HELIOS TECHNOLOGIES

Investor Presentation

July 2021

Josef Matosevic – President & CEO

Tricia Fulton – Chief Financial Officer

Tania Almond – VP, IR and Corp. Comm.

Safe Harbor Statement

This presentation and oral statements made by management in connection herewith that are not historical facts are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve risks and uncertainties, and actual results may differ materially from those expressed or implied by such statements. They include statements regarding current expectations, estimates, forecasts, projections, our beliefs, and assumptions made by Helios Technologies, Inc. ("Helios" or the "Company"), its directors or its officers about the Company and the industry in which it operates, and assumptions made by management, and include among other items, (i) the Company's strategies regarding growth, including its intention to develop new products and make acquisitions; (ii) the 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) conditions in the capital markets, including the interest rate environment and the availability of capital; (ii) our failure to realize the benefits expected from the Balboa acquisition, our failure to promptly and effectively integrate the Balboa acquisition and the ability of Helios to retain and hire key personnel, and maintain relationships with suppliers (iii) risks related to health epidemics, pandemics and similar outbreaks and similar outbreaks, including, without limitation, the current COVID-19 pandemic, which may affect our supply chain and material costs, which could have material adverse effects on our business, financial position, results of operations and/or cash flows; (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; and (v) new product introductions, product sales mix and the geographic mix of sales nationally and internationally. Further information relating to factors that could cause actual results to differ from those anticipated is included but not limited to information under the heading Item 1. "Business" and Item 1A. "Risk Factors" in the Company's Form 10-K for the year ended January 2, 2021.

This presentation also presents forward-looking statements regarding non-GAAP Adjusted EBITDA, Adjusted EBITDA margin, and Non-GAAP Cash EPS. 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 2021 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.

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 (Nasdaq: HLIO)

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

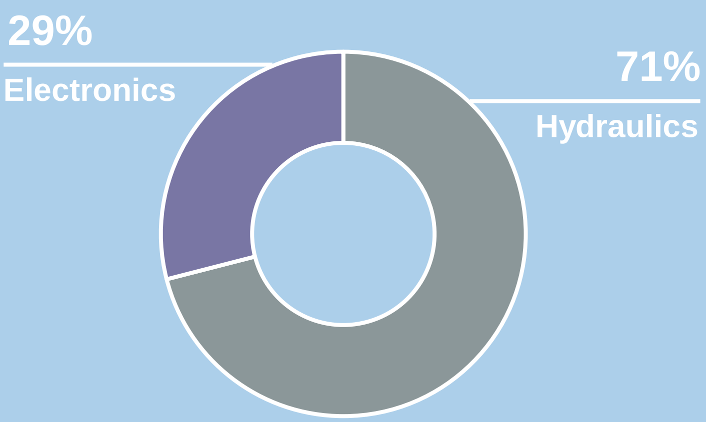
- Outsized growth driven by diversification and innovation
- Strong financials with pathway to grow
- Cash dividend paid for 98 consecutive quarters

Financial & Market Data[1]

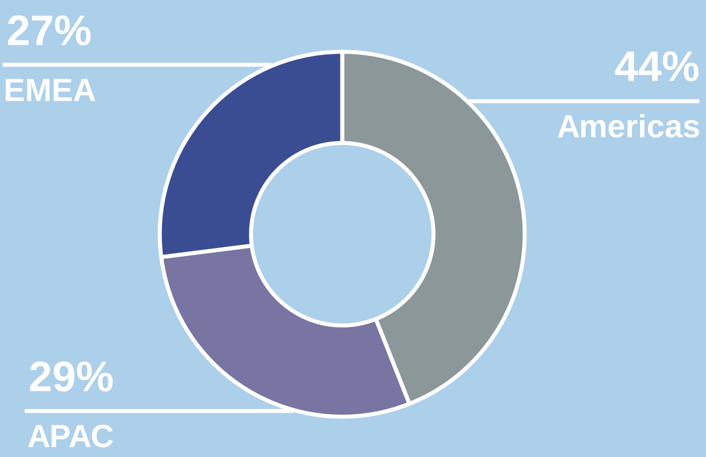
$598M
Revenue

$2.5B
Market Cap.

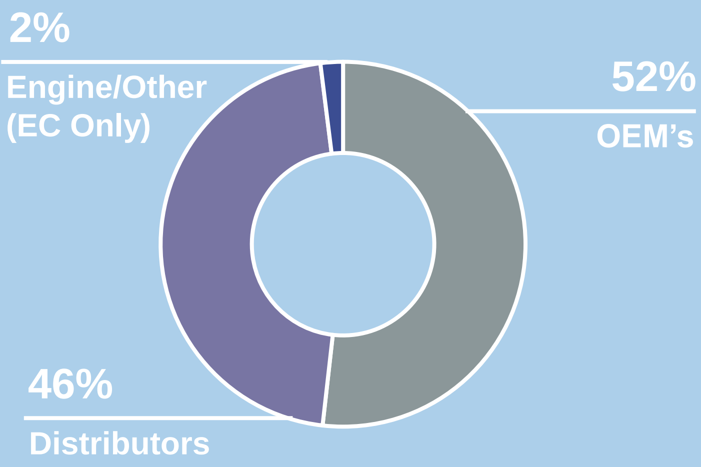
Segments



Geographies



Market Channels



(1) Note: Market data as of July 6, 2021; Financial data represents the full year ended April 3, 2021.

Helios Business System

1. Drive the cash flow engine
2. Deliver new products
3. Leverage existing products
4. Cultivate customer centricity

1. Champion a global operating mindset
2. Leverage global resources and assets
3. Manufacture to support diverse end markets
4. Accelerate innovation
5. Build in the region, for the region

1. Develop and engage global talent
2. Embrace diversity and shared values
3. Instill a customer-centric culture
4. Promote a learning organization

1. Diversify end markets
2. Grow wallet share
3. Lead with technology
4. Address white spaces
5. Monetize synergies

Accelerated Plans

Hitting $1B Milestone in Sales Two Years Early

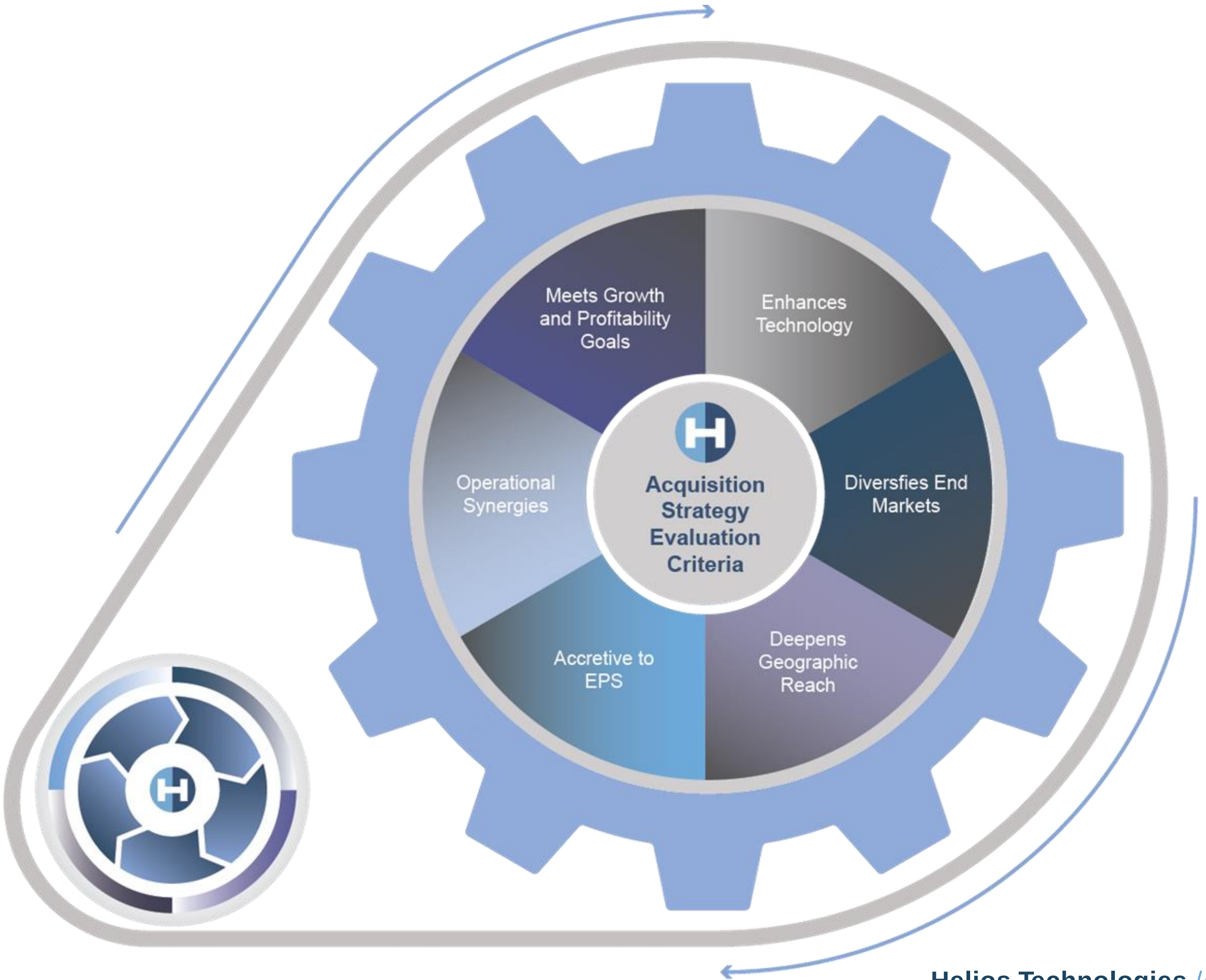
- ≥$1B in Sales by YE 2023
- Organic Sales Growth ~2x Market Rates
- ~25% Adj. EBITDA Margin[1] by YE 2023
- Organic Non-GAAP Cash EPS CAGR[2] ≥22%

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%.

