



Morgan Stanley
8th Annual Laguna Conference
September 17, 2020

Josef Matosevic
President & CEO

Tricia 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 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 Company’s financing plans; (iii) trends affecting the Company’s financial condition or results of operations; (iv) the Company’s ability to continue to control costs and to meet its liquidity and other financing needs; (v) the declaration and payment of dividends; and (vi) 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) 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; and (iii) 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”, Part I, Item 1A. “Risk Factors” in the Company’s Form 10-K for the year ended December 28, 2019 and Part II, Item 1A. “Risk Factors” in the Company’s Form 10-Q for the quarter ended March 28, 2020.

Helios has presented forward-looking statements regarding 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’s full year 2020 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’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

Founded: 1970

Helios Technologies (NASDAQ: HLIO)

IPO: 1997

TTM Revenue: \$513M

Adj. EBITDA Margin: 23.2%

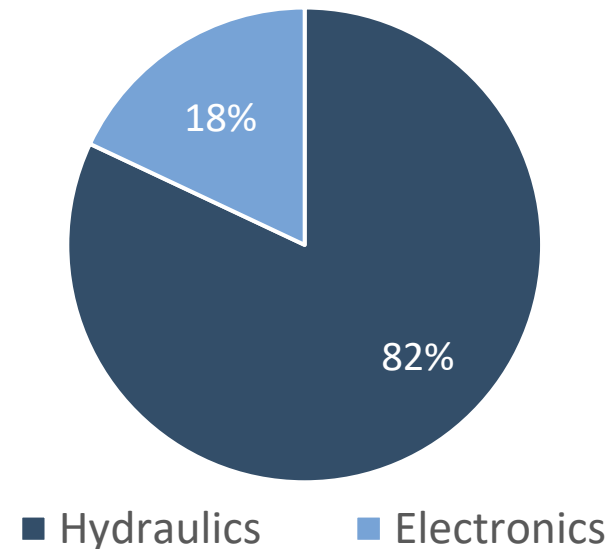
Market Cap: ~\$1.3B

Cash Dividend Yield: 0.9%

Cash Dividend Paid for 95 Consecutive Quarters

Helios Technologies is a global industrial technology leader that innovates and manufactures hydraulic and electronic control solutions for diverse markets.

TTM Q2 2020 Revenue by Segment
\$513 million



Note: Market data as of September 10, 2020; Financial data represents trailing twelve months as of June 27, 2020

VISION 2025

A large, dark blue arrow pointing upwards, positioned on the left side of the slide.

Achieve global **technology leadership**
in the **industrial goods sector**
by 2025 **with critical mass**
exceeding **\$1 BILLION** in sales
while maintaining **superior profitability** and **financial strength.**

A large, grey arrow pointing upwards, positioned on the right side of the slide.

Three Megatrends Impacting Our Markets

Globalization

**Sophistication of Safe
Machinery & Equipment**

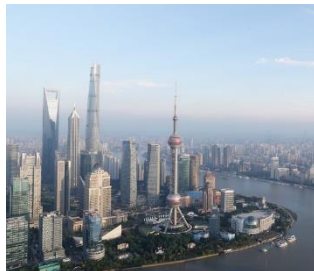
Computing Power

GLOBAL NEEDS WILL DRIVE THESE TRENDS

Population
Growth



Urbanization &
Environment



Productivity &
Efficiencies



Automation



Electrification &
Digitalization



Energy Saving



LEVERAGE GLOBAL EXPANSION OPPORTUNITIES

Business Goals:

\$1B

REVENUE

>20%

ADJUSTED OPERATING MARGIN FLOOR

>24%

ADJUSTED EBITDA MARGIN FLOOR

2x

SALES GROWTH RATE
EXCEEDING MARKET

6%

CAPEX AS % OF SALES

6%

ENGINEERING LABOR
AS % OF SALES

Strategies:

