



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



# ***Investor Presentation***

***March 2022***

Josef Matosevic – President & CEO

Tricia Fulton – Chief Financial Officer

Tania Almond – VP of 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; 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, 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)

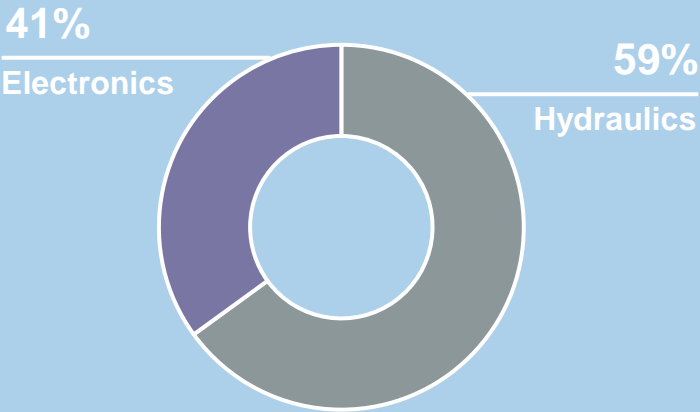
Global leader in highly engineered motion control and electronic controls technology for diverse end markets

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

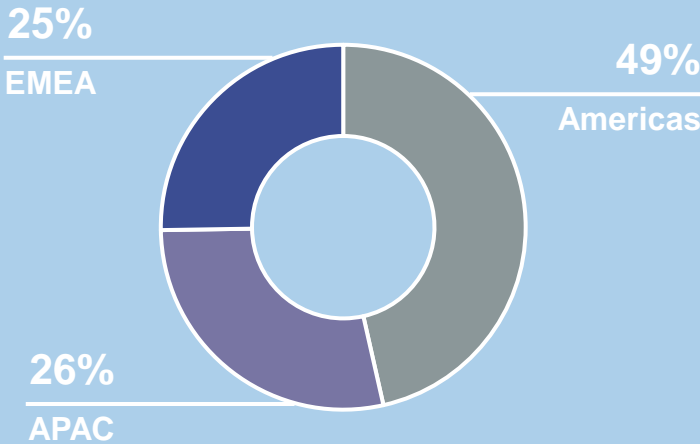
## Financial & Market Data<sup>(1)</sup>

<b>\$869M</b>	<b>\$2.4B</b>
Revenue	Market Cap.

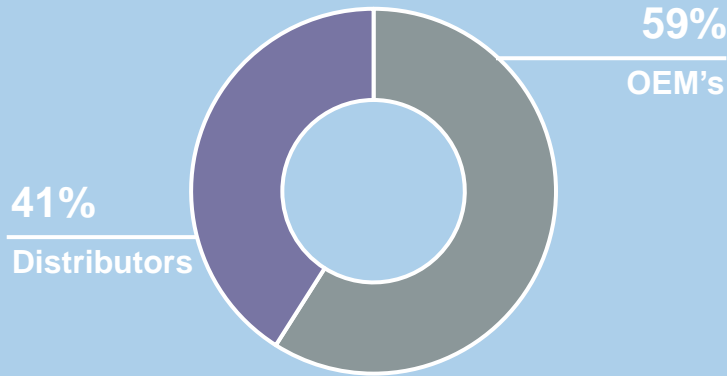
## Segments



## Geographies

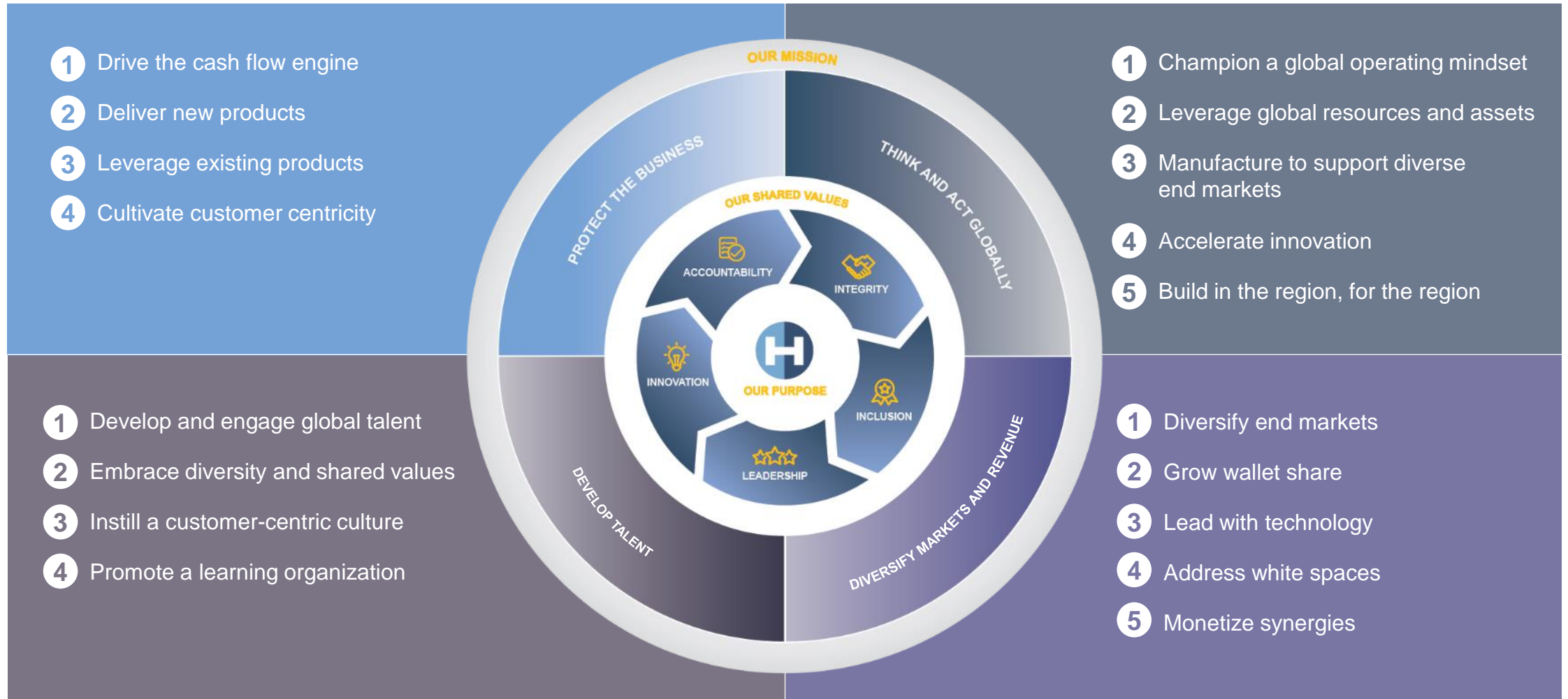


## Market Channels<sup>(2)</sup>



(1) Note: Market data as of March 1, 2022; Financial data represents FY ended January 1, 2022.  
(2) Market channels data as 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