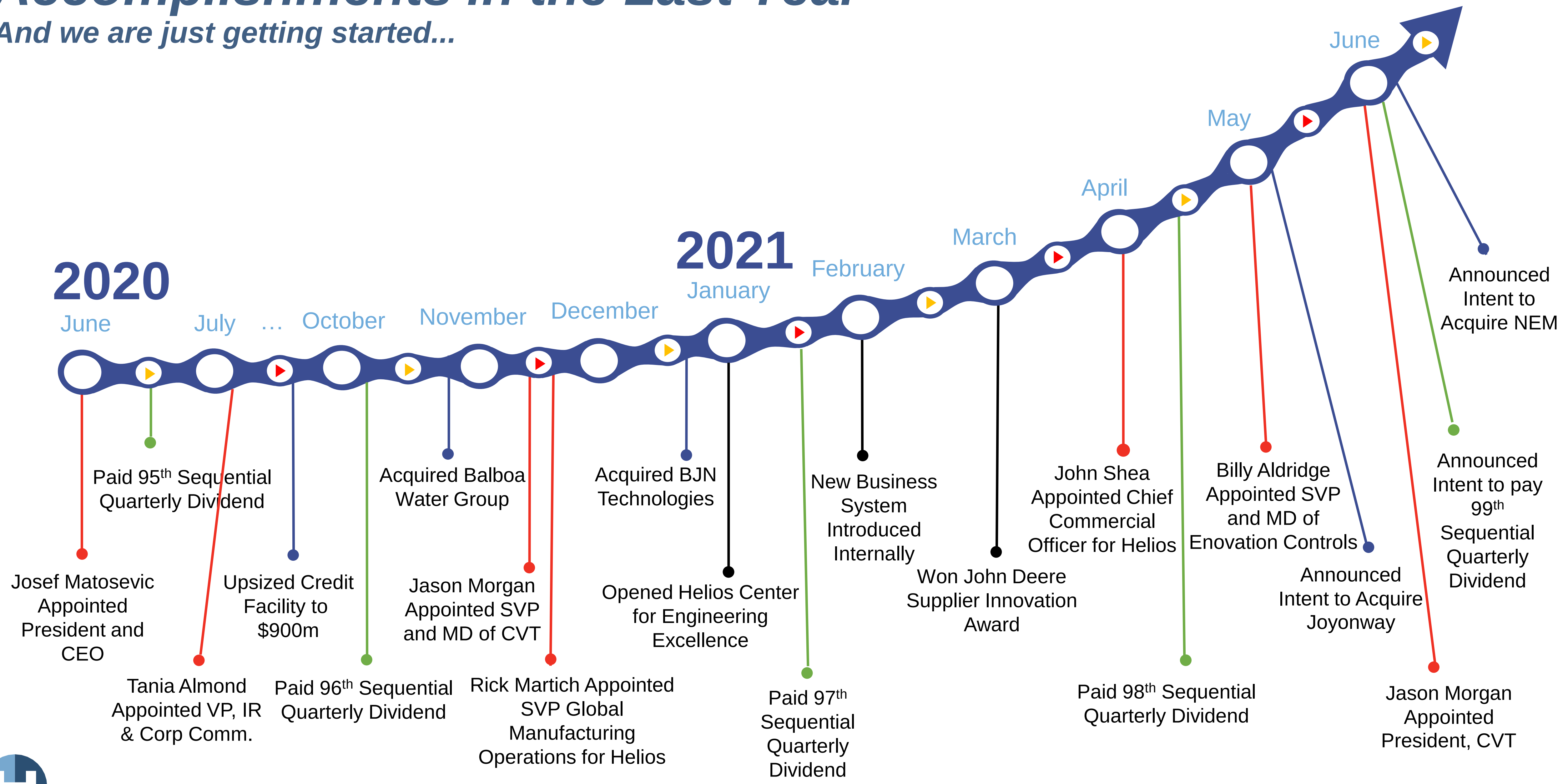
A Scalable Approach to Implementing Strategy

Business System Driving Acquisition Strategy



Accomplishments in the Last Year

And we are just getting started...



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

Hydraulics Segment Overview

HELIOS TECHNOLOGIES

sun hydraulics

seungwon solution

sun FLeX

NEM

(Announced Intent to Acquire)

Faster

easier to connect.

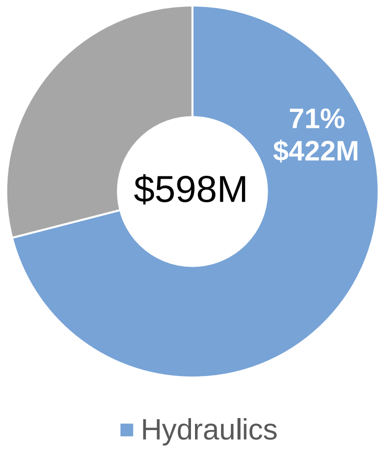
CUSTOM fluidpower

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

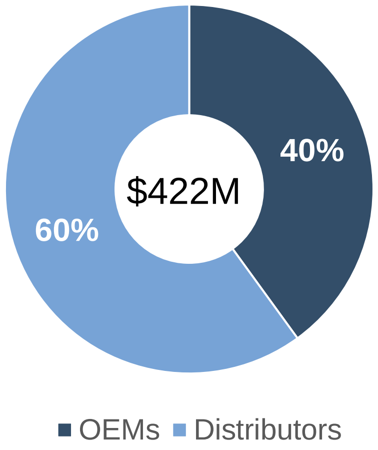
Segment Revenue as % of Total

(1Q21 LTM)



Hydraulics Revenue by Channel

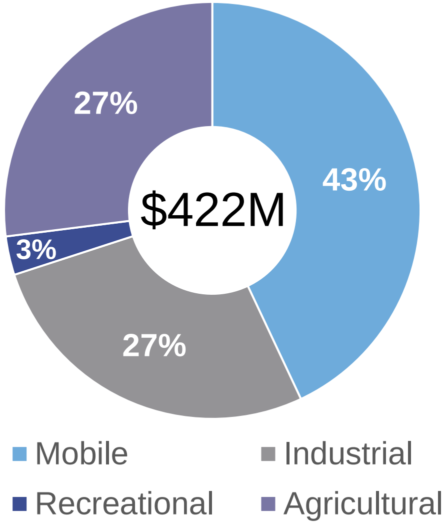
(1Q21 LTM)



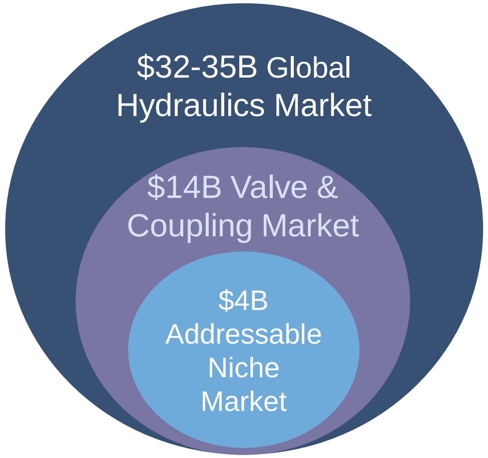
Hydraulics End Markets Today

Revenue by End Market

(1Q21 LTM)



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

- Dedicated Sales Force
- Executive Engagement
- Strategic Positioning
- Channel Management Integrity
- Market-driven Innovation

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

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

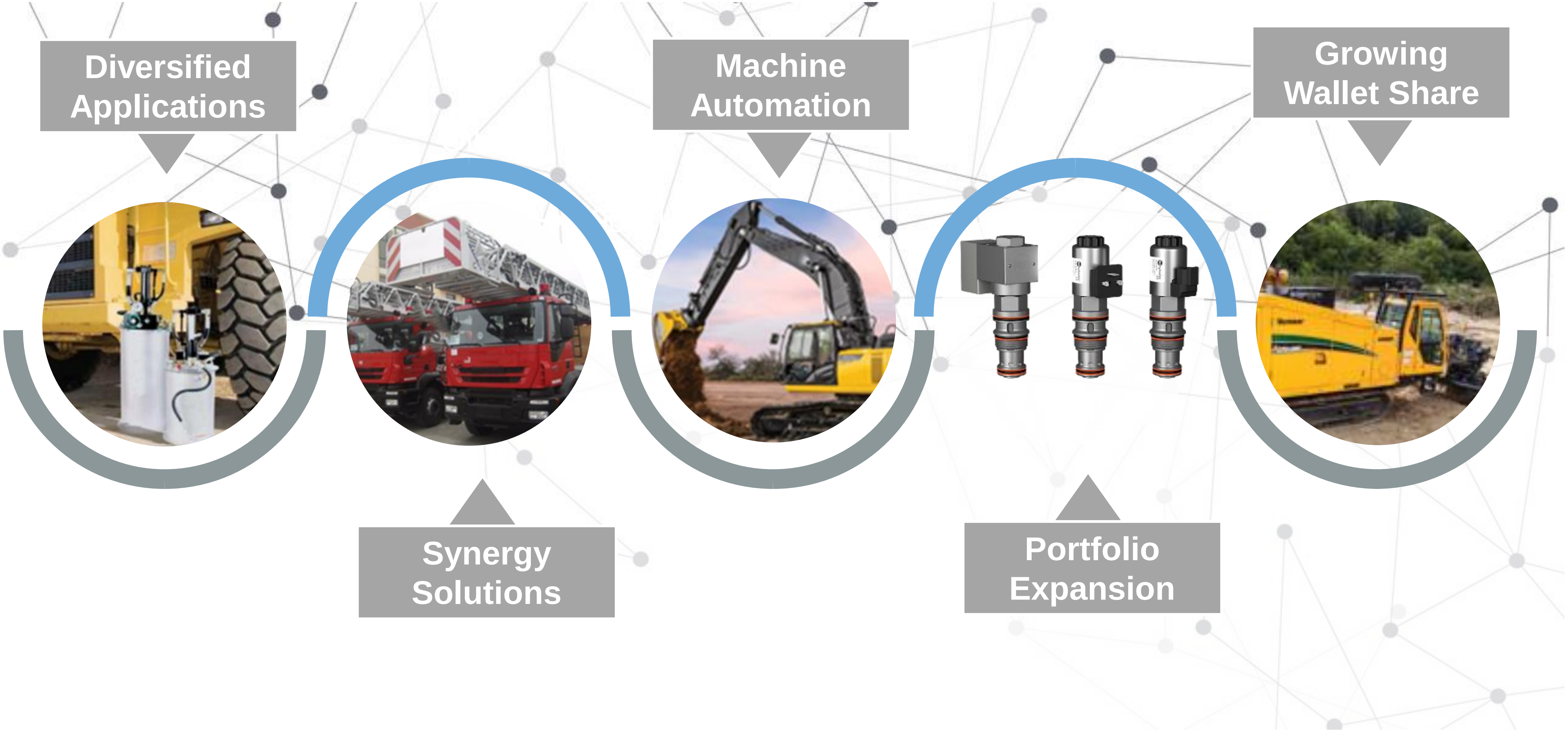

Recreational


Pharmaceutical


Health & Wellness


Thermo-Dynamic

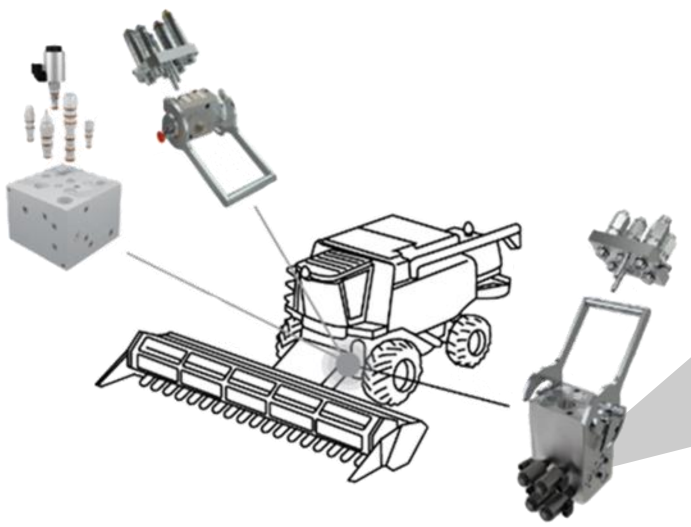
New Product Innovations in Hydraulics



John Deere Supplier Innovation Award

Combining the advantages and features of MultiFaster and Sun electrohydraulic cartridge valves into an integrated manifold - reducing complexity and increasing reliability of the hydraulic circuit as a result.

