



Morgan Stanley
7th Annual Laguna Conference
September 12, 2019

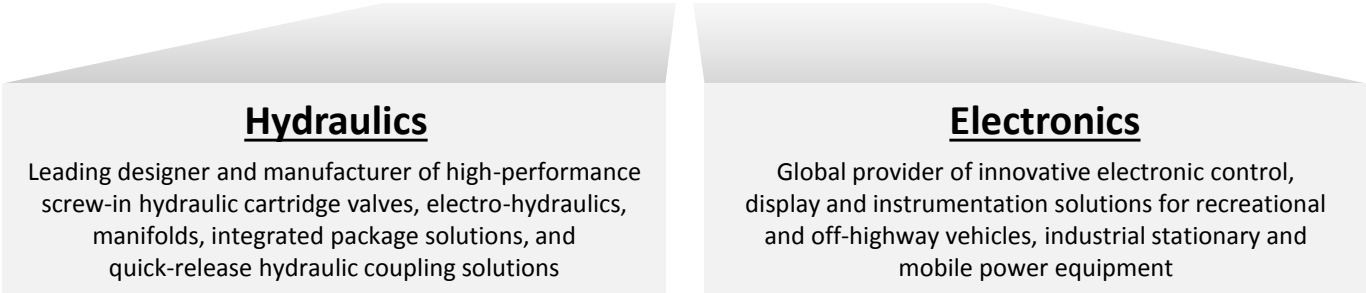
Tricia L. Fulton
Chief Financial Officer

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 the intent, belief or current expectations, estimates, vision or projections of 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 Company’s financing plans; (iii) the Company’s expectations regarding our sales, expenses, gross margins and other results of operations; (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; (vii) the Company’s ability to respond to changes in customer demand domestically and internationally, including as a result of standardization; and (viii) potential challenges relating to changes in and compliance with governmental laws and regulations affecting our U.S. and international businesses. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that the anticipated results will occur. Important factors that could cause the actual results to differ materially from those in the forward-looking statements include, among other items, (i) the economic cyclicity of the capital goods industry in general and the hydraulics and electronics industries in particular, which directly affect customer orders, lead times and sales volume; (ii) fluctuations in global business conditions, including the impact of economic recessions in the U.S. and other parts of the world, (iii) conditions in the capital markets, including the interest rate environment and the availability of capital; (iv) changes in the competitive marketplace that could affect the Company’s revenue and/or costs, such as increased competition, lack of qualified engineering, marketing, management or other personnel, and increased labor and raw materials costs; (v) risks related to the integration of the businesses of the Company, Enovation Controls and Faster Group; (vi) changes in technology or customer requirements, such as standardization of the cavity into which screw-in cartridge valves must fit, which could render the Company’s products or technologies noncompetitive or obsolete; (vii) new product introductions, product sales mix and the geographic mix of sales nationally and internationally; and (viii) changes relating to the Company’s international sales, including changes in regulatory requirements or tariffs, compliance with anti-corruption laws and trade laws, including export and import compliance, trade or currency restrictions, fluctuations in exchange rates, and tax and collection issues. Further information relating to factors that could cause actual results to differ from those anticipated is included but not limited to information under the heading Item 1. “Business” and Item 1A. “Risk Factors” in the Company’s Form 10-K for the year ended December 29, 2018. The Company disclaims any intention or obligation to update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation includes certain 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



Founded: 1970	IPO: 1997	Nasdaq: HLIO	
Market Capitalization	\$1.4 billion	Common Shares Outstanding	32.0 million
Recent Price	\$44.22	Regular Annualized Dividend / Yield	\$0.36 / 0.81%
52 Week Range	\$30.79 - \$58.26	Institutional Ownership	87%
Average trading Volume (Trailing three months)	74k	Insider Ownership*	6%

*Insider Ownership includes shares directly owned by Christine Koski, HLIO director, as well as shares owned by the Koski Family Limited Partnership, for which Christine Koski is a general partner. Ms. Koski disclaims beneficial ownership of the shares held by the Partnership to which she does not have a pecuniary interest. Previous reporting also included shares owned by the Koski family that are no longer required to be reported under Section 16 of the Securities Exchange Act.

Source: Capital IQ as of September 5, 2019; Ownership as of latest filings

Megatrends Impacting Our Global Markets

Globalization

Sophistication of Safe
Machinery & Equipment

Computing Power

Global Needs Will Drive These Trends

Population
Growth



Urbanization &
Environment



Productivity &
Efficiencies



Automation



Electrification &
Digitalization



Energy Saving





COMPREHEND THE THREATS & OPPORTUNITIES: ADJUST AND ALIGN

ACHIEVE GLOBAL technology leadership **IN THE**
INDUSTRIAL GOODS SECTOR by 2025 **WITH CRITICAL MASS**
EXCEEDING \$1B in sales

WHILE MAINTAINING superior profitability & financial strength.

DESIGNER AND MANUFACTURER OF INTELLIGENT SYSTEMS & CONTROLS

Smart Solutions For Demanding Applications

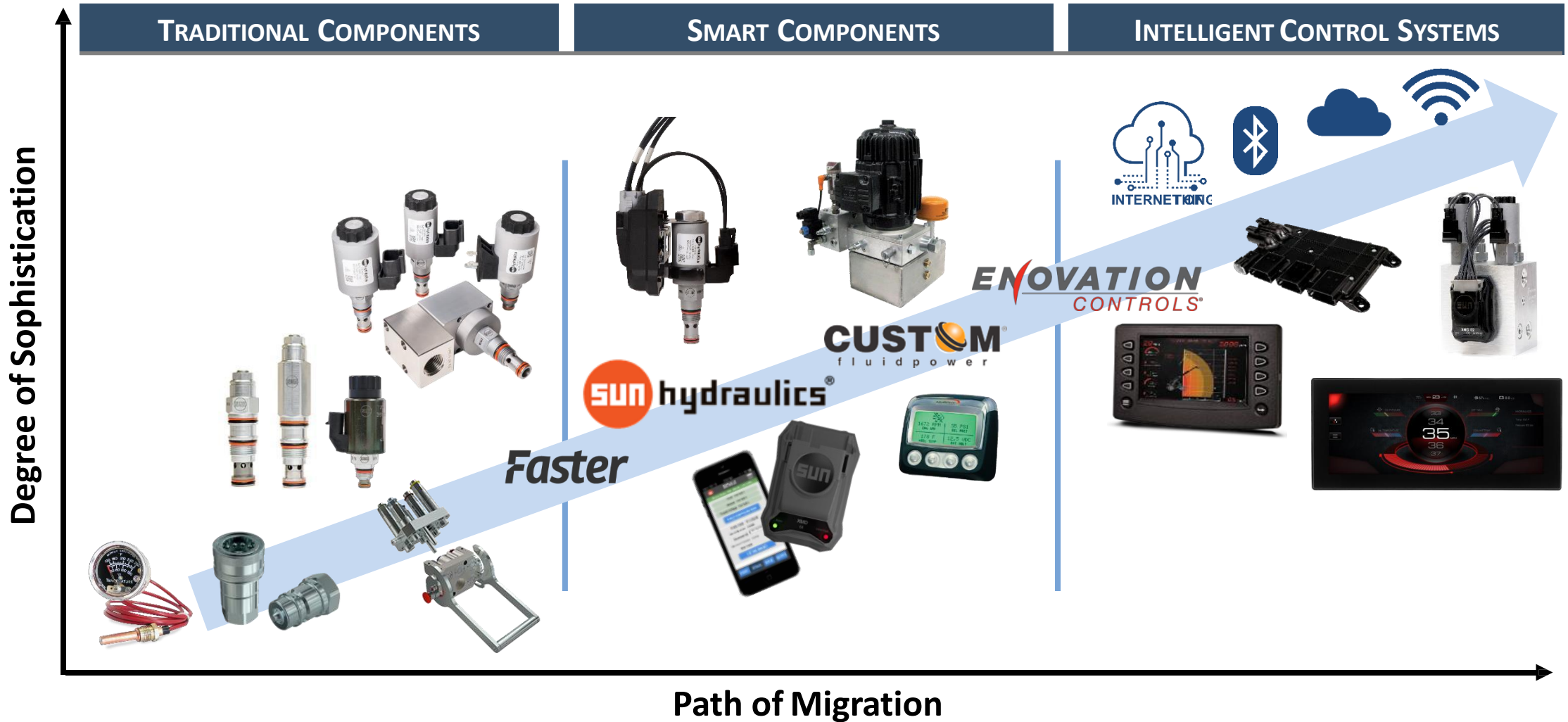
	Hydraulics (~80%)	Electronics (~20%)
2019E Revenue ⁽¹⁾	\$453-458MM	\$112-117MM
2019 Adjusted EBITDA Margin ⁽¹⁾⁽²⁾	23.5% - 24.0% Margin	
Brands	 hydraulics  Faster  CUSTOM <small>fluidpower</small>	 ENOVATION <small>CONTROLS</small>  HCT <small>Electro-Hydraulic Control Solutions</small>  MURPHY  ZEROFF
Niche Technologies	 <p>Sun designs and manufactures screw-in hydraulic cartridge valves, manifolds, and integrated fluid power packages and subsystem, while Faster is focused on quick-release hydraulic coupling solutions.</p>	 <p>Designs and manufactures sophisticated digital control solutions</p>
Diversified End Markets	Mobile, Industrial & Agriculture Applications	Mobile, Industrial & Recreational Applications