Customer

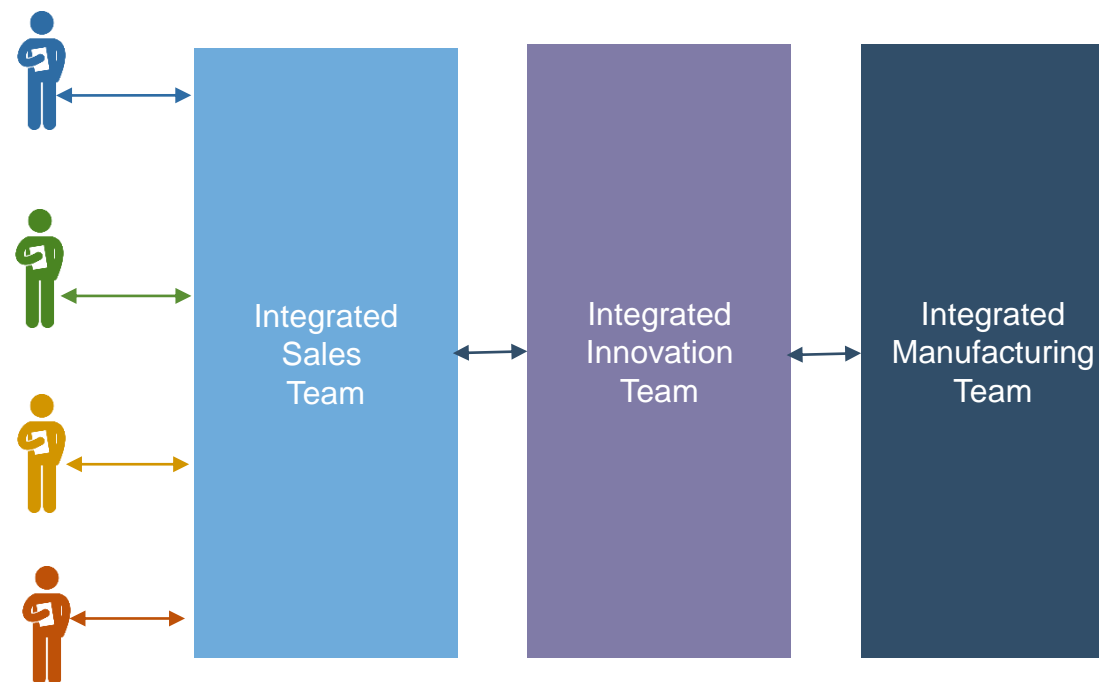
Helios Team

Business Segment



### FUTURE STATE

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



# 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

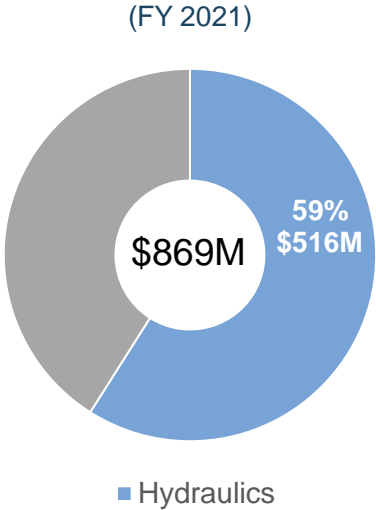


Distribution of hydraulic, pneumatic, filtration, lubrication and electronic products; system design & installation, servicing & repairs

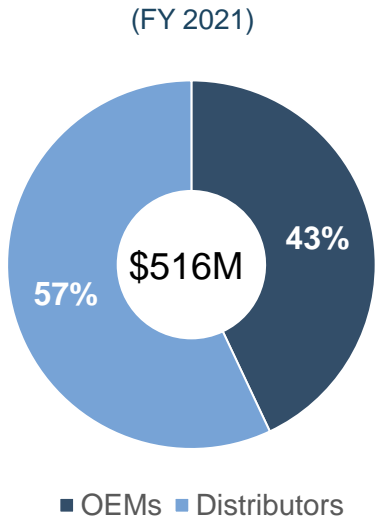


Our trusted global brands deliver technology solutions that ensure safety, reliability, connectivity & control

## Segment Revenue as % of Total



## Hydraulics Revenue by Channel

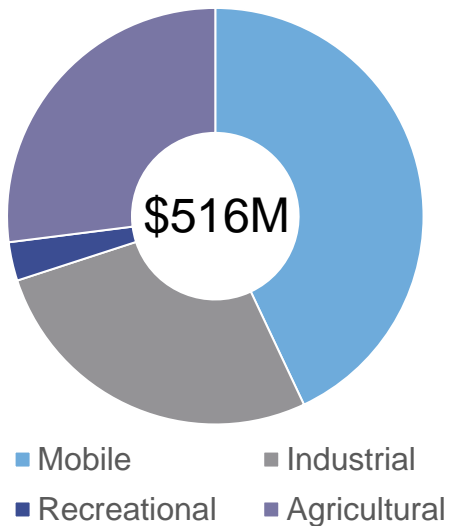




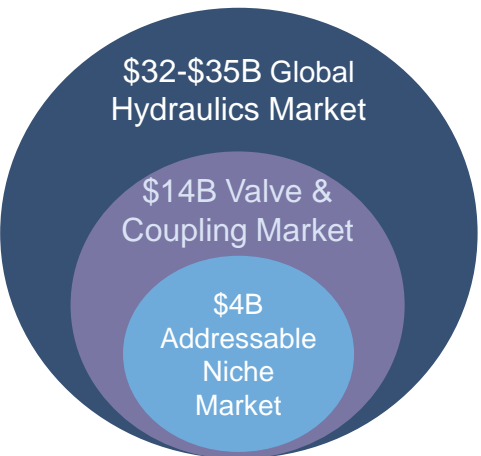
# Hydraulics End Markets Today

## Revenue by End Market

(FY 2021)