TYPICAL SOLUTION



INTEGRATED SOLUTION

Combined Technologies for Systems Solutions

Special multiconnection combined with an integrated valve system from Sun Hydraulics provides efficient operation and optimal performance.

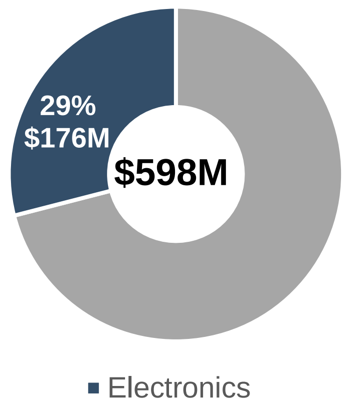
MAIN ADVANTAGES

- More than 60% reduction in potential leak point vs. typical solutions
- All advantages of Sun Hydraulics valves and MultiFaster combined
- Connection Under Residual Pressure (male side)
- Current Target application HARVESTERS (Faster market share >70%)
- 1st Business with John Deere
- Ongoing talks with AGCO Italy (with SUN Germany collaboration)

Electronics Segment Overview

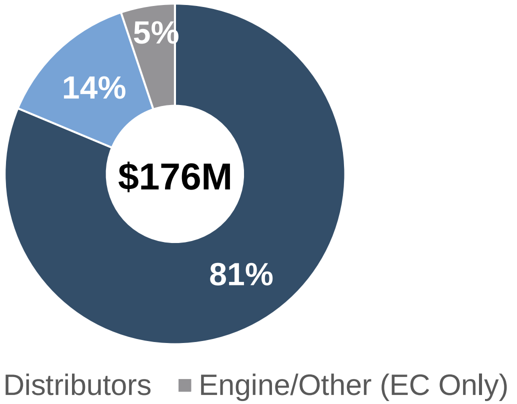
Segment Revenue as % of Total

(1Q21 LTM)



Electronics Revenue by Channel

(1Q21 LTM)



HELIOS TECHNOLOGIES

ENOVATION CONTROLS

MURPHY by ENOVATION CONTROLS

Rugged Electronic Monitoring & Control Solutions

HCT by ENOVATION CONTROLS

Hydraulic Control Solutions

ZEROOFF by ENOVATION CONTROLS

GPS Speed Control for Recreational Marine

BALBOA water group

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

JOYONWAY

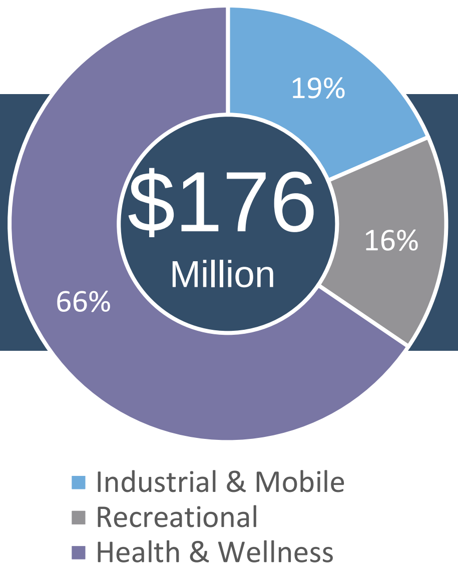
Announced Intent to Acquire

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

Electronics End Markets Today

Revenue by End Market

(1Q21 LTM)



Industrial & Mobile

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

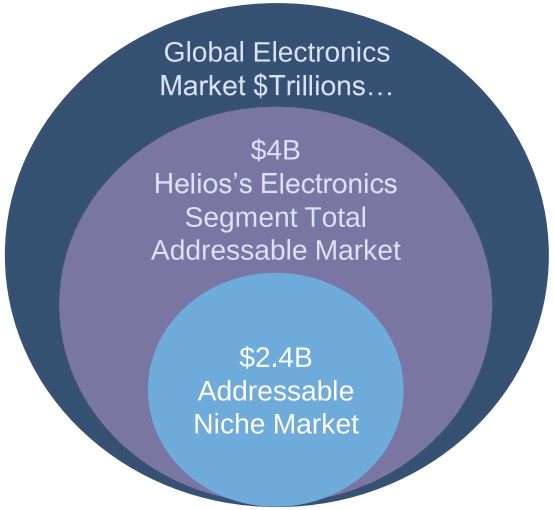
Recreational

- 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.

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

New Electronics Product Innovations

Motorcycle Displays

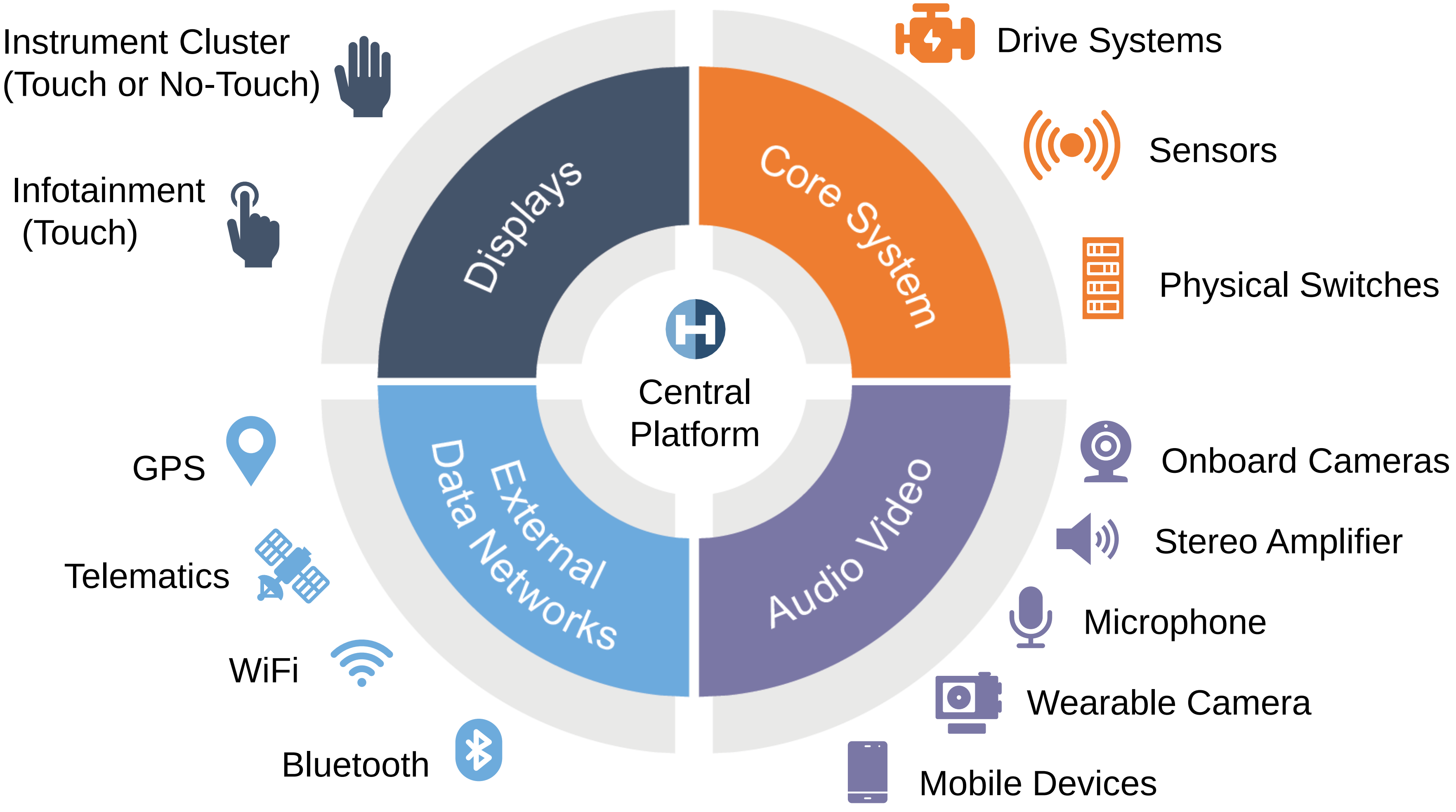
Spa Touch Screens

Off Road Displays

Integrated Heat Pump

Machine Controller

Electronics Modular Central Platform Offerings



Think and Act Global

Streamlining the Customer Experience Lifecycle

CURRENT STATE

Customer | **Helios Team** | **Business Segment**

Sun hydraulics

Faster easier to connect.