(1) Guidance for 2019 as of August 5, 2019

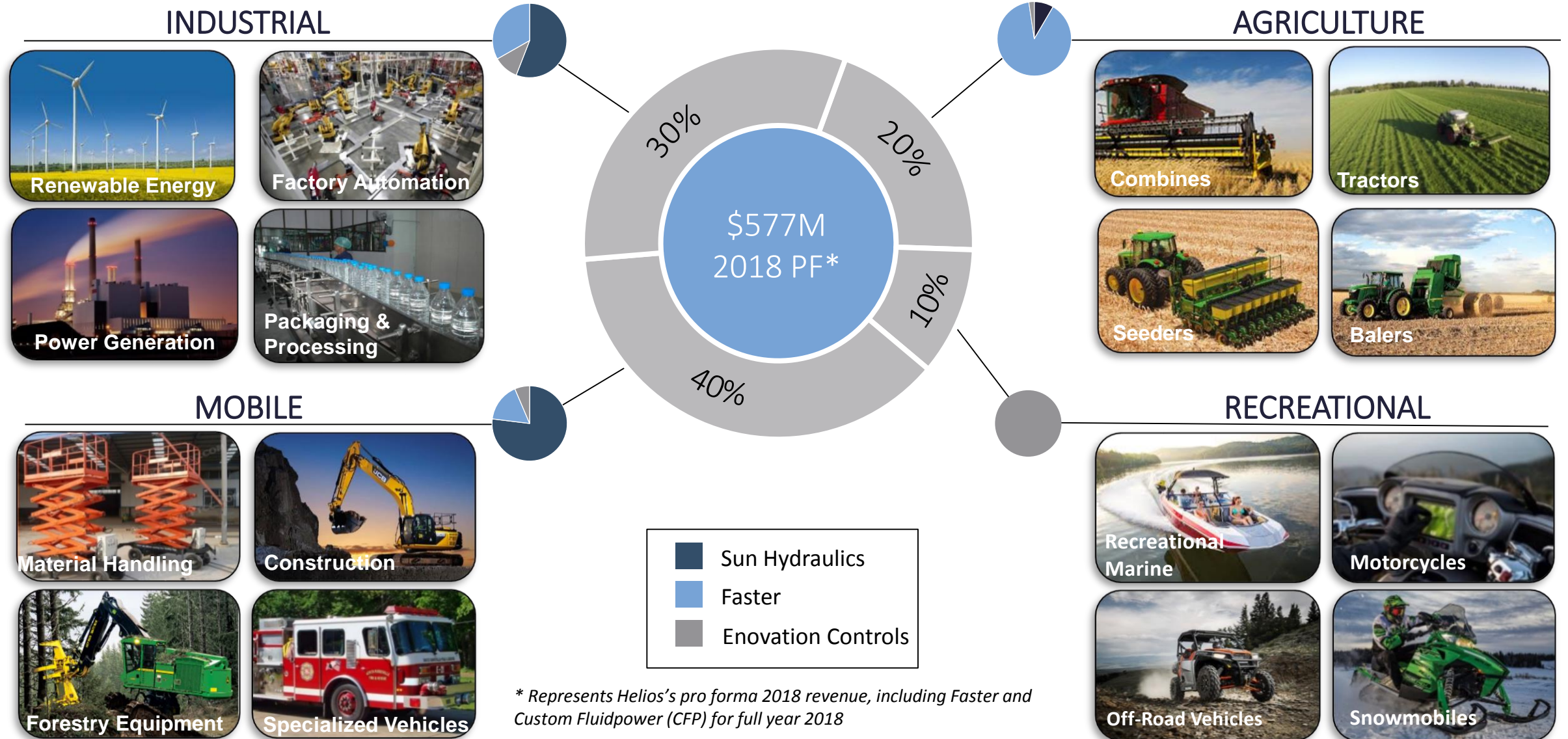
(2) See Supplemental Information for definition of Adjusted EBITDA and Margin, reconciliation from GAAP and disclaimers regarding the use of non-GAAP financial measures

Strategic Execution

Evolving from best-in-class component supplier to an intelligent control systems provider



Diversified End Markets



A Larger & More Diversified Technology Platform

2018 PF Revenue
\$577 MM ⁽¹⁾

2016 Revenue
\$197 MM ⁽²⁾

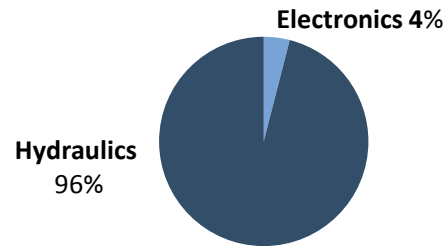
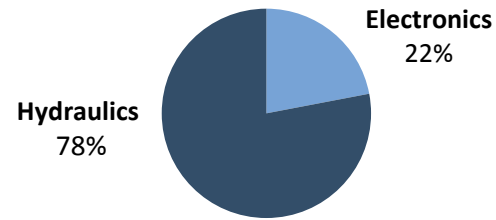
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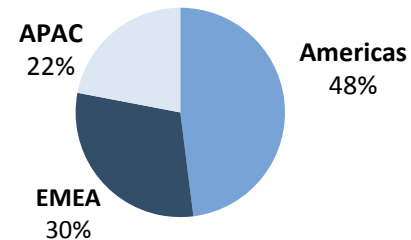
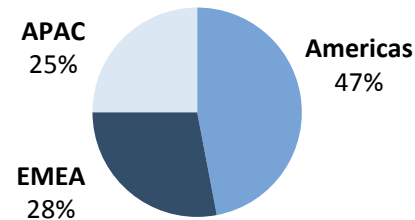
2018 PF ⁽¹⁾