## Current Total Addressable Market<sup>(1)</sup>



## Defining End Markets

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



Mobile

Dedicated  
Sales Force



Industrial

Executive  
Engagement



Agricultural

Strategic  
Positioning



Other

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



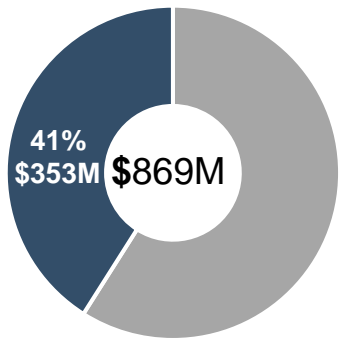
Thermo-Dynamic



# Electronics Segment Overview

## Segment Revenue as % of Total

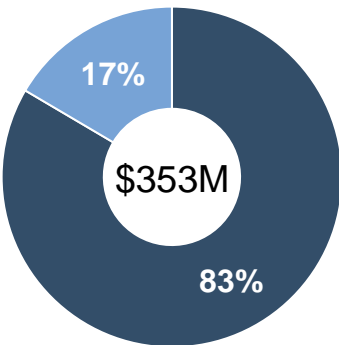
(FY 2021)



■ Electronics

## Electronics Revenue by Channel

(FY 2021)



■ OEMs

■ Distributors



**ENOVATION**  
CONTROLS®

**BALBOA**  
water group

**MURPHY**  
by ENOVATION CONTROLS

**HCT**  
by ENOVATION CONTROLS



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

**JOYONWAY**



Rugged  
Electronic  
Monitoring &  
Control  
Solutions

Hydraulic Control  
Solutions

**ZEROFF**  
by ENOVATION CONTROLS

GPS Speed Control  
for Recreational  
Marine

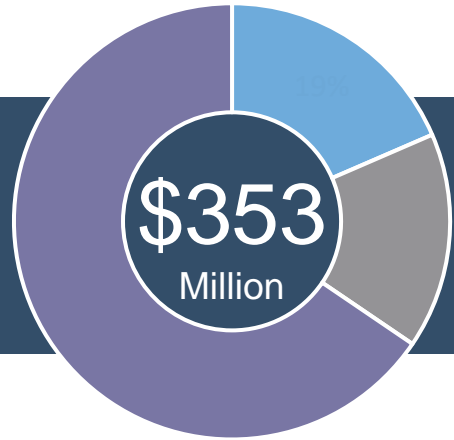
Our trusted global brands deliver technology solutions  
that ensure safety, reliability, connectivity & control



# Electronics End Markets Today

## Revenue by End Market

(FY 2021)