ENOVATION CONTROLS

BALBOA water group

FUTURE STATE

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

Integrated Sales Team ↔ Integrated Innovation Team ↔ Integrated Manufacturing Team

Innovating Sales and Marketing Globally

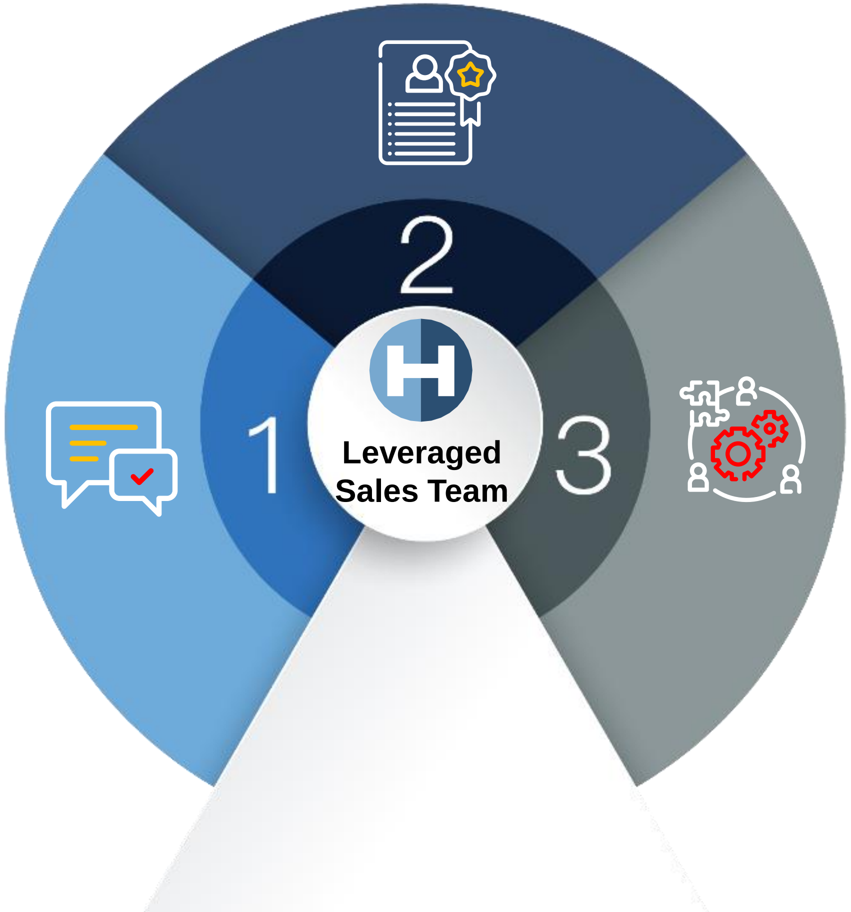
Cooperate globally – simplify the customer experience

Standardized Training

- Cross functional training of sales and application teams
- Development of Market Segment Experts
- Leverage geographic market expertise to cross sell

Internal Communication

- Companywide Customer Relationship Management (CRM)
- Standardized cadence on customer outreach
- Sharing of Voice of the Customer (VOC) and trip reports



Coordinated Marketing

- Highlight Helios as opposed to different subsidiaries
- Standardized marketing materials for trade shows, dealer meetings, etc.
- Promote System sales
- Develop mobile marketing kits
- Customer Experience Center

Helios Go-To-Market Strategy

Market Segment Leads

- Experts with commercial and technical experience in target markets
- Strategic geographic leads

Seed Customers

- Leverage existing strong relationships to gain access
- Select one or two to partner with
- Perfect the process

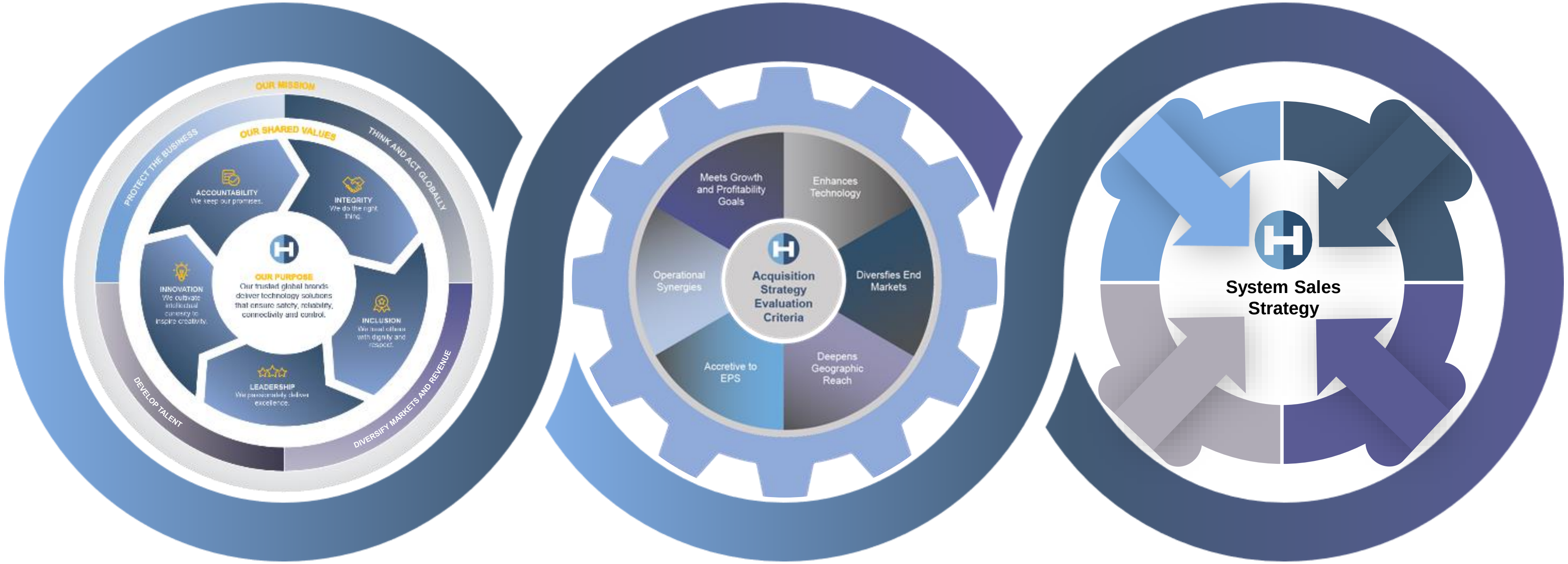
Partners

- Strategic OEMs
- Diversified markets
- Leverage channel partners

Swarm Theory

- Team of resources to help provide customer solutions
- Become the “go to” partner

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

Helios Center of Engineering Excellence (HCEE) Philosophy

HCEE in Action

Product/Solution Concept

Project Type

- Intercompany
- Diversity
- Global
- Innovation

HCEE Compatible → Project:

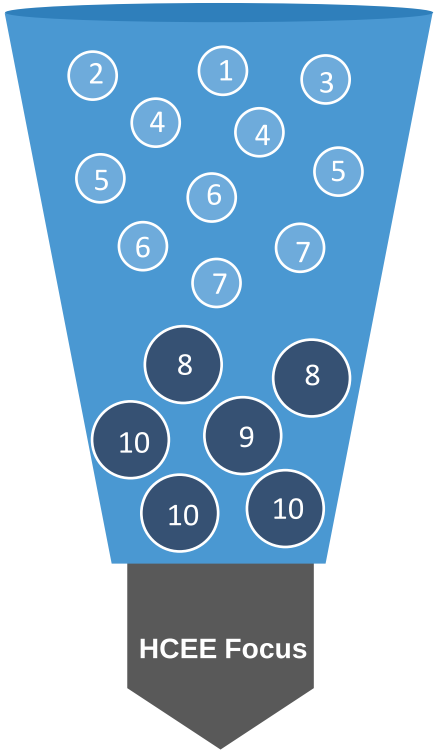
- Strategic Value
- Time to Revenue
- Annual Revenue at Maturity
- Expected Lifetime of Product
- Familiarity with Customers
- Probability of Project Success

VALUE

COMPLEXITY

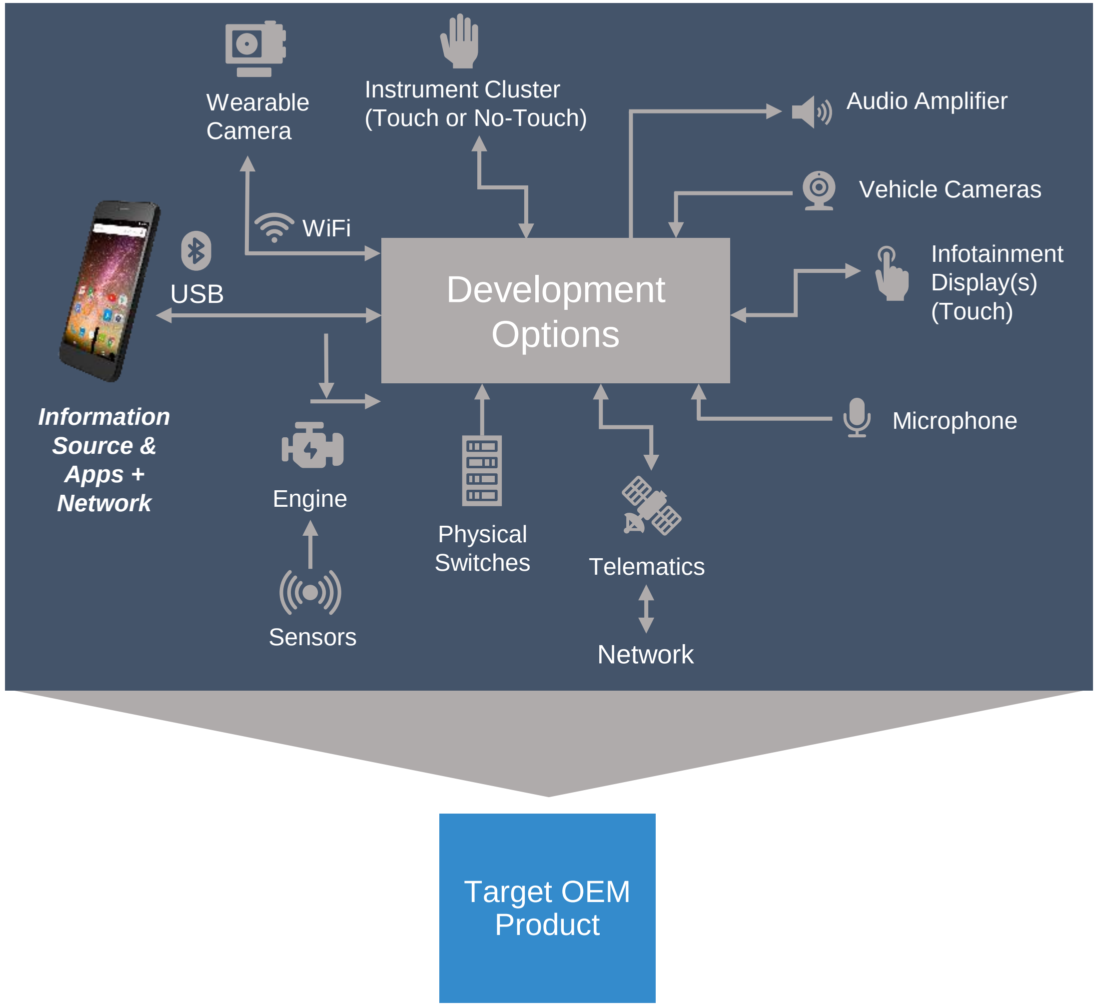
- Familiarity to Technology Domain
- Technology Reuse
- Maintenance/Continued Support
- Market Familiarity
- Financial Expense to Realize
- Project