Differentiation

Leadership

Customer Centricity

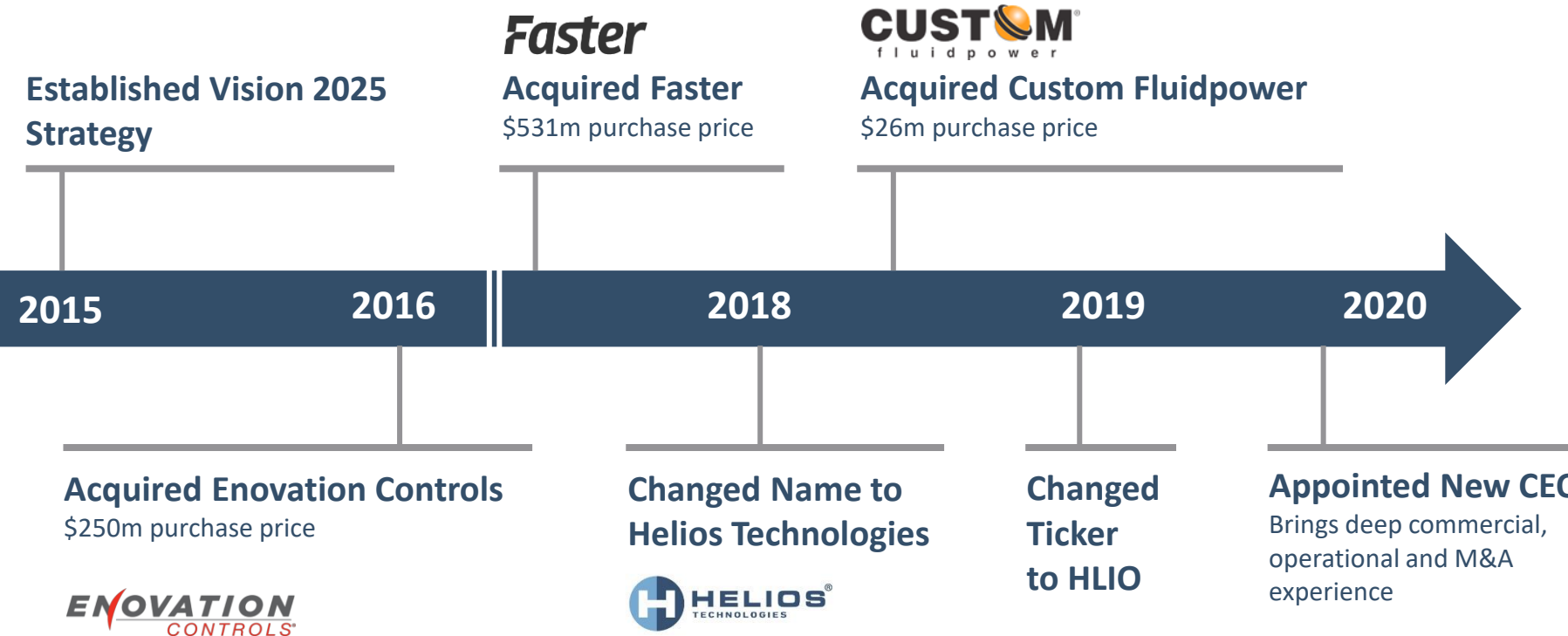
Tactics:

Operational Efficiency
Organic Market Expansion
Superior Liquidity
Targeted Acquisitions