- Industrial & Mobile
- Recreational
- Health & Wellness



Industrial & Mobile

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



Recreational

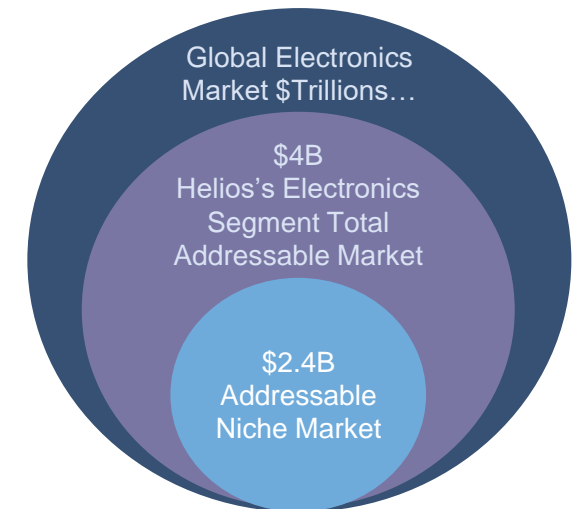
- Marine
- On/Off-Road Vehicles



Health & Wellness

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

## Current Addressable Market<sup>(1)</sup>



(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

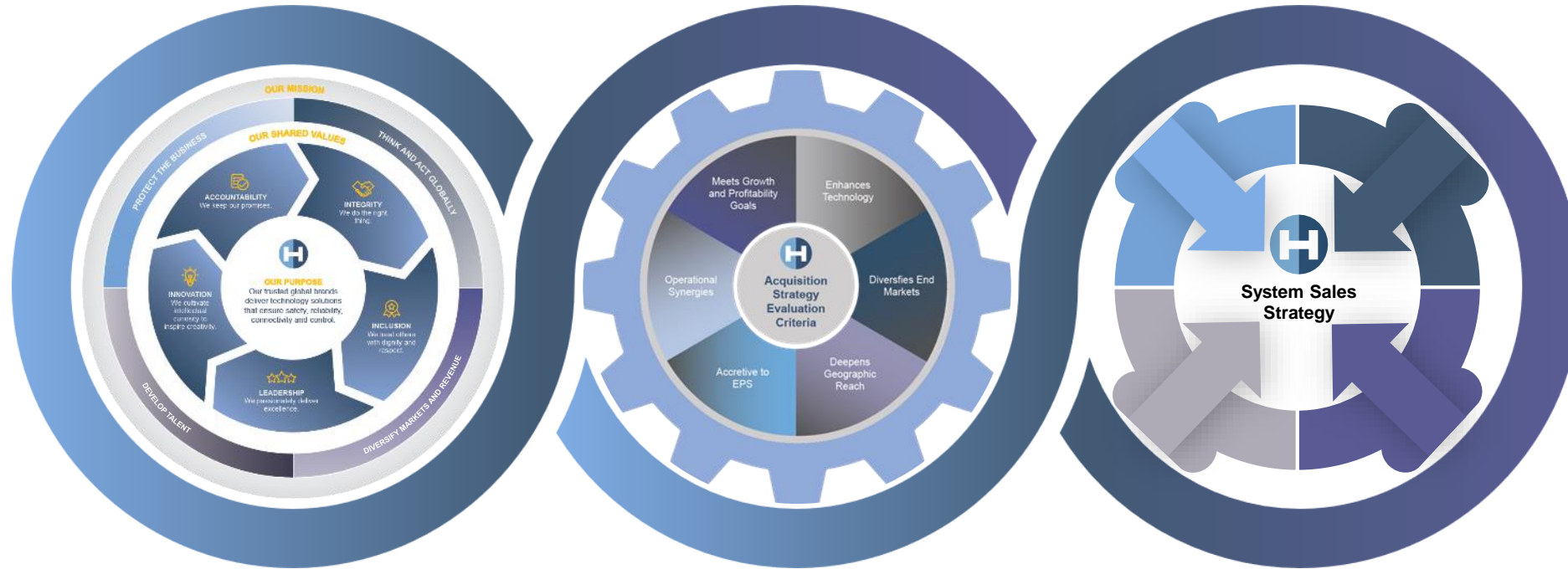


Commercial HVAC





# Value Proposition of Augmented Strategy



## How We Win

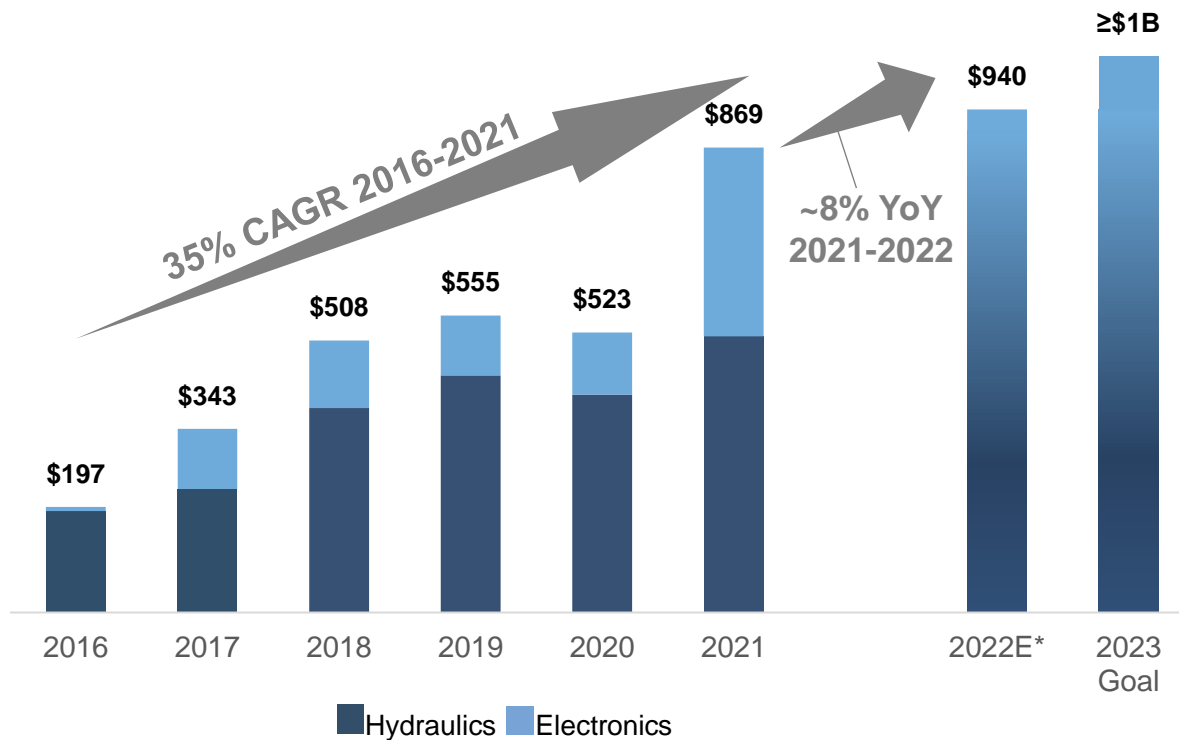
- ✓ Increase wallet/market share
- ✓ Create “Sticky Solutions”
- ✓ Drive operational efficiencies
- ✓ Develop deeper, more strategic relationships
- ✓ Grow diversified markets through R&D cross pollination



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

## Historic and Projected Revenue

(\$ millions)



\* 2022E is the mid-point of revenue outlook range \$930M to \$950M issued February 28, 2022