Non-**HCEE** Compatible → Redirect to Subsidiary



HCEE Multiplier Effect

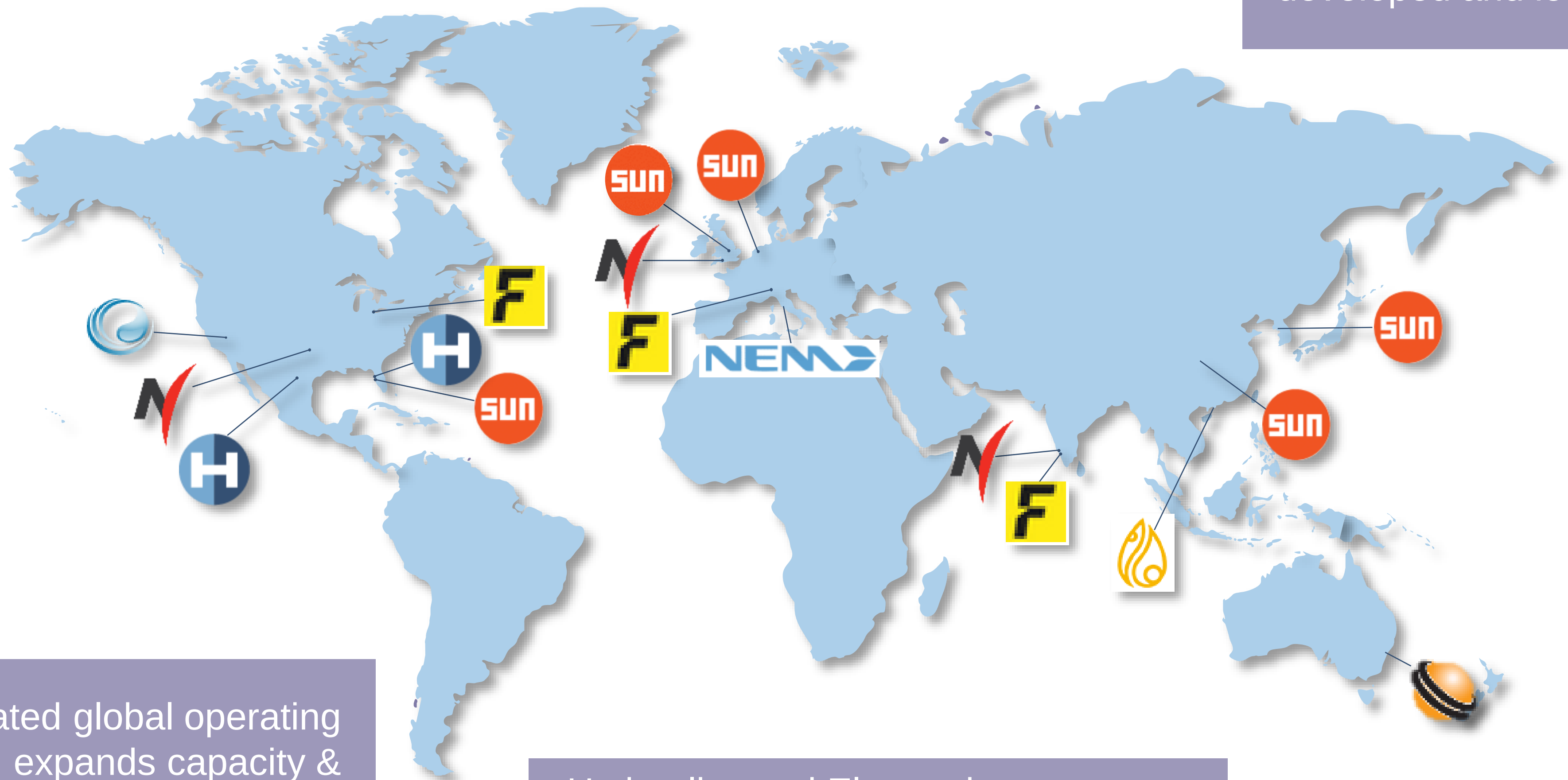
BEFORE Focus on one customer's request



AFTER Fulfill customer's request, multiply outputs

Expansive & Growing Global Manufacturing Reach

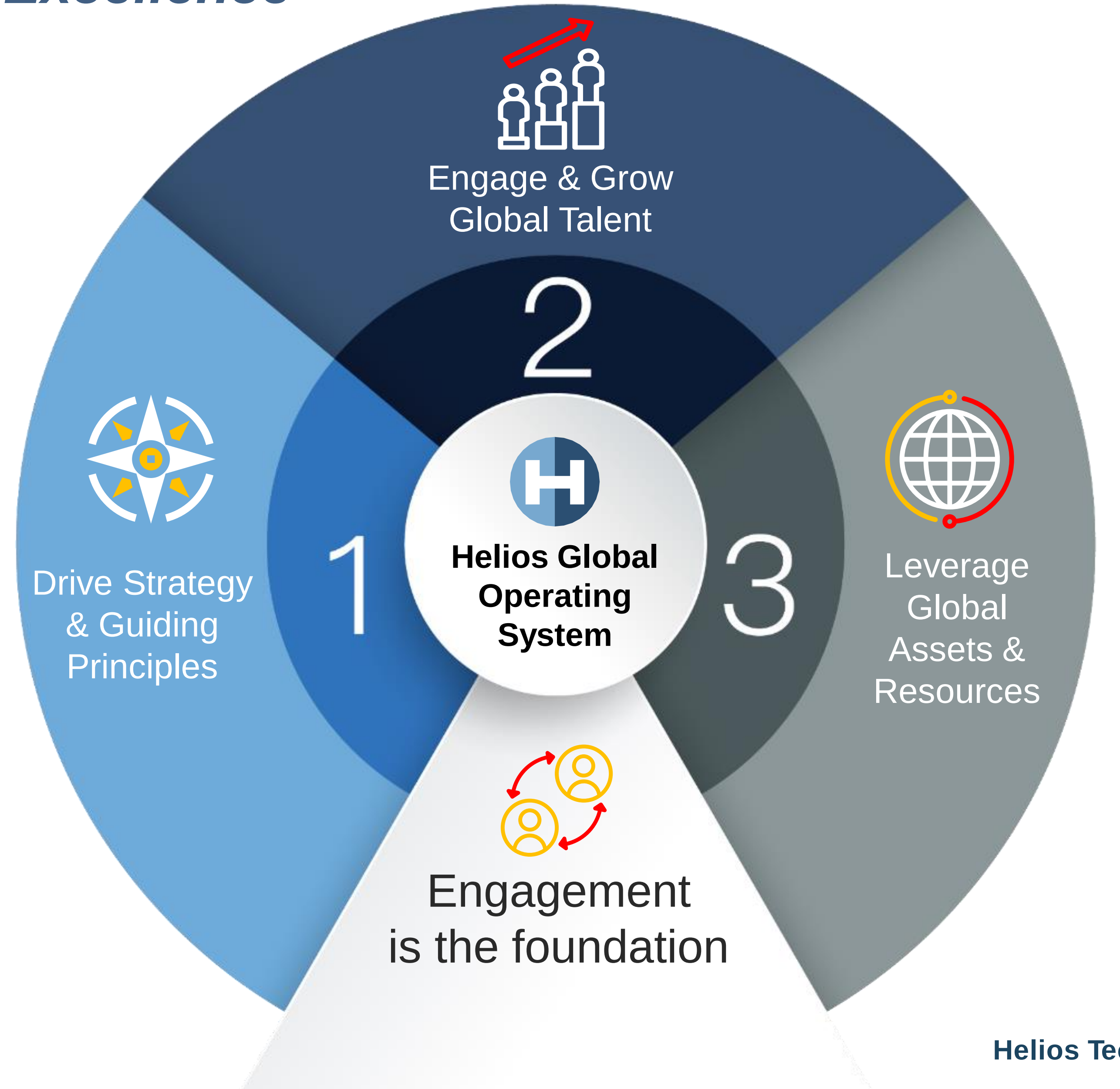
Manufacturing centers in developed and low-cost locations



Integrated global operating system expands capacity & capabilities

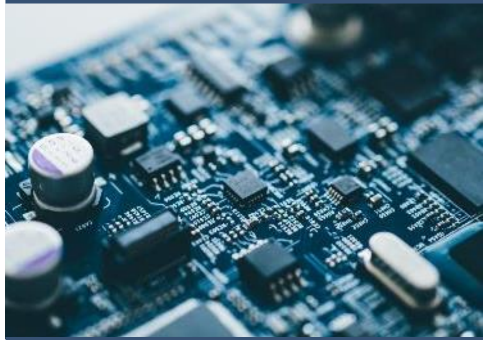
Hydraulics and Electronics manufacturing capabilities within the Americas, EMEA, and APAC

Global Operating System
Driving Operational Excellence



Measuring Success

Competencies



Our manufacturing process technologies, operating system capabilities, and global footprint unlock new commercial opportunities

Costs

Relentless improvements in Quality and Environmental footprint reduce costs

Performance

Market leading Quality, Delivery, and Productivity protects the business and delights customers

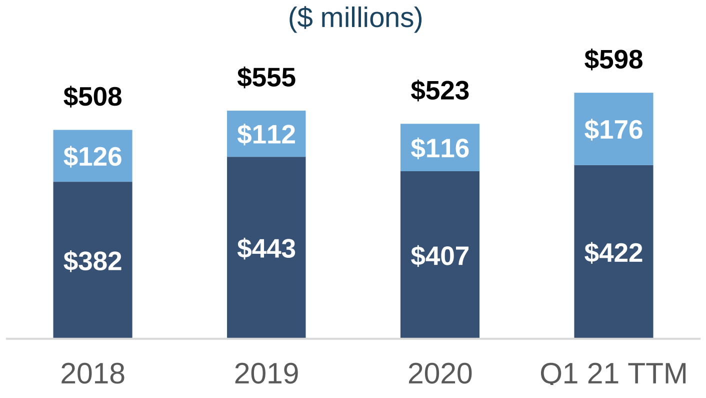
Supply Chain

Strategic make/buy decisions and carefully crafted supply chains mitigate risk, lead times and costs

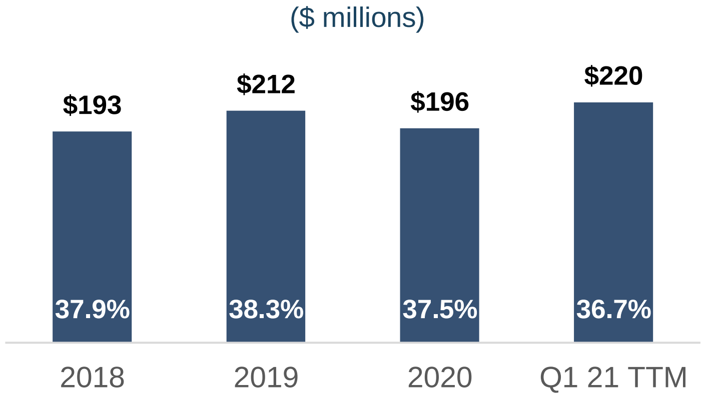
Global Manufacturing Operations enables Global Growth while Driving Profitability