2016 ⁽²⁾

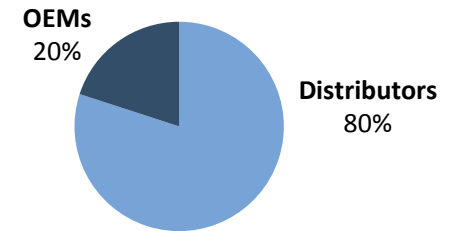
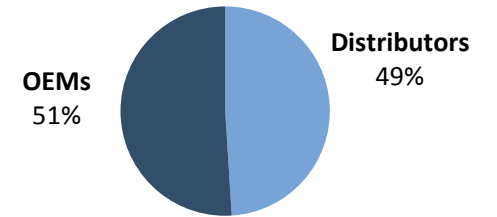
Enhanced Product Offering



Broader Geographic Reach

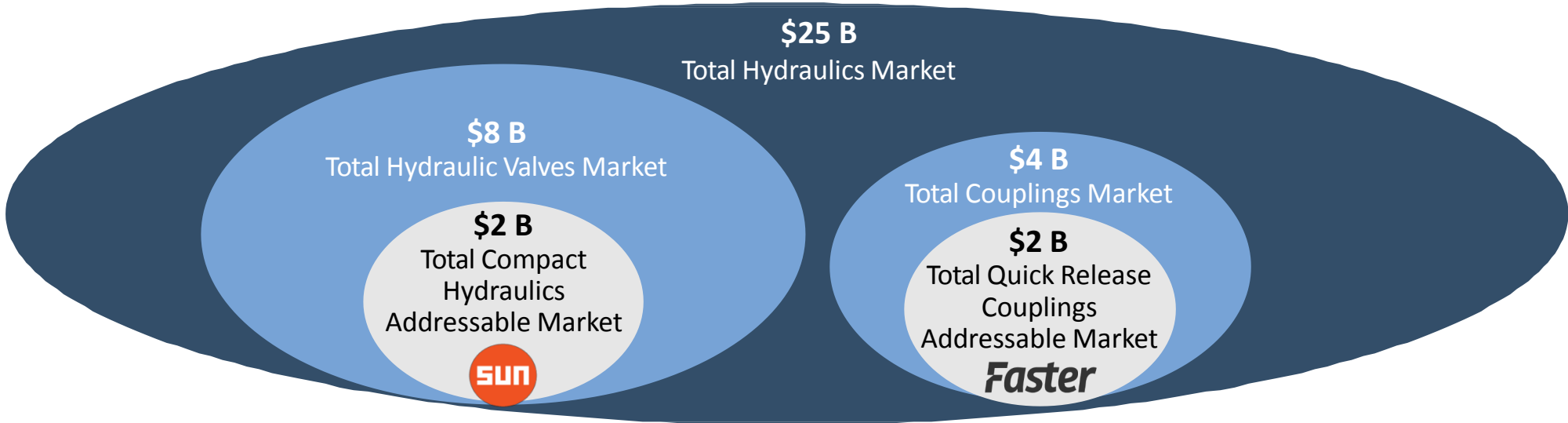


Greater Access to OEMs



(1) Represents Helios's pro forma 2018 revenue, including Faster and Custom Fluidpower (CFP) for full year 2018
 (2) Enovation Controls was acquired in December 2016 and therefore had a minimal impact on actual HLIO 2016 revenue

Hydraulics Industry

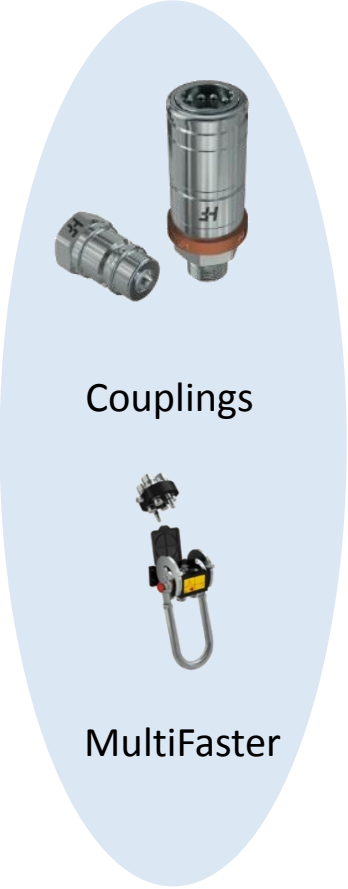
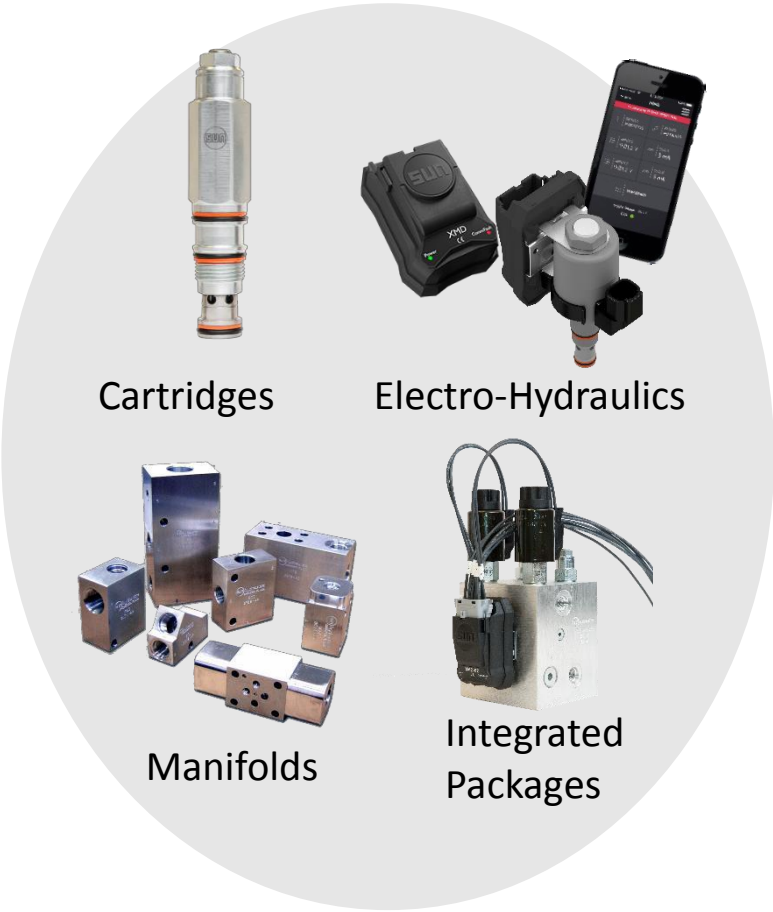