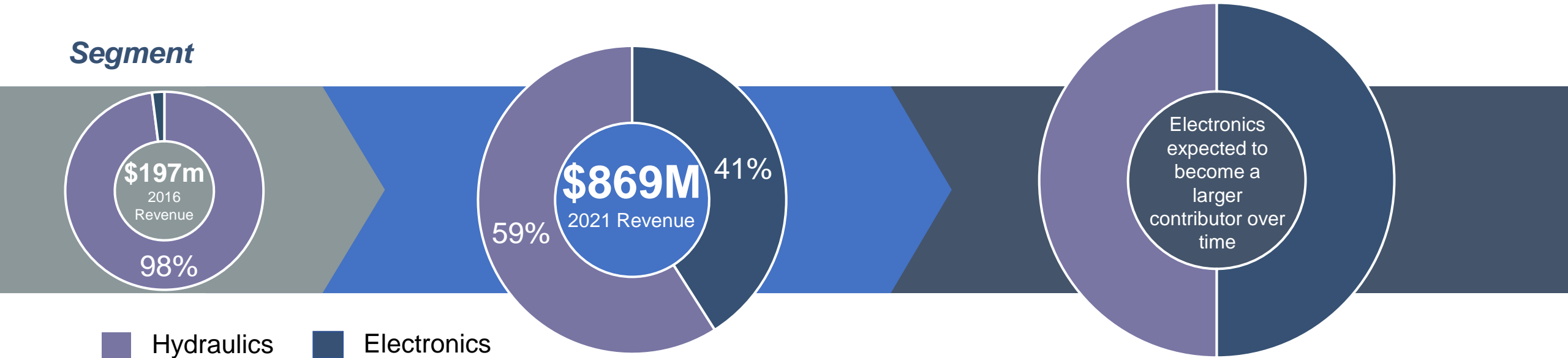
## Growth Highlights

- 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 over time

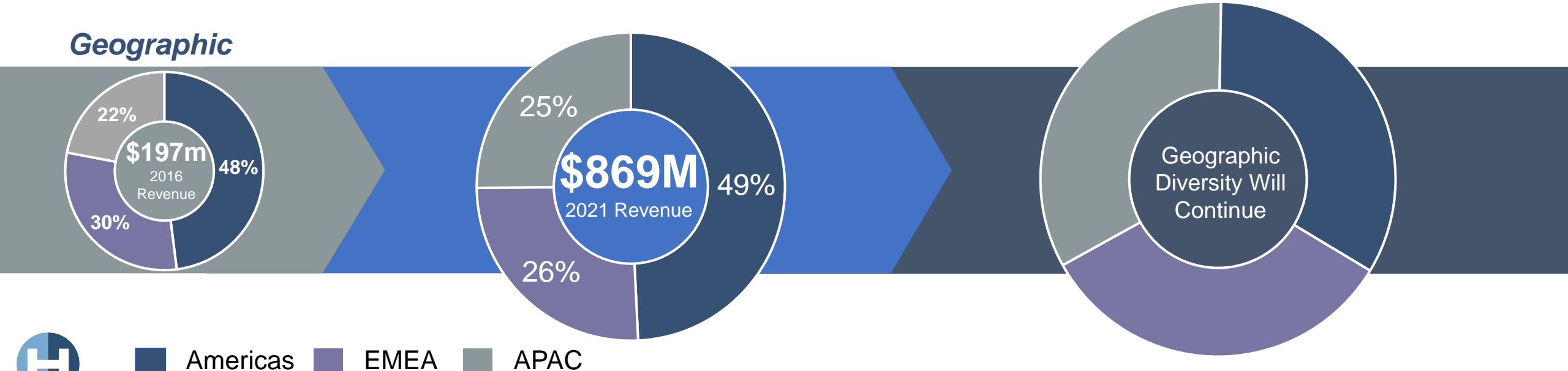


# Revenue Diversification Expected to Continue

Segment

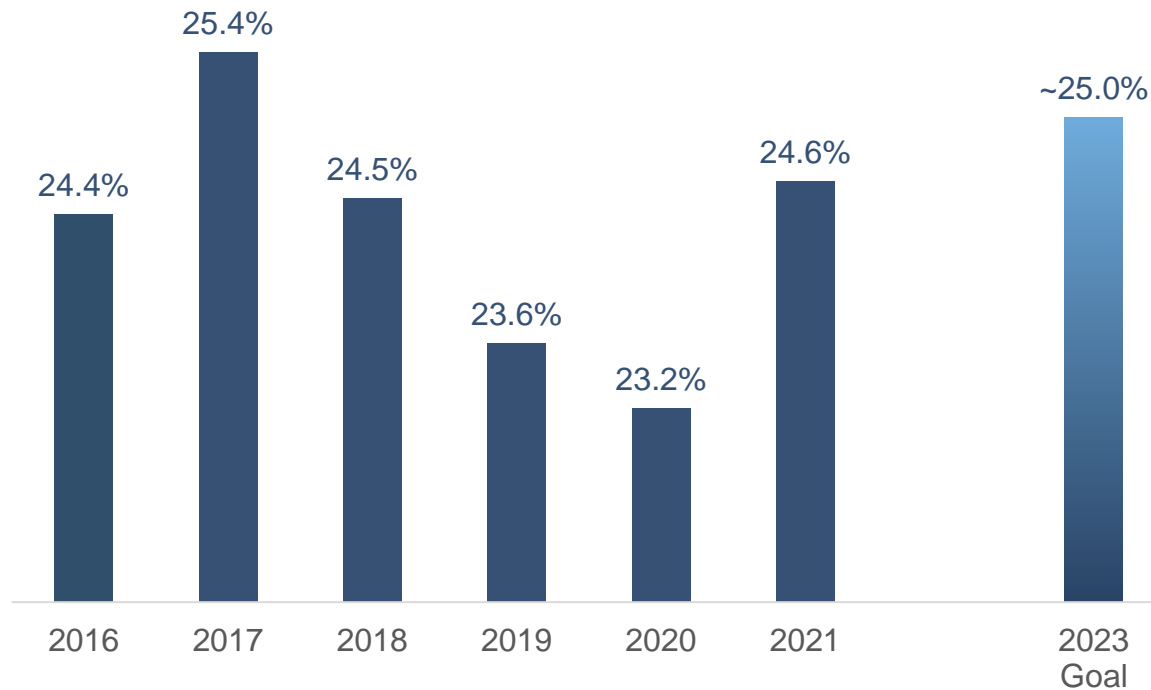


Geographic



# Strong Margins with a Pathway to Grow

## Historic and Projected Adj. EBITDA Margin



## Growth Highlights

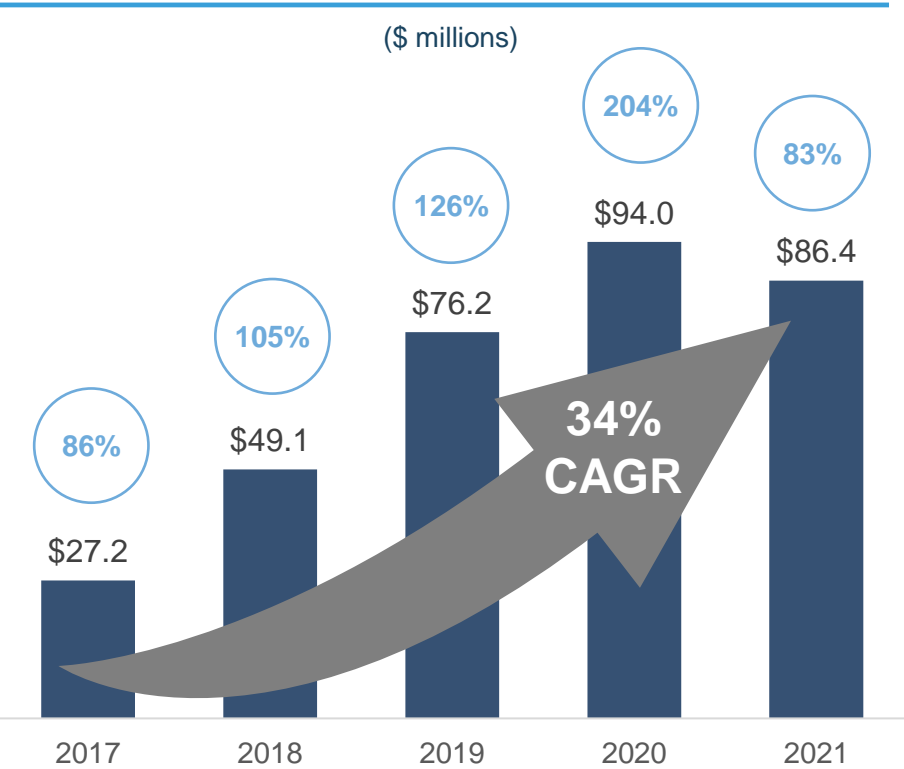
- Leveraging shared global supply chains
- Integrating manufacturing operations and systems
- Leveraging manufacturing centers in developed and low-cost locations
- Utilizing capacity to achieve manufacturing footprint leverage
