,400	$ 149,309	$ 35,412
Acquisition-related amortization of intangible assets	7,527	8,791	32,811	22,114
Acquisition and financing-related expenses	2,840	7,088	5,741	7,264
Restructuring charges	-	-	472	361
CEO and officer transition costs	(252)	161	319	2,592
Goodwill impairment	-	-	-	31,871
Inventory step-up amortization	-	1,874	558	1,874
Acquisition integration costs	1,121	257	2,850	257
Other	-	-	(99)	-
Non-GAAP adjusted operating income	$ 43,126	$ 28,571	$ 191,961	$ 101,745
GAAP operating margin	*14.6%*	*6.9%*	*17.2%*	*6.8%*
Non-GAAP adjusted operating margin	*19.8%*	*18.8%*	*22.1%*	*19.5%*

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' financial statements, as they are used as analytical indicators by Helios' management to better understand operating performance. Because adjusted operating income and adjusted operating margin are non-GAAP measures and are thus susceptible to varying calculations, adjusted operating income and adjusted operating income margin, as presented, may not be directly comparable to other similarly titled measures used by other companies.

Non-GAAP Cash Net Income Reconciliation

(Unaudited) *($ in thousands)*	Three Months Ended		For the Year Ended	
	January 1, 2022	January 2, 2021	January 1, 2022	January 2, 2021
Net income	$ 23,555	$ 5,551	$ 104,596	$ 14,218
Amortization of intangible assets	7,611	8,791	33,042	22,114
Acquisition and financing-related expenses	2,840	7,088	5,741	7,264
Restructuring charges	-	-	472	361
CEO and officer transition costs	(252)	161	319	2,592
Goodwill impairment	-	-	-	31,871
Inventory Amortization Step-up	-	1,874	558	1,874
Acquisition integration costs	1,121	257	2,850	257
Change in fair value of contingent consideration	1,050	-	1,050	(47)
Other	144	-	625	-
Tax effect of above	(3,129)	(4,543)	(11,164)	(8,604)
Non-GAAP cash net income	$ 32,940	$ 19,179	$ 138,089	$ 71,900
Non-GAAP cash net income per diluted share	$ 1.01	$ 0.60	$ 4.25	$ 2.24

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

Adjusted EBITDA Reconciliation

(Unaudited) ($ in thousands)	Three Months Ended January 1, 2022	Three Months Ended January 2, 2021	For the Year Ended January 1, 2022	For the Year Ended January 2, 2021
Net income	$ 23,555	$ 5,551	$ 104,596	$ 14,218
Interest expense, net	3,907	4,714	16,871	13,286
Income tax provision	3,713	1,605	26,583	9,829
Depreciation and amortization	13,270	13,890	54,401	39,695
EBITDA	44,445	25,760	202,451	77,028
Acquisition and financing-related expenses	2,840	7,088	5,741	7,264
Restructuring charges	-	-	472	361
CEO and officer transition costs	(252)	161	319	2,592
Goodwill impairment	-	-	-	31,871
Inventory step-up amortization	-	1,874	558	1,874
Acquisition integration costs	1,121	257	2,850	257
Change in fair value of contingent consideration	1,050	-	1,050	(47)
Other	144	-	625	-
Adjusted EBITDA	$ 49,348	$ 35,140	$ 214,066	$ 121,200
Adjusted EBITDA margin	*22.7%*	*23.2%*	*24.6%*	*23.2%*
Pre-acquisition adjusted EBITDA, 2021 NEM and Joyonway, 2020 Balboa			6,335	22,589
TTM Pro forma adjusted EBITDA			$ 220,401	$ 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' 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.

Free Cash Flow Reconciliation

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

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 January 1, 2022
Current portion of long-term non-revolving debt, net	$ 18,125
Revolving lines of credit	243,023
Long-term non-revolving debt, net	183,897
Total debt	445,045
Less: Cash and cash equivalents	28,540
Net debt	$ 416,505
TTM Pro forma adjusted EBITDA*	$ 220,401
Ratio of net debt to TTM pro forma adjusted EBITDA	1.89

*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.

AUGMENTING *STRATEGY*
ADVANCING *TECHNOLOGIES*
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