Addressable Markets – Hydraulics



Evolving Hydraulics Product Offering to Address Hydraulics Market Demands

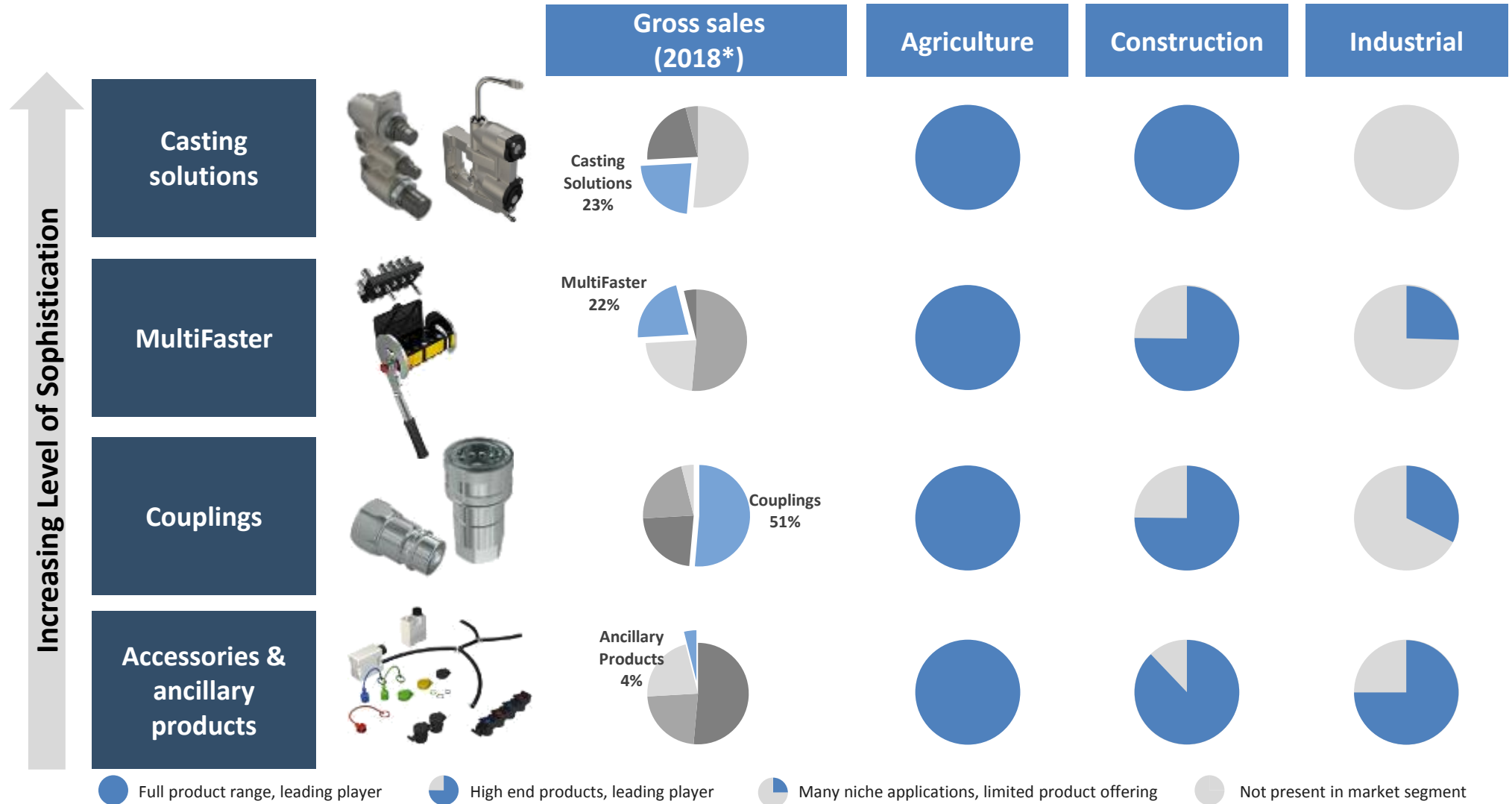
Broad Hydraulics Product Offering



Hydraulics Market Drivers

- ✓ Increased productivity and performance
- ✓ Improved safety and reliability
- ✓ Shift to electrohydraulic actuation & tuning
- ✓ Reduced noise, vibration and harshness
- ✓ Environmental regulation
- ✓ Zero leaks
- ✓ Fast and convenient ways to repeatedly connect/disconnect fluid lines

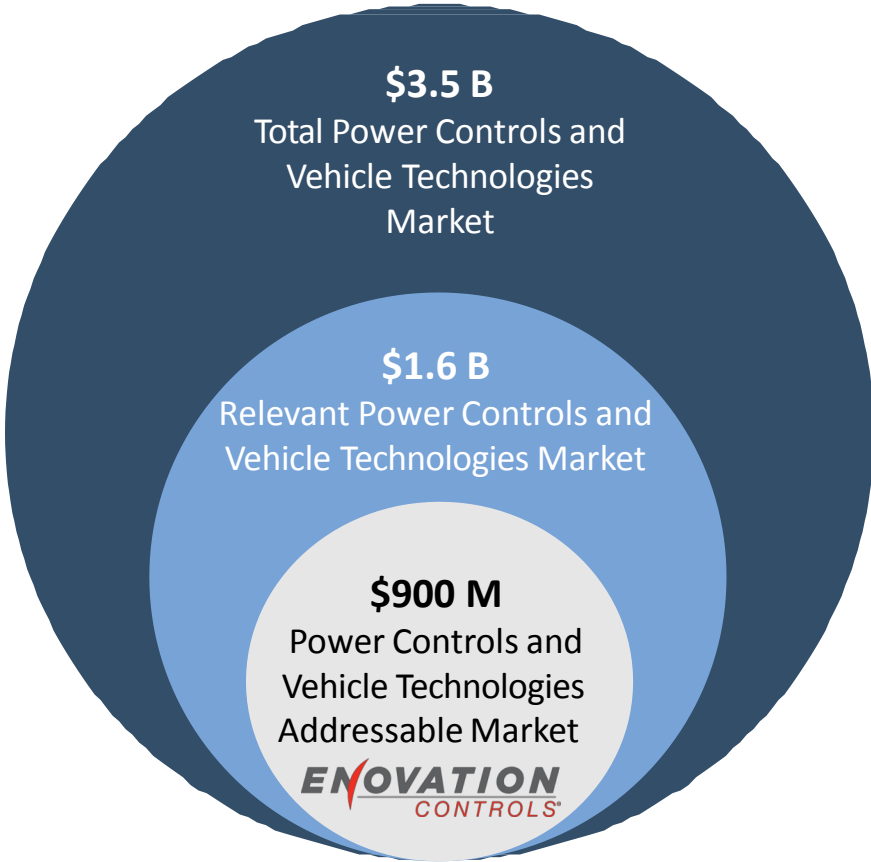
Most Complete Product Range in Agriculture and Construction