- Driving continuous Kaizen manufacturing process improvements
- Targeting 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





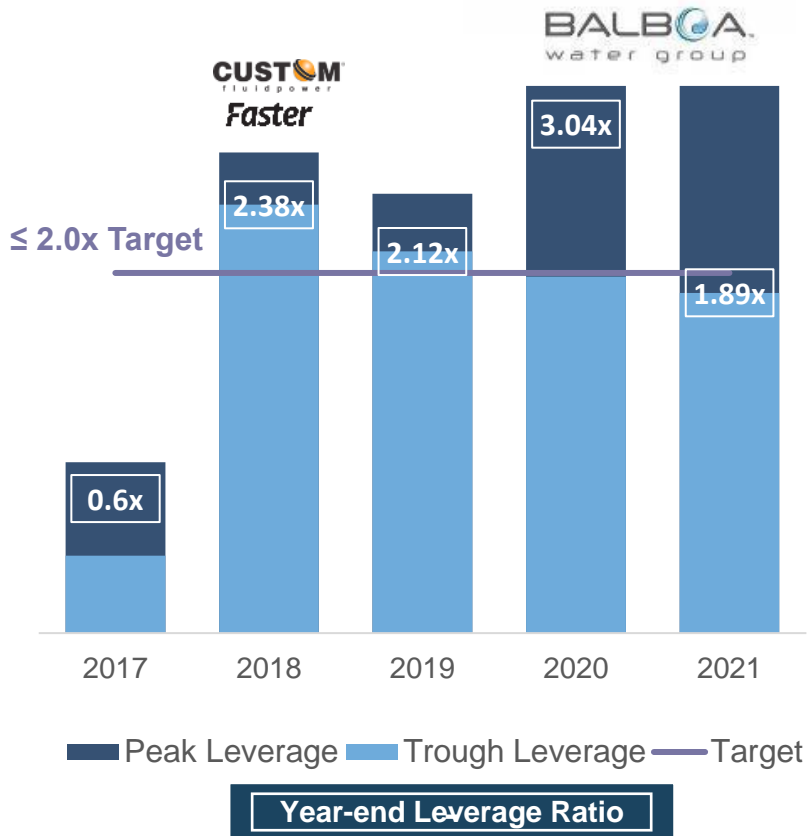
# Solid Cash Position

## Historic Annual Free Cash Flow<sup>(1)</sup>



○ Free Cash Flow Conversion

## Historic Annual Leverage<sup>(2)</sup>



## 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



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

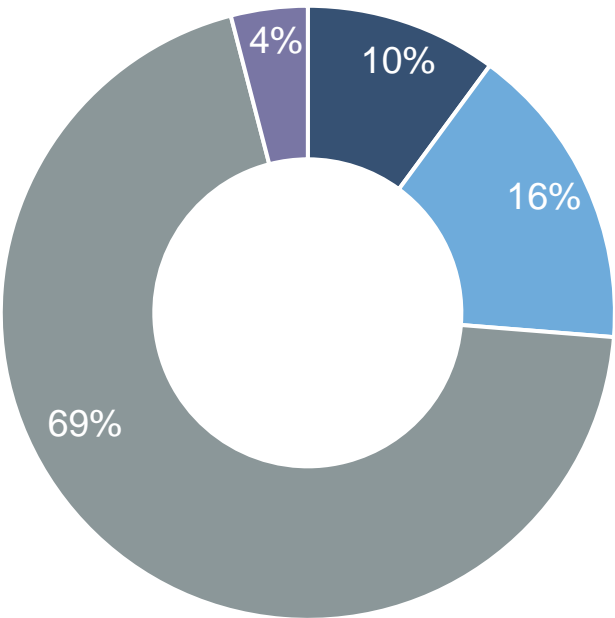
(2) Boxed number represents the year-end level with the peak and trough within each year represented by the dark and light blue areas; Reflects a non-GAAP measure; see supplemental slide for a reconciliation to the most comparable GAAP measure.