Strong Financial Performance

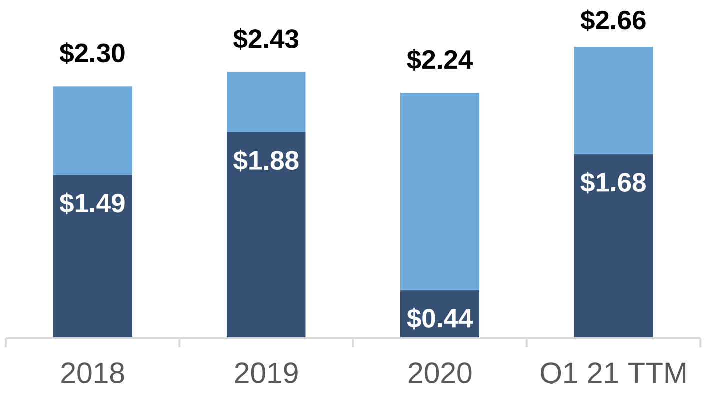
Revenue



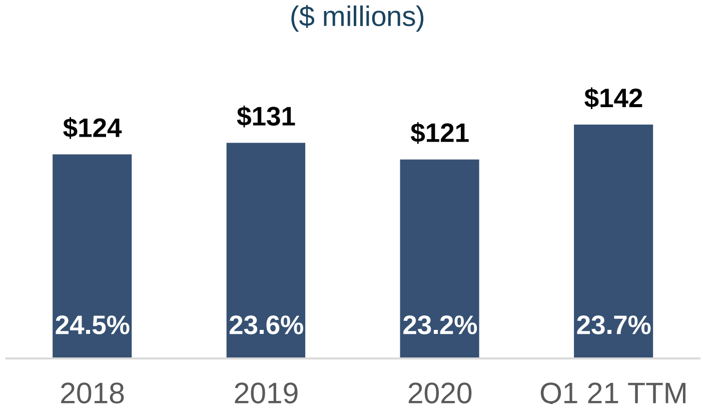
Gross Profit & Margin



EPS & Non-GAAP Cash EPS



Adjusted EBITDA & Margin

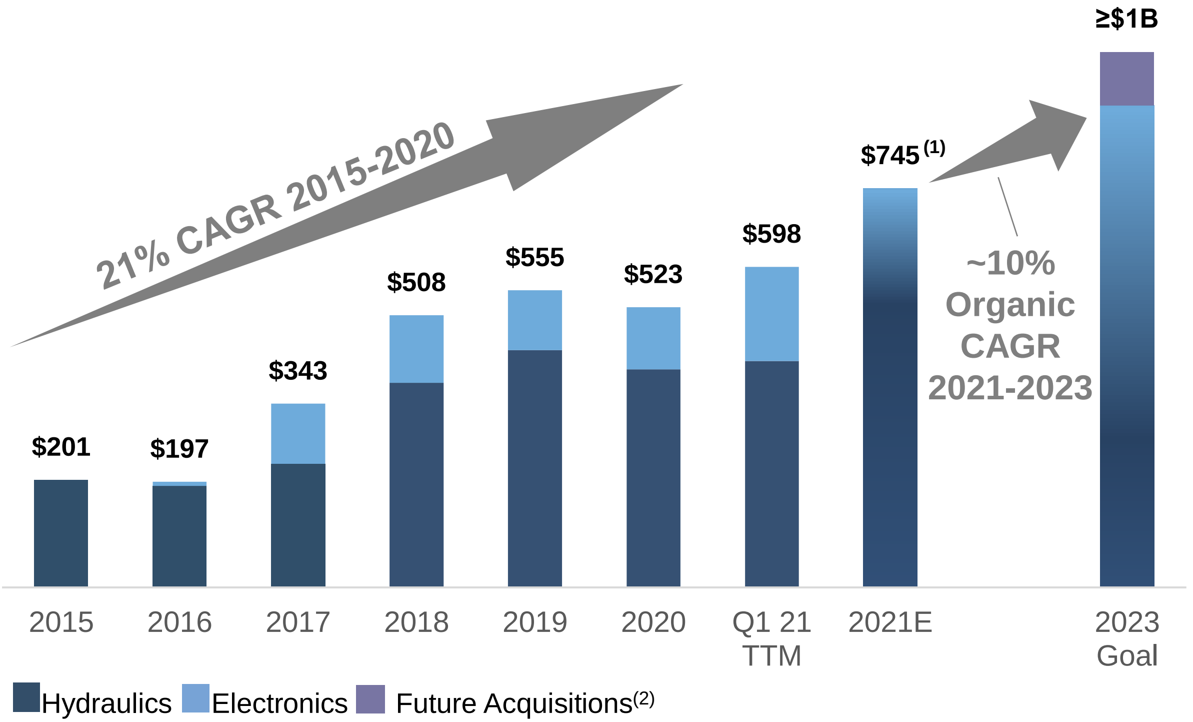


Note: Components may not add to totals due to rounding.
See Supplemental Information for definition of non-GAAP Cash EPS and Adjusted EBITDA and Margin, and reconciliation from GAAP and other disclaimers regarding non-GAAP information.

Accelerating Growth: Hitting $1B Milestone Two Years Early

Historic and Projected Revenue

($ millions)

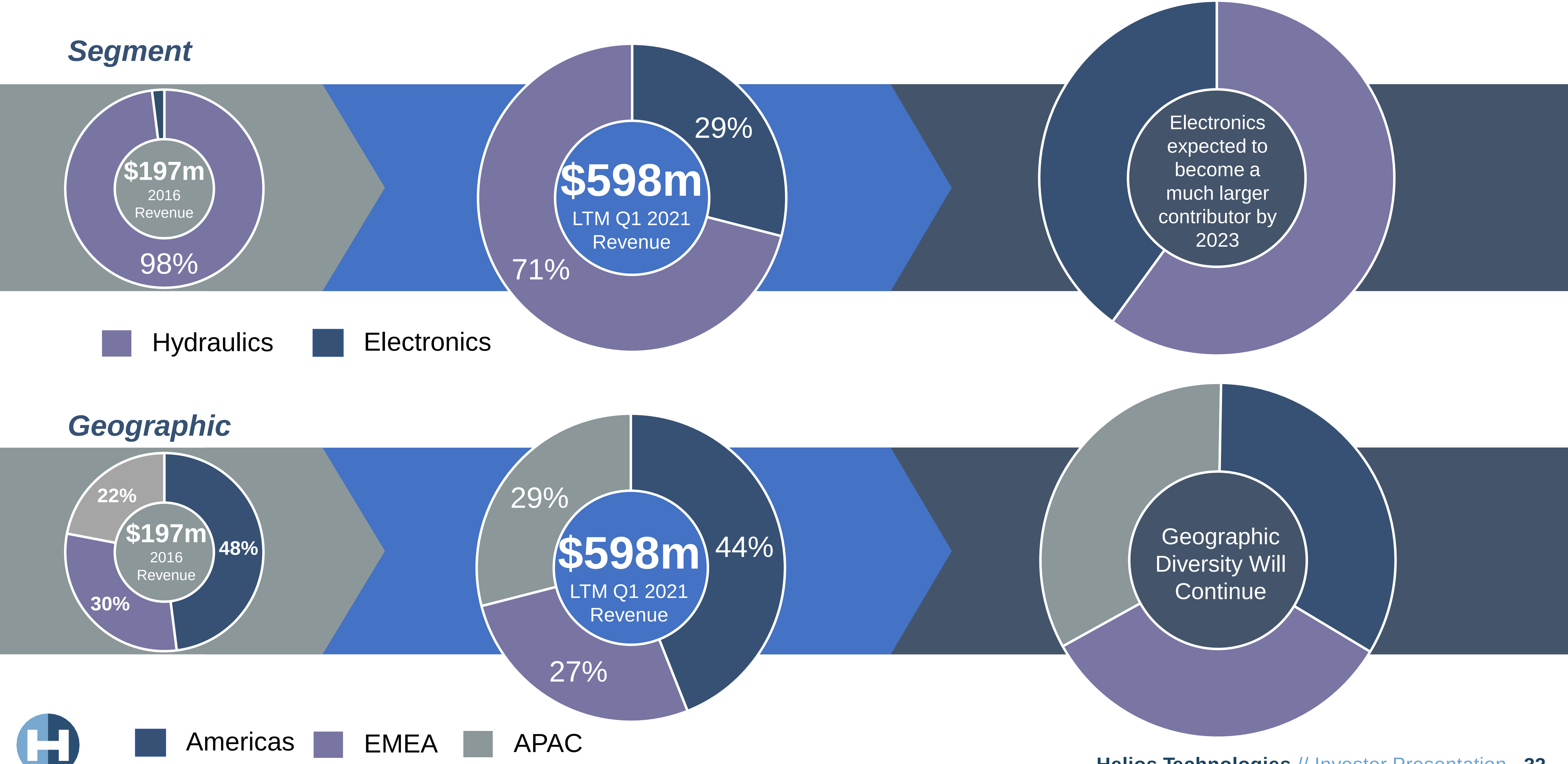


Growth Highlights

- 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

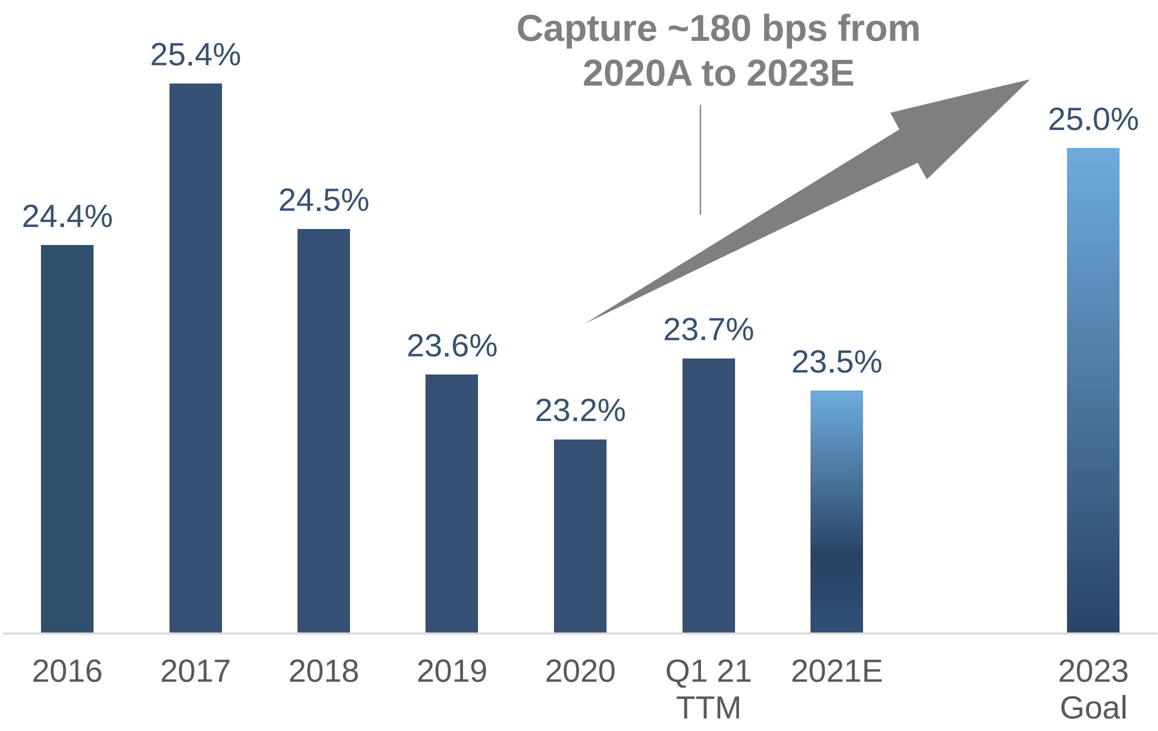
(1) 2021E Mid-Point of FY2021 Outlook provided on May 10, 2021.
(2) Future acquisitions include those announced and not yet closed.