* Represents Faster 2018 sales, pro forma to reflect full year results

Electronic Controls Industry

Addressable Markets – Electronics



Source: Management Estimates

Dynamic & Diverse Product Portfolio

*Leverage platform product development,
shortening time to market*

DISPLAYS AND ACCESSORIES



CONTROLLERS AND PANELS





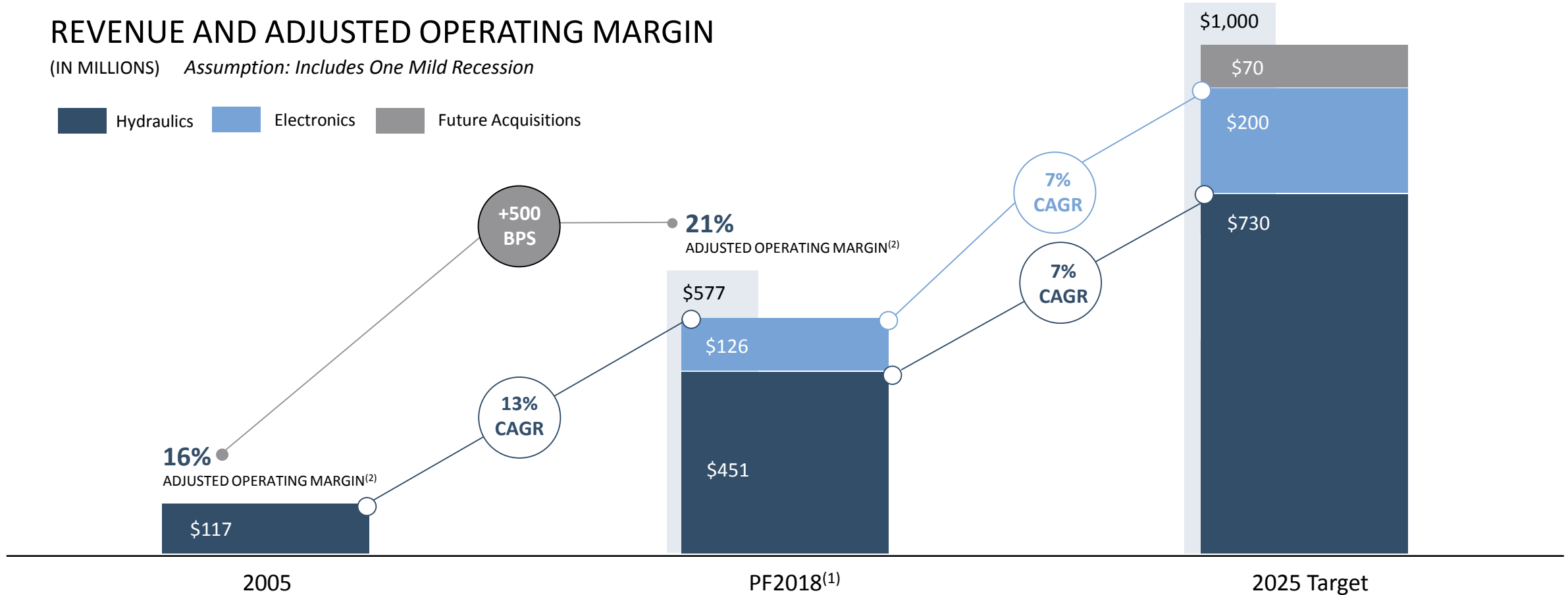
Achieving Our Vision 2025

Current Vision 2025: Pathway to Superior Growth

REVENUE AND ADJUSTED OPERATING MARGIN

(IN MILLIONS) Assumption: Includes One Mild Recession

Hydraulics Electronics Future Acquisitions

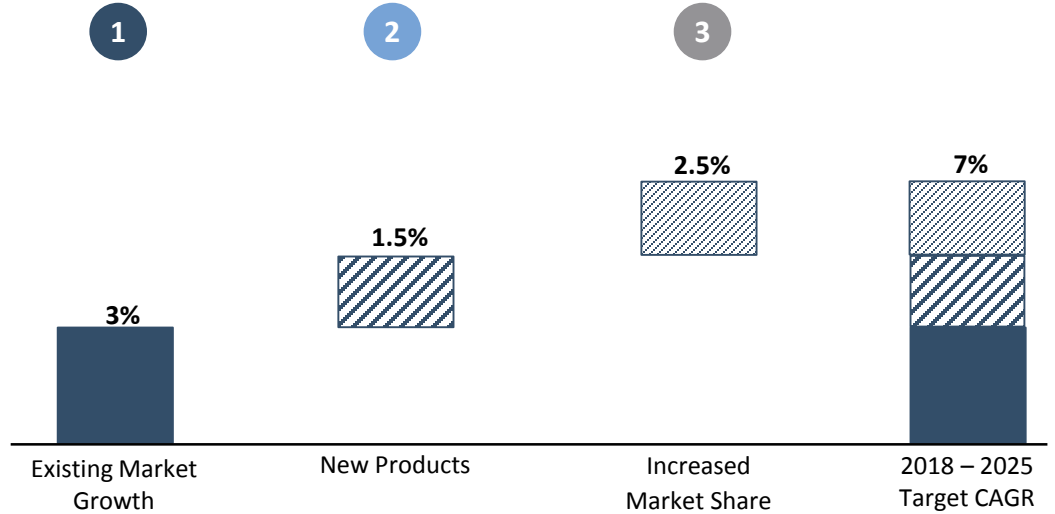


Vision 2025 Metric Floors: **\$1B** REVENUE / **>20%** ADJUSTED OPERATING MARGIN / **>24%** EBITDA MARGIN

(1) Represents Helios's pro forma 2018 results, including Faster and Custom Fluidpower (CFP) for full year 2018
 (2) See Supplemental Information for definition of Adjusted Operating Margin and reconciliation from GAAP and other disclaimers regarding non-GAAP information

Reaching Vision 2025 Revenue Goals

Hydraulics Segment



1) Existing Market Growth

- Industrial Production is a key driver of market growth

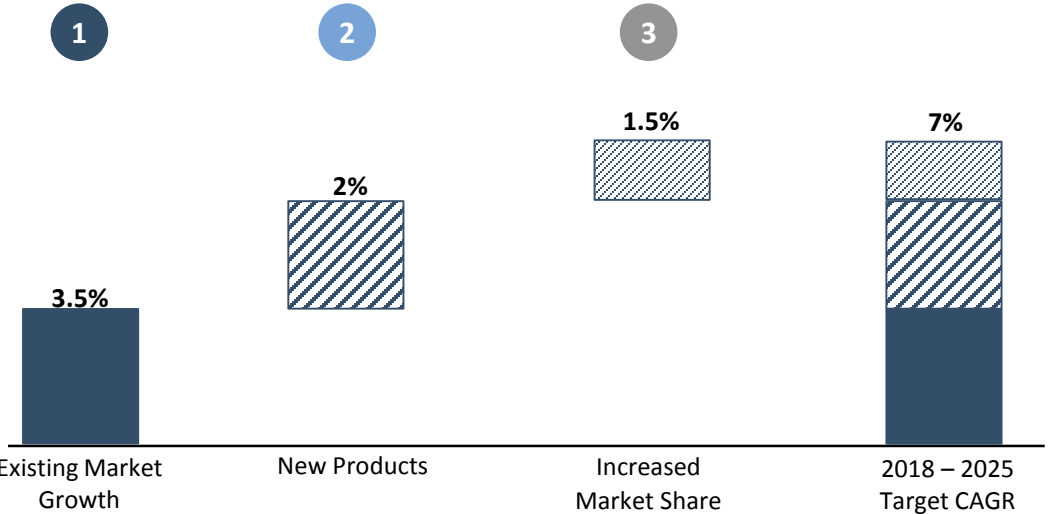
2) New Products

- Launch new product programs
- Expand core products

3) Increased Market Share

- Add new channel partners
- Deepen wallet share with existing customers:
 - More applications
 - More platforms
- Gain new customers