# 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



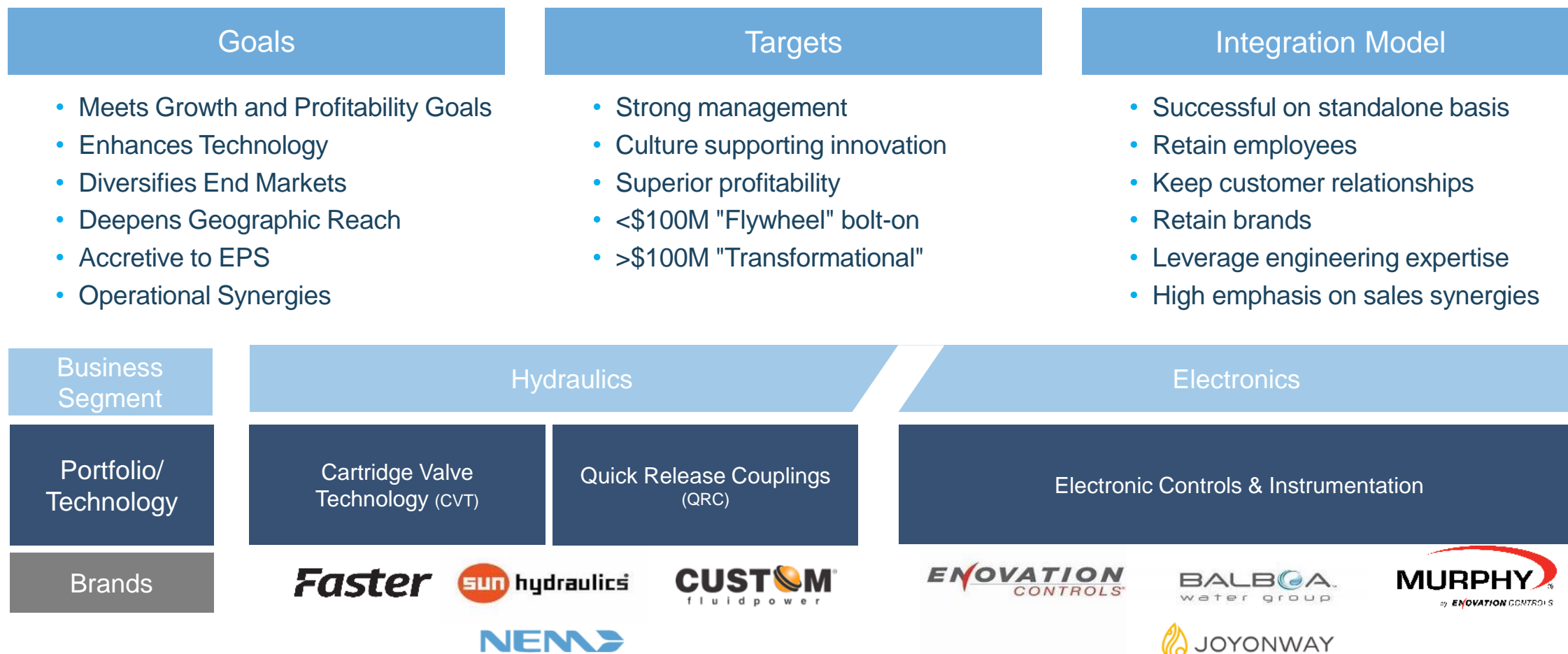
## Near-Term



- Organic Growth
- Debt Reduction
- Acquisitive Growth
- Support Dividend



# Proven M&A Framework



# 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<sup>(1)</sup>  
by YE 2023

Organic Non-  
GAAP Cash EPS  
CAGR<sup>(2)</sup> ≥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