Revenue Diversification Expected to Continue



Strong Margins with a Pathway to Grow

Historic and Projected Adj. EBITDA Margin



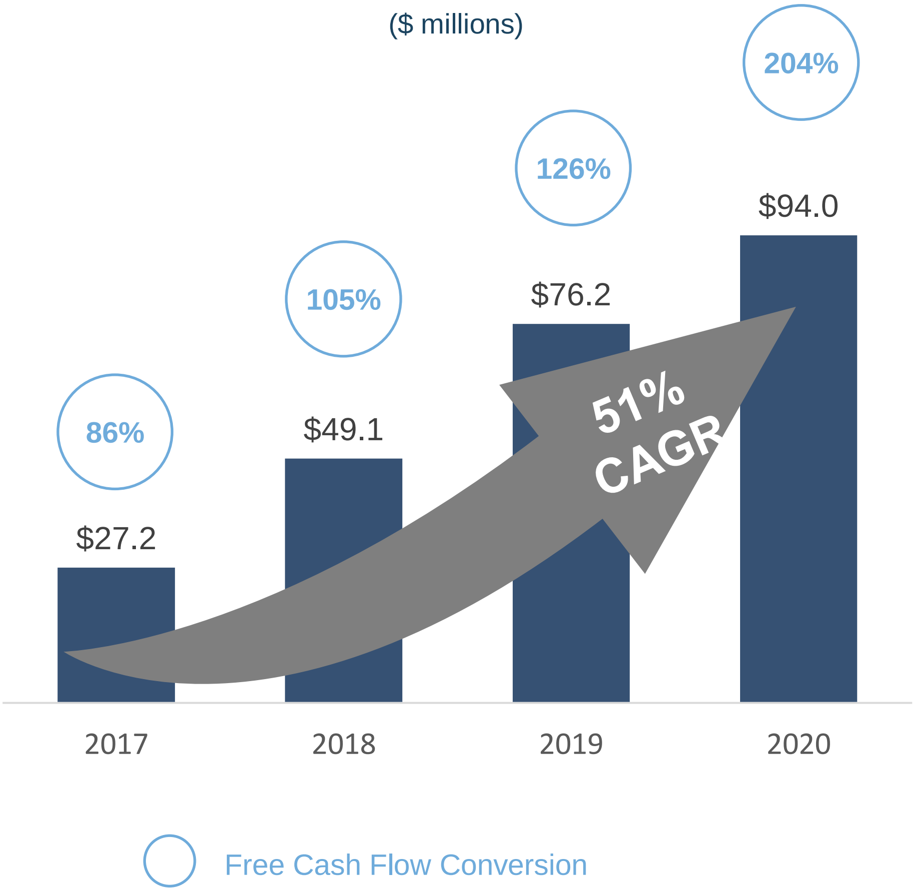
Growth Highlights

- 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

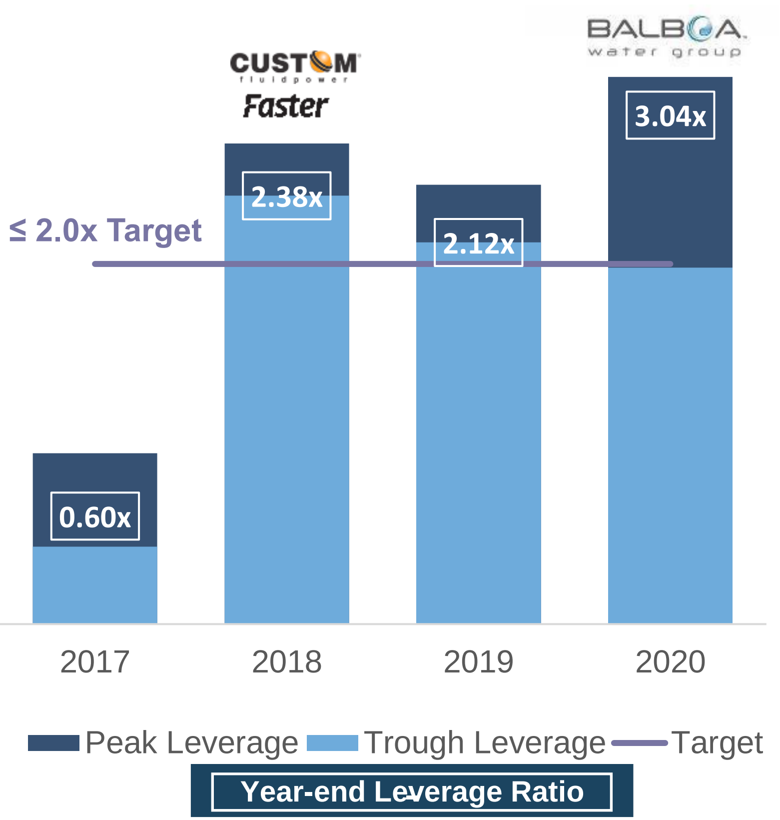
Note: 2021E Mid-Point of FY2021 Outlook provided on May 10, 2021

Solid Cash Position

Historic Annual Free Cash Flow



Historic Annual Leverage[1]



Highlights

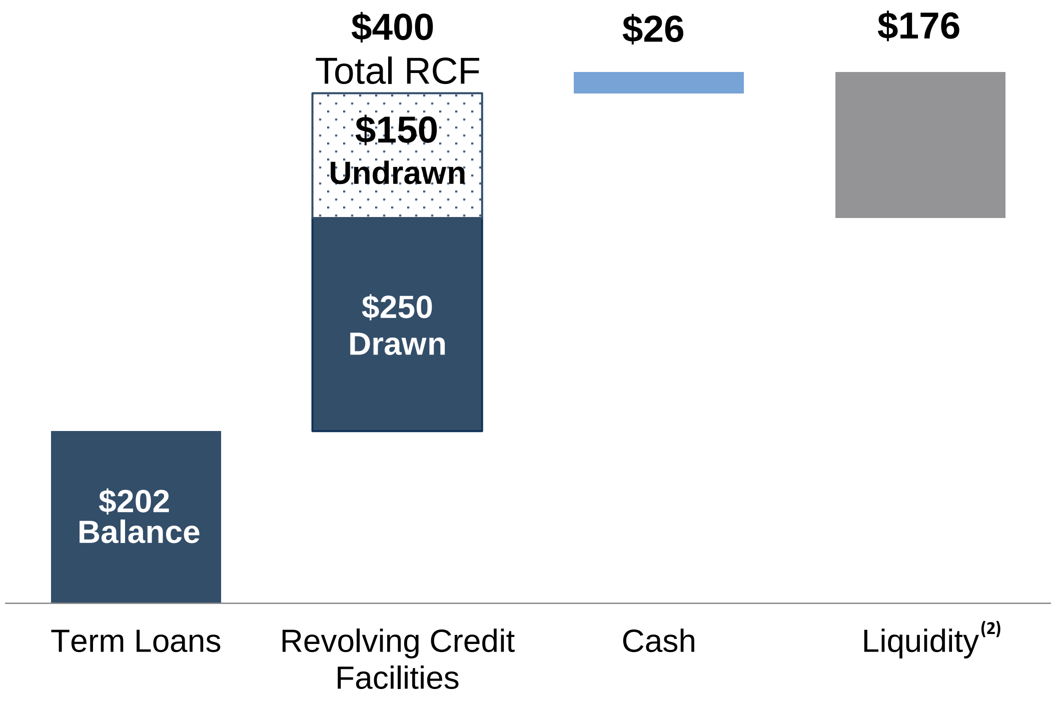
- Ability to convert FCF and increase it over time
- Self-funding acquisition strategy over time
- FCF dollars and conversion has gone up each year over the last four
- Target leverage ratio ≤2.0x of net debt to Adjusted EBITDA
- Continue to deliver FCF growth with revenue expansion
- Expect Capex to be 4% to 5% of sales

(1) Boxed number represents the year-end level with the peak and trough within each year represented by the dark and light blue areas; Reflects a non-GAAP measure; see supplemental slide for a reconciliation to the most comparable GAAP measure.

Strong Liquidity Position

Capital Structure

($ millions, Ending Q1 2021)



Highlights

- Current: Net Debt / Adj. EBITDA[1]: 2.65x
- Target: Net Debt / Adj. EBITDA ≤ 2.0x
- Structure enables disciplined acquisition strategy
- Continue to flex up for acquisitions then quickly de-lever back toward target leverage
- Liquidity of $176M ending Q1 2021
- Maintaining financial flexibility in uncertain macroeconomic environment

Note: Components may not add to totals due to rounding.

(1) Information as of April 3, 2021. Based on adjusted EBITDA on a trailing twelve months basis and on a pro-forma basis for Balboa Water Group. See supplemental slide for net debt-to-Adjusted EBITDA reconciliation and other important information regarding Helios's use of net debt-to-Adjusted EBITDA.

(2) Liquidity is based on actual cash and borrowing capacity as of April 3, 2021; revolving credit facilities also allow for a $300 million accordion, subject to certain pro forma compliance requirements, not reflected above.