Electronics Segment



1) Existing Market Growth

- Industrial Production +

2) New Products

- Proactive and consistent outreach to the middle market with expanded content
 - Reduce complexity with new product designs/content
 - Existing and new markets with similar applications

3) Increased Market Share

- Penetrate new OEMs globally
 - Coordinate with Hydraulics segment internationally
- Grow systems sales to existing OEMs customers

Differentiated & Disciplined Acquisition Strategy

Goals

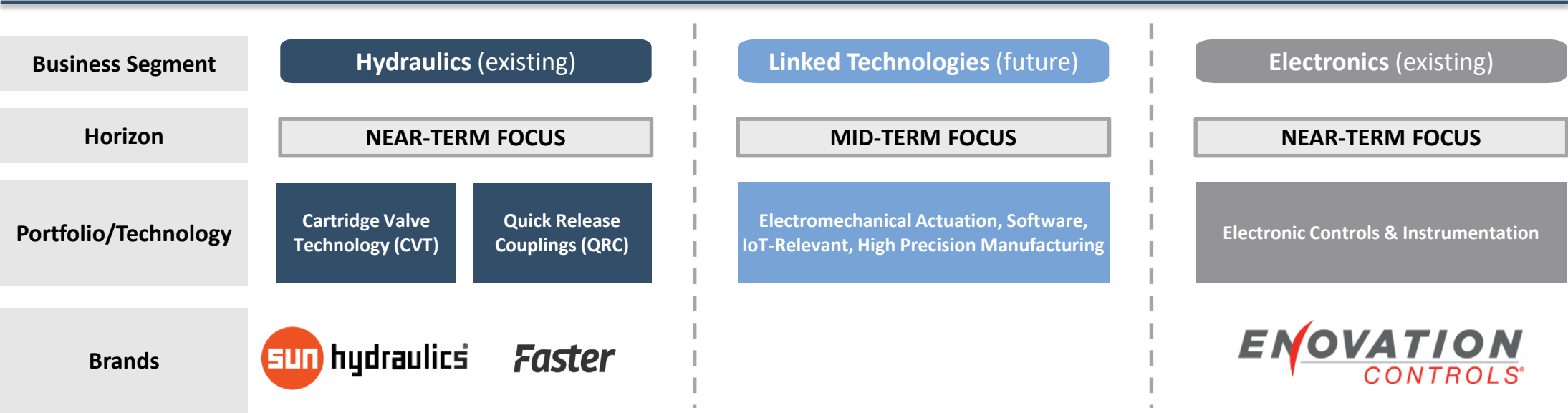
- Niche Technology leader (top 3)
- Broaden technology offerings and capabilities
- Increase solutions-based offerings
- Diversify end markets
- Expand aftermarket / MRO
- Simultaneous engineering

Targets

- Strong management
- Culture supporting innovation
- Superior profitability
- Target revenue \$50-\$150 million per acquisition