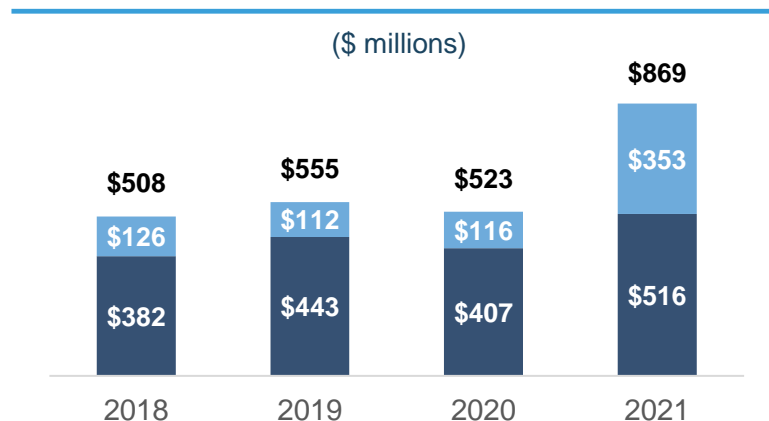


***AUGMENTING STRATEGY  
ADVANCING TECHNOLOGIES  
ACCELERATING GROWTH***

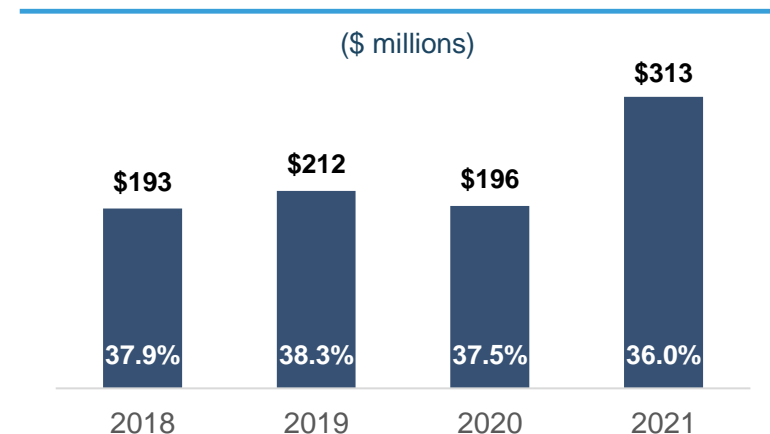


# Strong Financial Performance

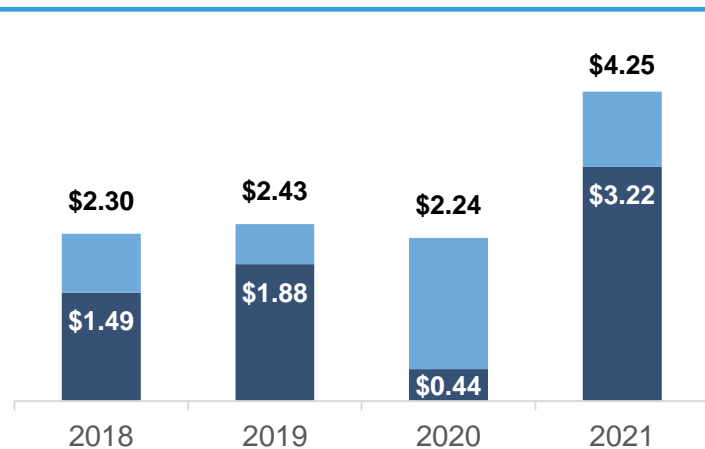
## Revenue



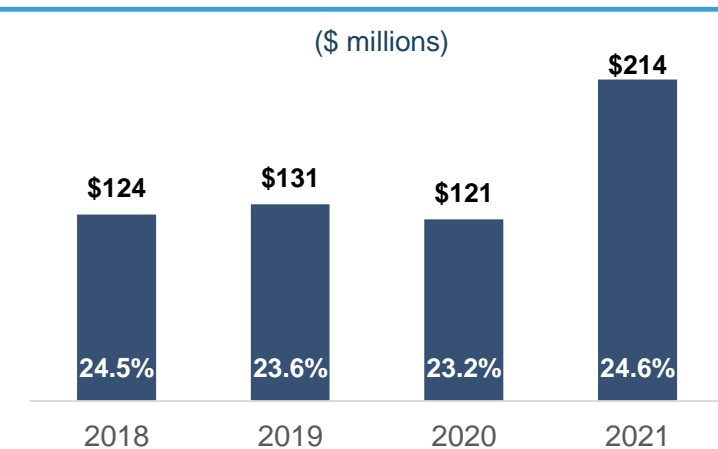
## Gross Profit & Margin



## EPS & Diluted 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.

## ***Non-GAAP Reconciliation Tables***





# Adjusted EBITDA Reconciliation

(Unaudited)

(\$ in thousands)

	2017	2018	2019	2020	2021
<b>Net income</b>	<b>\$ 31,558</b>	<b>\$ 46,730</b>	<b>\$ 60,268</b>	<b>\$ 14,218</b>	<b>\$ 104,596</b>
Interest expense, net	3,781	13,876	15,387	13,286	16,871
Income tax provision	15,986	9,665	15,039	9,829	26,583
Depreciation and amortization	19,190	39,714	35,215	39,695	54,401
<b>EBITDA</b>	<b>70,515</b>	<b>109,985</b>	<b>125,909</b>	<b>77,028</b>	<b>202,451</b>
Acquisition and financing-related expenses	1,019	5,685	11	7,264	5,741
Restructuring charges	1,462	170	1,724	361	472
CEO and officer transition costs	-	-	-	2,592	319
Goodwill impairment	-	-	-	31,871	-
Loss on disposal of intangible asset	-	-	2,713	-	-
Other	-	-	127	-	625
Inventory step-up costs	1,774	4,441	-	1,874	558
Acquisition integration costs	-	-	-	257	2,850
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)	1,050
<b>Adjusted EBITDA</b>	<b>\$ 87,153</b>	<b>\$ 124,298</b>	<b>\$ 131,136</b>	<b>\$ 121,200</b>	<b>\$ 214,066</b>
<i>Adjusted EBITDA margin</i>	<i>25.4%</i>	<i>24.5%</i>	<i>23.6%</i>	<i>23.2%</i>	<i>24.6%</i>
Pre-acquisition adjusted EBITDA	-	13,844	-	22,589	6,335
<b>Pro forma adjusted EBITDA</b>	<b>\$ 87,153</b>	<b>\$ 138,142</b>	<b>\$ 131,136</b>	<b>\$ 143,789</b>	<b>\$ 220,401</b>

## 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	2021
<b>Net income</b>	<b>\$ 46,730</b>	<b>\$ 60,268</b>	<b>\$ 14,218</b>	<b>\$ 104,596</b>
Amortization of intangible assets	23,262	18,065	22,114	33,042
Acquisition and financing-related expenses	5,685	11	7,264	5,741
Restructuring charges	170	1,724	361	472
Loss on disposal of intangible asset	-	2,713	-	-
Foreign currency forward contract loss	2,535	-	-	-
CEO and officer transition costs	-	-	2,592	319
Goodwill impairment	-	-	31,871	-
Inventory step-up amortization	4,441	-	1,874	558
Acquisition integration costs	-	-	257	2,850
Change in fair value of contingent consideration	1,482	652	(47)	1,050
Impact of tax reform	(1,400)	-	-	-
Other one-time tax related items	(1,920)	-	-	-
Other	-	127	-	625
Tax effect of above	(8,850)	(5,823)	(8,604)	(11,164)
<b>Non-GAAP cash net income</b>	<b>\$ 72,135</b>	<b>\$ 77,737</b>	<b>\$ 71,900</b>	<b>\$ 138,089</b>
<b>Non-GAAP cash net income per diluted share</b>	<b>\$ 2.30</b>	<b>\$ 2.43</b>	<b>\$ 2.24</b>	<b>\$ 4.25</b>

## 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	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 impairment	\$ 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)

	2017	2018	2019	2020	2021
Current portion of long-term non-revolving debt, net	\$ -	\$ 5,215	\$ 7,623	\$ 16,229	\$ 18,125
Revolving lines of credit	116,000	255,750	208,708	256,224	243,023
Long-term non-revolving debt, net	-	91,720	84,062	189,932	183,897
<b>Total debt</b>	<b>116,000</b>	<b>352,685</b>	<b>300,393</b>	<b>462,385</b>	<b>445,045</b>
Less: Cash and cash equivalents	63,882	23,477	22,123	25,216	28,540
<b>Net debt</b>	<b>\$ 52,118</b>	<b>\$ 329,208</b>	<b>\$ 278,270</b>	<b>\$ 437,169</b>	<b>\$ 416,505</b>
Pro forma adjusted EBITDA*	\$ 87,153	\$ 138,142	\$ 131,136	\$ 143,789	\$ 220,401
<b>Ratio of net debt to TTM pro forma adjusted EBITDA</b>	<b>0.60</b>	<b>2.38</b>	<b>2.12</b>	<b>3.04</b>	<b>1.89</b>

\*2018 is on a pro-forma basis for the Custom Fluid Power and Faster acquisition. 2020 is pro-forma for the Balboa acquisition and 2021 is pro-forma 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.