Capital Allocation Priorities

Capital Allocation Priorities

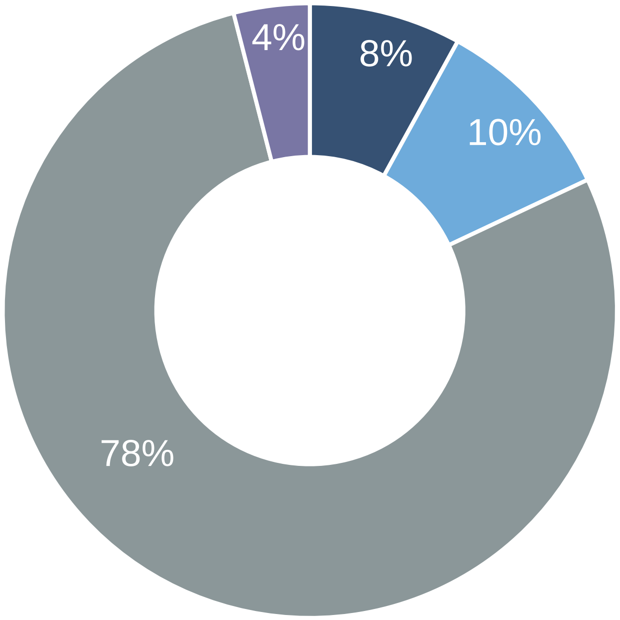
1 ORGANIC GROWTH
- Grow at ~2x market
- New product development
- Integrate electronics and hydraulics know-how
- Support product platform

2 DEBT REDUCTION
- Goal of ≤ 2.0x net debt / adjusted EBITDA

3 ACQUISITIVE GROWTH
- Ongoing assessment of M&A opportunities

4 SUPPORT DIVIDEND
- Maintain quarterly dividend

Last 5 Years



Near-Term

Proven M&A Framework

Goals	Targets	Integration Model
• Meets Growth and Profitability Goals • Enhances Technology • Diversifies End Markets • Deepens Geographic Reach • Accretive to EPS • Operational Synergies	• Strong management • Culture supporting innovation • Superior profitability • <$100M "Flywheel" bolt-on • >$100M "Transformational"	• Successful on standalone basis • Retain employees • Keep customer relationships • Retain brands • Leverage engineering expertise • High emphasis on sales synergies

Business Segment	Hydraulics		Electronics
Portfolio/ Technology	Cartridge Valve Technology (CVT)	Quick Release Couplings (QRC)	Electronic Controls & Instrumentation
Brands	Faster, sun hydraulics, CUSTOM fluidpower, NEM (*Announced Intent to Acquire*)		ENOVATION CONTROLS, BALBOA water group, MURPHY by ENOVATION CONTROLS, JOYONWAY (*Announced Intent to Acquire*)

M&A Scorecard

Acquisition Type:	Enovation Controls 2016 Transformational	Faster 2018 Transformational	Custom Fluidpower 2018 Flywheel	Balboa Water Group 2020 Transformational	BJN Technologies 2021 Flywheel	Joyonway 2021 (Pending) Flywheel	NEM 2021 (Pending) Flywheel
1 Meets Growth & Profitability Goals	✓	✓		✓	✓	✓	✓
2 Enhances Technology	✓	✓		✓	✓	✓	✓
3 Diversifies End Markets	✓	✓	✓	✓	✓		
4 Deepens Geographic Reach		✓	✓	✓		✓	✓
5 Accretive to EPS	✓	✓	✓	✓		✓	✓
6 Operational 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 EBITDA Reconciliation

(Unaudited) *($ in thousands)*	2016	2017	2018	2019	2020
Net income	$ 23,304	$ 31,558	$ 46,730	$ 60,268	$ 14,218
Interest expense, net	(790)	3,781	13,876	15,387	13,286
Income tax provision	11,597	15,986	9,665	15,039	9,829
Depreciation and amortization	11,318	19,190	39,714	35,215	39,695
EBITDA	45,429	70,515	109,985	125,909	77,028
Acquisition and financing-related expenses	1,537	1,019	5,685	11	7,264
Restructuring charges	-	1,462	170	1,724	361
CEO and officer transition costs	-	-	-	-	2,592
Goodwill impairment	-	-	-	-	31,871
Loss on disposal of intangible asset	-	-	-	2,713	-
Other	-	-	-	127	-
Inventory step-up amortization	1,021	1,774	4,441	-	1,874
M&A integration costs	-	-	-	-	257
One-time operational items	-	2,907	-	-	-
Foreign currency forward contract loss	-	-	2,535	-	-
Change in fair value of contingent consideration	-	9,476	1,482	652	(47)
Adjusted EBITDA	$ 47,987	$ 87,153	$ 124,298	$ 131,136	$ 121,200
Adjusted EBITDA margin	*24.4%*	*25.4%*	*24.5%*	*23.6%*	*23.2%*
Pre-acquisition adjusted EBITDA	-	-	13,844	-	22,589
Pro forma adjusted EBITDA	$ 47,987	$ 87,153	$ 138,142	$ 131,136	$ 143,789

Non-GAAP Financial Measure:

Adjusted EBITDA margin is Adjusted EBITDA divided by sales. Adjusted EBITDA and Adjusted EBITDA margin are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Helios believes that providing non-GAAP information such as Adjusted EBITDA and Adjusted EBITDA margin are important for investors and other readers of Helios's financial statements, as they are used as analytical indicators by Helios's management to better understand operating performance. Because Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures and are thus susceptible to varying calculations, Adjusted EBITDA and Adjusted EBITDA margin, as presented, may not be directly comparable to other similarly titled measures used by other companies.

Adjusted EBITDA Reconciliation

(Unaudited) *($ in thousands)*	Q2 2020	Q3 2020	Q4 2020	Q1 2021	TTM Q1 2021
Net income	**$ 12,908**	**$ 12,982**	**$ 5,551**	**$ 22,587**	**$ 54,028**
Interest expense, net	2,891	2,730	4,714	4,751	15,086
Income tax provision	636	3,380	1,605	6,807	12,428
Depreciation and amortization	8,645	8,784	13,890	15,237	46,556
EBITDA	**25,080**	**27,876**	**25,760**	**49,382**	**128,098**
Acquisition and financing-related expenses	-	101	7,088	922	8,111
Restructuring charges	298	64	-	418	780
CEO and officer transition costs	1,644	622	161	-	2,427
Inventory step -up amortization	-	-	1,874	-	1,874
Acquisition integration costs	-	-	257	594	851
Change in fair value of contingent consideration	(34)	(13)	-	-	(47)
Adjusted EBITDA	**$ 26,988**	**$ 28,650**	**$ 35,140**	**$ 51,316**	**$ 142,094**
Adjusted EBITDA margin	*22.6%*	*23.4%*	*23.2%*	*25.1%*	*23.7%*
Balboa Water Group pre-acquisition adjusted					18,514
TTM Pro forma adjusted EBITDA					**$ 160,608**

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

Non-GAAP Cash Net Income Reconciliation

(Unaudited) ($ in thousands)	2018	2019	2020	TTM Q1 2021
Net income	**$ 46,730**	**$ 60,268**	**$ 14,218**	**$ 54,028**
Amortization of intangible assets	23,262	18,065	22,114	27,997
Acquisition and financing-related expenses	5,685	11	7,264	8,111
Restructuring charges	170	1,724	361	780
Loss on disposal of intangible asset	-	2,713	-	-
Foreign currency forward contract loss	2,535	-	-	-
CEO and officer transition costs	-	-	2,592	2,427
Goodwill impairment	-	-	31,871	-
Inventory step-up amortization	4,441	-	1,874	1,874
Acquisition integration costs	-	-	257	851
Change in fair value of contingent consideration	1,482	652	(47)	(47)
Impact of tax reform	(1,400)	-	-	-
Other one-time tax related items	(1,920)	-	-	-
Other	-	127	-	-
Tax effect of above	(8,850)	(5,823)	(8,604)	(10,498)
Non-GAAP cash net income	**$ 72,135**	**$ 77,737**	**$ 71,900**	**$ 85,523**
Non-GAAP cash net income per diluted share	**$ 2.30**	**$ 2.43**	**$ 2.24**	**$ 2.66**

Non-GAAP Financial Measure:

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

Free Cash Flow Reconciliation

(Unaudited) ($ in thousands)	2017	2018	2019	2020
Net cash provided by operating activities	**$ 49,382**	**$ 77,450**	**$ 90,480**	**$ 108,556**
Contingent consideration payment in excess of acquisition date fair value	-	-	10,731	-
Adjusted net cash provided by operating activities	**49,382**	**77,450**	**101,211**	**108,556**
Capital expenditures	22,205	28,380	25,025	14,580
Adjusted Free cash flow	**$ 27,177**	**$ 49,070**	**$ 76,186**	**$ 93,976**
Net income	31,558	46,730	60,268	14,218
Goodwill impairment	-	-	-	31,871
Net income, less goodwill impariment	**$ 31,558**	**$ 46,730**	**$ 60,268**	**$ 46,089**
Free cash flow conversion	**86%**	**105%**	**126%**	**204%**

Non-GAAP Financial Measure:

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

Net Debt to Adjusted EBITDA Reconciliation

(Unaudited) ($ in thousands)	2017	2018	2019	2020	TTM Q1 2021
Current portion of long-term non-revolving debt, net	$ -	$ 5,215	$ 7,623	$ 16,229	$ 15,841
Revolving lines of credit	116,000	255,750	208,708	256,224	250,212
Long-term non-revolving debt, net	-	91,720	84,062	189,932	186,126
Total debt	**116,000**	**352,685**	**300,393**	**462,385**	**452,179**
Less: Cash and cash equivalents	63,882	23,477	22,123	25,216	25,924
Net debt	**$ 52,118**	**$ 329,208**	**$ 278,270**	**$ 437,169**	**$ 426,255**
Pro forma adjusted EBITDA*	$ 87,153	$ 138,142	$ 131,136	$ 143,789	$ 160,608
Ratio of net debt to TTM pro forma adjusted EBITDA	**0.60**	**2.38**	**2.12**	**3.04**	**2.65**

*2018 is on a pro-forma basis for the Custom Fluid Power and Faster acquisitions. 2020 and TTM Q1 2021 are on a pro-forma basis for the Balboa Water

Non-GAAP Financial Measure:

Net debt is total debt minus cash and cash equivalents. Net debt-to-Adjusted EBITDA is net debt divided by Adjusted EBITDA. Net debt and net debt-to-Adjusted EBITDA are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, Helios believes that providing non-GAAP information such as net debt and net debt-to-Adjusted EBITDA are important for investors and other readers of Helios's financial statements, as they are used as analytical indicators by Helios's management to better understand operating performance. Because net debt and net debt-to-Adjusted EBITDA are non-GAAP measures and are thus susceptible to varying calculations, net debt and net debt-to-Adjusted EBITDA, as presented, may not be directly comparable to other similarly titled measures used by other companies.