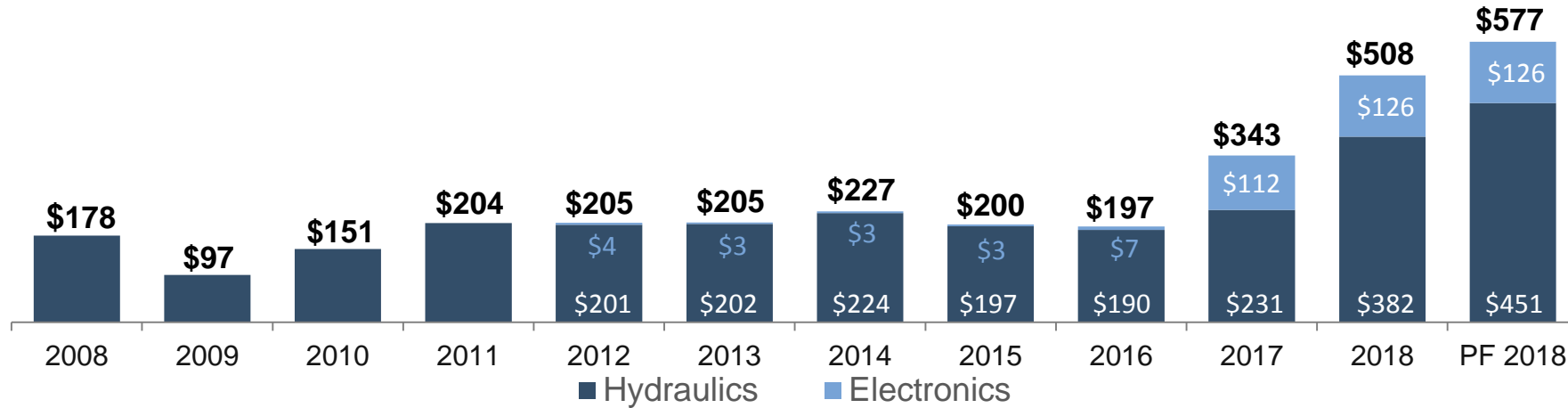
Integration Model

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

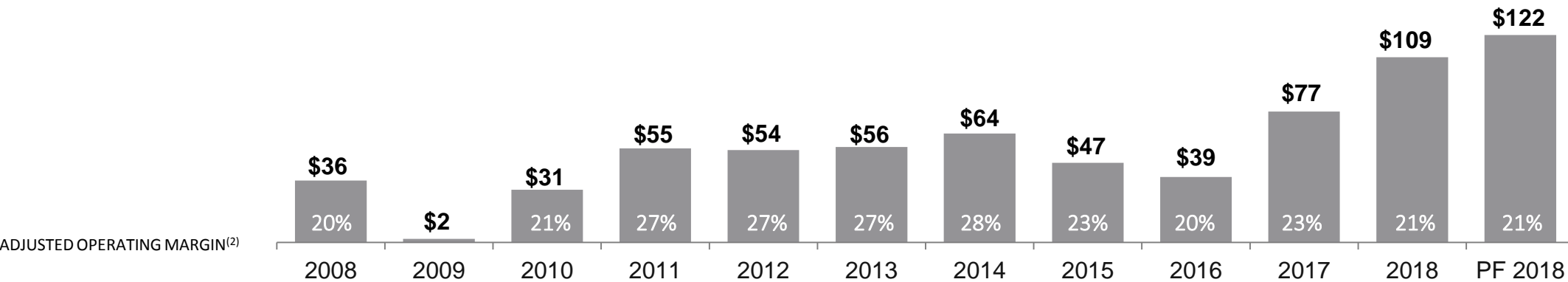


Driving Sustained Value Thru Profitable Growth

Revenue by Segment⁽¹⁾



Adjusted Operating Income and Margin⁽¹⁾⁽²⁾



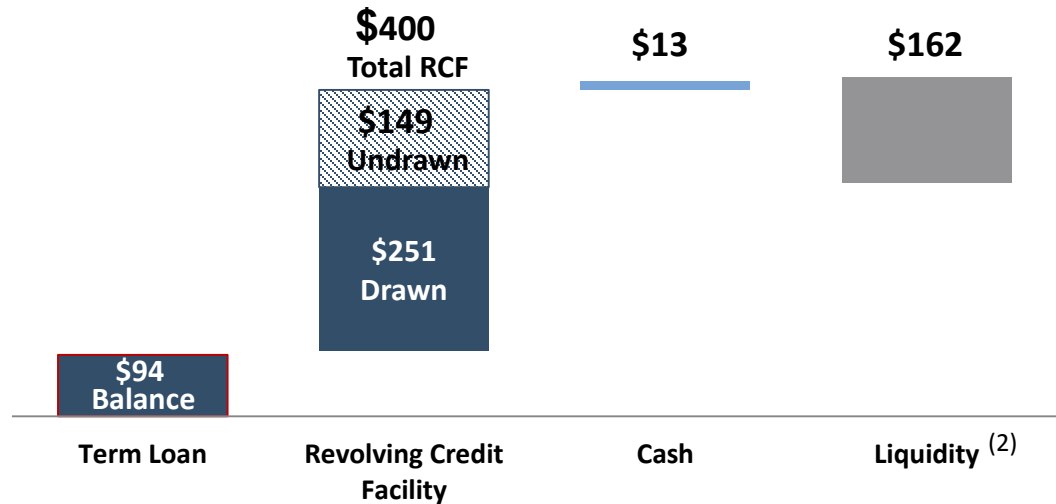
(1) Represents Helios's pro forma 2018 results including Faster and Custom Fluidpower (CFP) for full year 2018

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

Capital Allocation Focused on Growth

Capital Structure⁽¹⁾

\$MM



- Total Debt / PF Adj. EBITDA⁽¹⁾: 2.5x
- Net Debt / PF Adj. EBITDA⁽¹⁾: 2.4x

Capital Allocation Priorities

1) Organic Growth

- Double organically (existing businesses)
- New product development
- Integrate electronics and hydraulics know-how
- Support product platform

2) Debt Reduction

- Goal of < 2x net debt / adjusted EBITDA

3) Acquisitive Growth

- Ongoing assessment of mid- and long-term opportunities

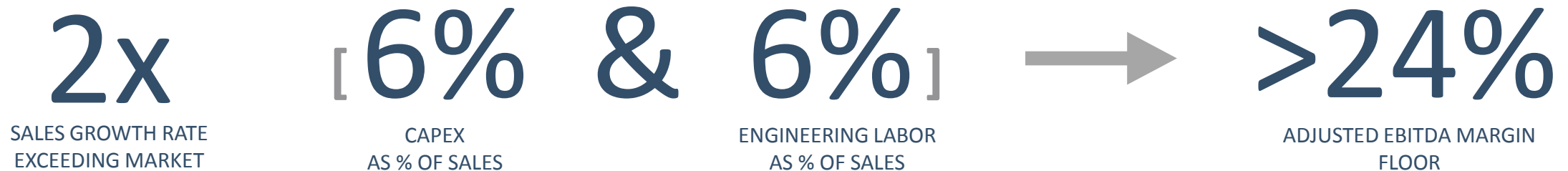
4) Support Dividend

- Continue quarterly cash dividend

(1) Information as June 29, 2019; pro-forma adjusted EBITDA assuming a full year contribution of Custom Fluidpower; see Supplemental Information for definition of Adjusted EBITDA, reconciliation from GAAP and disclaimers regarding the use of non-GAAP financial information.

(2) Liquidity is based on actual cash and borrowing capacity as of June 29, 2019; revolving credit facility also allows for a \$200 million accordion not reflected above.

- 1 NICHE TECHNOLOGY - A global niche technology leader in Hydraulics and Electronics with highly engineered and comprehensive in-house value add capabilities**
- 2 SUPERIOR FINANCIAL PERFORMANCE - Proven track record of growing 2x faster than market at superior profitability levels (>24% adjusted EBITDA margin and >10% free cash flow)**
- 3 BROAD DIVERSIFICATION by 1) technology, 2) end markets, and 3) geographies**



Defined Vision

Designed Transformation



Supplemental Information

	Previous 2019 Guidance	Updated 2019 Guidance	Change vs 2018 Actual
Consolidated revenue	\$580 - \$590 million	\$565 - \$575 million	11% - 13%
Hydraulics segment revenue	\$464 - \$469 million	\$453 - \$458 million	18% - 20%
Electronics segment revenue	\$116 - \$121 million	\$112 - \$117 million	(7)% - (11)%
GAAP EPS	\$2.10 - \$2.20	\$1.95 - \$2.05	31% - 38%
Non-GAAP cash EPS	\$2.55 - \$2.65	\$2.40 - \$2.50	4% - 9%
Adjusted EBITDA margin	24.0% - 24.5%	23.5% - 24.0%	(50) - (100) bps

* Guidance as of August 5, 2019

See supplemental slides for Non-GAAP cash net income and adjusted EBITDA reconciliations and other important disclaimers regarding Helios Technologies' use of Non-GAAP cash net income and EPS and adjusted EBITDA and margin

Segment Data

(\$ in thousands)

	Three Months Ended		Six Months Ended	
	June 29, 2019 <i>(Unaudited)</i>	June 30, 2018 <i>(Unaudited)</i>	June 29, 2019 <i>(Unaudited)</i>	June 30, 2018 <i>(Unaudited)</i>
<i>Sales:</i>				
Hydraulics	\$ 113,710	\$ 103,634	\$ 230,173	\$ 166,243
Electronics	30,132	32,534	60,520	67,243
Consolidated	<u>\$ 143,842</u>	<u>\$ 136,168</u>	<u>\$ 290,693</u>	<u>\$ 233,486</u>
<i>Gross profit and margin:</i>				
Hydraulics	\$ 42,407 37.3%	\$ 39,422 38.0%	\$ 85,040 36.9%	\$ 62,870 37.8%
Electronics	13,820 45.8%	14,107 43.4%	27,695 45.8%	28,276 42.1%
Corporate and other	-	(3,125)	-	(3,125)
Consolidated	<u>\$ 56,227</u> 39.1%	<u>\$ 50,404</u> 37.0%	<u>\$ 112,735</u> 38.8%	<u>\$ 88,021</u> 37.7%
<i>Operating income and margin:</i>				
Hydraulics	\$ 24,123 21.2%	\$ 25,401 24.5%	\$ 47,885 20.8%	\$ 38,844 23.3%
Electronics	6,488 21.6%	6,532 20.0%	13,000 21.5%	13,639 20.2%
Corporate and other	(4,238)	(14,930)	(8,681)	(18,226)
Consolidated	<u>\$ 26,373</u> 18.4%	<u>\$ 17,003</u> 12.5%	<u>\$ 52,204</u> 18.0%	<u>\$ 34,257</u> 14.7%

(Unaudited)

2019 Sales by Geographic Region and Segment

(\$ in millions)

	Q1	% of Total	Q2	% of Total	2019	% of Total
<i>Americas:</i>						
Hydraulics	\$ 41.6		\$ 41.2		\$ 82.9	
Electronics	26.1		26.6		52.7	
Consol. Americas	67.7	46%	67.8	47%	135.6	47%
<i>EMEA:</i>						
Hydraulics	41.8		36.8		78.5	
Electronics	2.5		1.8		4.3	
Consol. EMEA	44.3	30%	38.6	27%	82.8	28%
<i>APAC:</i>						
Hydraulics	33.1		35.7		68.8	
Electronics	1.8		1.7		3.5	
Consol. APAC	34.9	24%	37.4	26%	72.3	25%
Total	\$ 146.9		\$ 143.8		\$ 290.7	

2018 Sales by Geographic Region and Segment

(\$ in millions)

	Q1	% of Total	Q2	% of Total	Q3	% of Total	Q4	% of Total	2018	% of Total
<i>Americas:</i>										
Hydraulics	\$ 26.4		\$ 39.7		\$ 38.4		\$ 44.2		\$ 148.7	
Electronics	30.1		27.9		27.4		23.5		108.9	
Consol. Americas	56.5	58%	67.6	50%	65.8	48%	67.7	49%	257.6	51%
<i>EMEA:</i>										
Hydraulics	19.6		40.5		34.6		34.9		129.6	
Electronics	2.7		2.7		2.7		2.0		10.1	
Consol. EMEA	22.3	23%	43.2	32%	37.3	28%	36.9	27%	139.7	27%
<i>APAC:</i>										
Hydraulics	16.6		23.4		31.1		32.4		103.5	
Electronics	1.9		2.0		1.6		1.7		7.2	
Consol. APAC	18.5	19%	25.4	18%	32.7	24%	34.1	24%	110.7	22%
Total	\$ 97.3		\$ 136.2		\$ 135.8		\$ 138.7		\$ 508.0	

Adjusted Operating Income Reconciliation

(Unaudited)
(\$ in thousands)

	Year ended											PF 2018
	Dec 27, 2008	Jan 2, 2010	Jan 1, 2011	Dec 31, 2011	Dec 29, 2012	Dec 28, 2013	Dec 27, 2014	Jan 2, 2016	Dec 31, 2016	Dec 30, 2017	Dec 29, 2018	
GAAP operating income	\$ 36,337	\$ 2,143	\$ 31,039	\$ 55,269	\$ 54,409	\$ 56,171	\$ 64,071	\$ 46,891	\$ 34,459	\$ 61,491	\$ 75,554	\$ 75,554
Acquisition-related amortization of intangible assets	-	-	-	-	-	-	-	-	1,545	8,423	23,021	23,021
Acquisition-related amortization of inventory step-up	-	-	-	-	-	-	-	-	1,021	1,774	4,441	4,441
Acquisition and financing-related expenses ⁽¹⁾	-	-	-	-	-	-	-	-	1,537	1,019	5,685	5,685
Restructuring charges ⁽²⁾	-	-	-	-	-	-	-	-	-	1,462	170	170
One-time operational items ⁽³⁾	-	-	-	-	-	-	-	-	-	2,907	-	-
Faster Group for Jan 2018 thru March 2018	-	-	-	-	-	-	-	-	-	-	-	10,466
Custom Fluidpower for Jan 2018 thru Jul 2018	-	-	-	-	-	-	-	-	-	-	-	2,174
Non-GAAP adjusted operating income	\$ 36,337	\$ 2,143	\$ 31,039	\$ 55,269	\$ 54,409	\$ 56,171	\$ 64,071	\$ 46,891	\$ 38,562	\$ 77,076	\$ 108,871	\$ 121,511
GAAP operating margin	20.4%	2.2%	20.6%	27.1%	26.6%	27.4%	28.1%	23.4%	17.5%	17.9%	14.9%	
Non-GAAP Adjusted operating margin	20.4%	2.2%	20.6%	27.1%	26.6%	27.4%	28.1%	23.4%	19.6%	22.5%	21.4%	PF 21.1%

(1) Includes expenses associated with the Company's acquisition and financing activities to support its strategy

(2) Includes charges to consolidate the Company's High Country Tek business into its Enovation Controls business, \$431 of which is included in cost of sales

(3) Includes standard costing adjustments; temporary workforce, material outsourcing, and freight charges to recover from impact of Hurricane Irma; scrap and inventory issues attributable to the carve-out of Enovation Controls from its former organization

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

Adjusted EBITDA Reconciliation

(Unaudited)
 (\$ in thousands)

	Year Ended			6 Months Ended		
	December 27, 2014	January 2, 2016	December 31, 2016	December 30, 2017	December 29, 2018	June 29, 2019
Net income	\$ 43,775	\$ 33,138	\$ 23,304	\$ 31,558	\$ 46,730	\$ 33,669
Interest expense (income), net	(1,592)	(1,422)	(790)	3,781	13,876	8,433
Income tax provision	21,967	16,092	11,597	15,986	9,665	9,315
Depreciation and amortization	8,718	9,557	11,318	19,190	39,714	17,195
EBITDA	72,868	57,365	45,429	70,515	109,985	68,612
Acquisition-related amortization of inventory step-up	-	-	1,021	1,774	4,441	-
Acquisition and financing-related expenses	-	-	1,537	1,019	5,685	11
Restructuring charges	-	-	-	1,462	170	-
Foreign currency forward contract loss	-	-	-	-	2,535	-
One-time operational items	-	-	-	2,907	-	-
Change in fair value of contingent consideration	-	-	-	9,476	1,482	775
Adjusted EBITDA	\$ 72,868	\$ 57,365	\$ 47,987	\$ 87,153	\$ 124,298	\$ 69,398
<i>Adjusted EBITDA margin</i>	32.0%	28.6%	24.4%	25.4%	24.5%	23.9%

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, Sun 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 Sun'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)

	Three Months Ended		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Net income	\$ 17,265	\$ 6,796	\$ 33,669	\$ 18,707
Acquisition-related amortization of inventory step-up	-	3,125	-	3,125
Acquisition and financing-related expenses	-	3,731	11	4,927
Restructuring charges	-	59	-	170
Foreign currency forward contract loss	-	2,030	-	2,535
Change in fair value of contingent consideration	56	251	775	653
Amortization of intangible assets	4,545	8,076	9,066	10,124
Tax effect of above	(1,150)	(4,318)	(2,463)	(5,384)
Non-GAAP cash net income	\$ 20,716	\$ 19,750	\$ 41,058	\$ 34,857
Non-GAAP cash net income per diluted share	\$ 0.65	\$ 0.63	\$ 1.28	\$ 1.13

Non-GAAP Financial Measure:

Adjusted net income per diluted share is adjusted net income divided by diluted weighted average common shares outstanding. Adjusted net income and adjusted 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, Sun believes that providing non-GAAP information such as adjusted net income and adjusted net income per diluted share is important for investors and other readers of Sun's financial statements, as they are used as analytical indicators by Helios' management to better understand operating performance. Because adjusted net income and adjusted net income per diluted share are non-GAAP measures and are thus susceptible to varying calculations, adjusted net income and adjusted net income per diluted share, as presented, may not be directly comparable to other similarly titled measures used by other companies.



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