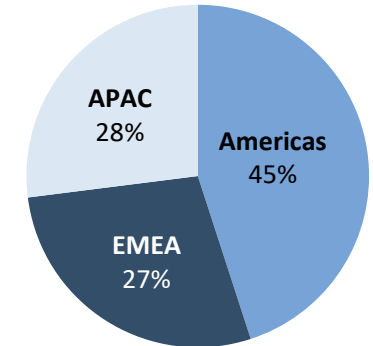
High Performing &
Learning
Organization

Unique & Deeply
Rooted Values

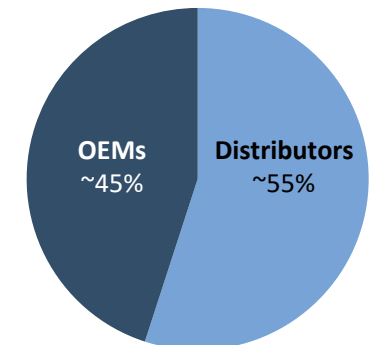
Executing Vision 2025



Q2 2020 TTM Revenue by Geography

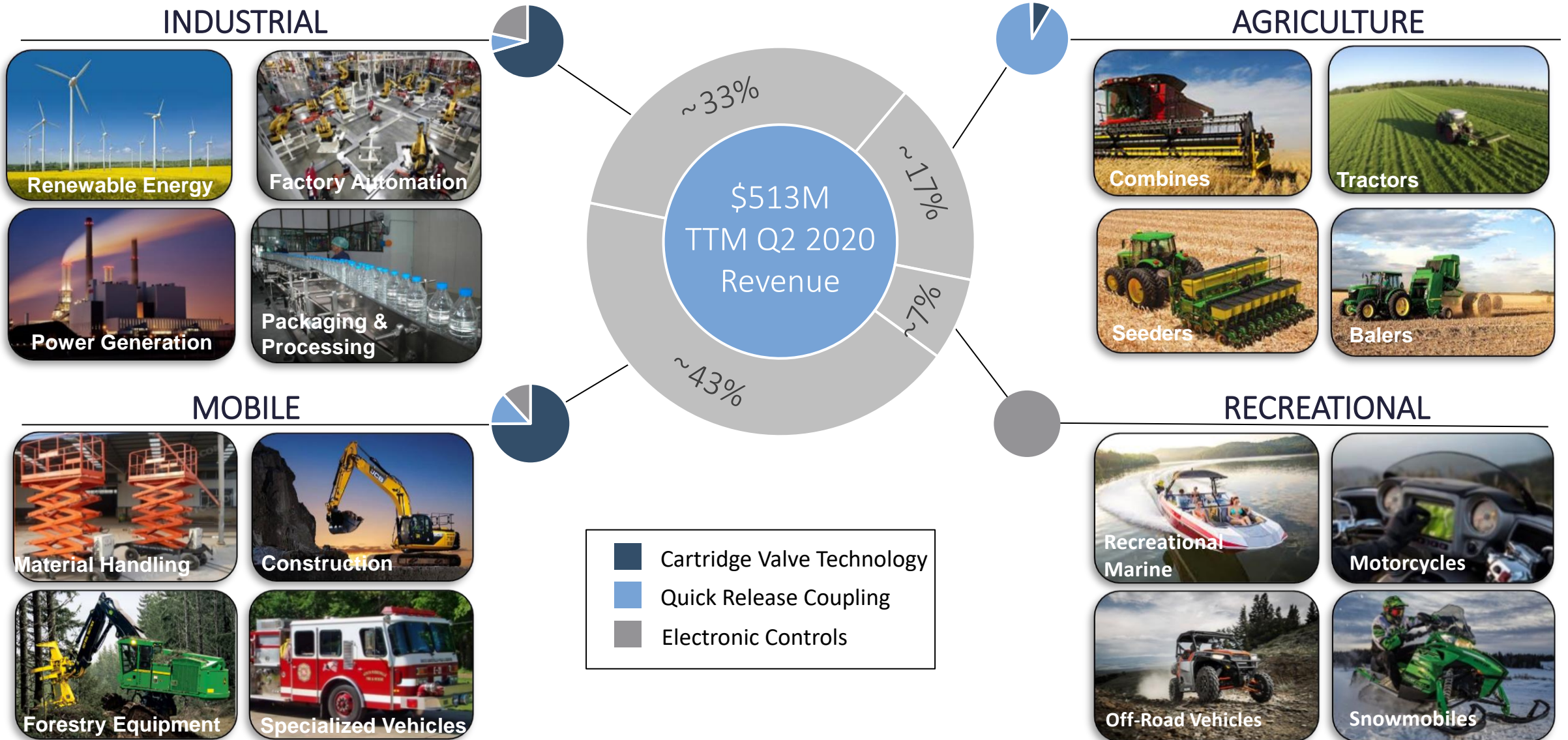


Q2 2020 TTM Revenue by Channel to Market



HELIOS TECHNOLOGIES' EVOLUTION TO GLOBAL TECHNOLOGY LEADERSHIP

Diversified End Markets



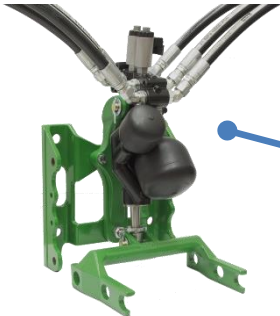
Leadership in Niche Markets: Hydraulics

Leading market position in global cartridge valve market

Complex, dense Integrated packages



FLeX solenoid-operated directional valves



Planters

Leading market position in global quick release couplings market



Quick

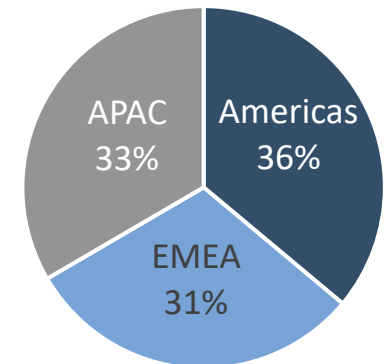


Focused on expanding addressable market

Q2 2020 TTM

Revenue	\$419 million
Gross Profit	\$154 million
Gross Margin	36.7%
Operating income	\$82 million
Operating Margin	19.5%

Sales by Region



Leadership in Niche Markets: Electronics

Leading market position in recreational vehicle market



Growing market share in construction market

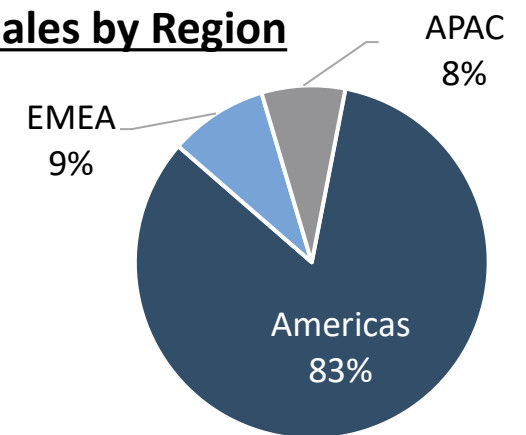


Increasing addressable market

Q2 2020 TTM

Revenue	\$94 million
Gross Profit	\$43 million
Gross Margin	45.2%
Operating income	\$15 million
Operating Margin	15.6%

Sales by Region





Achieving Our Vision 2025

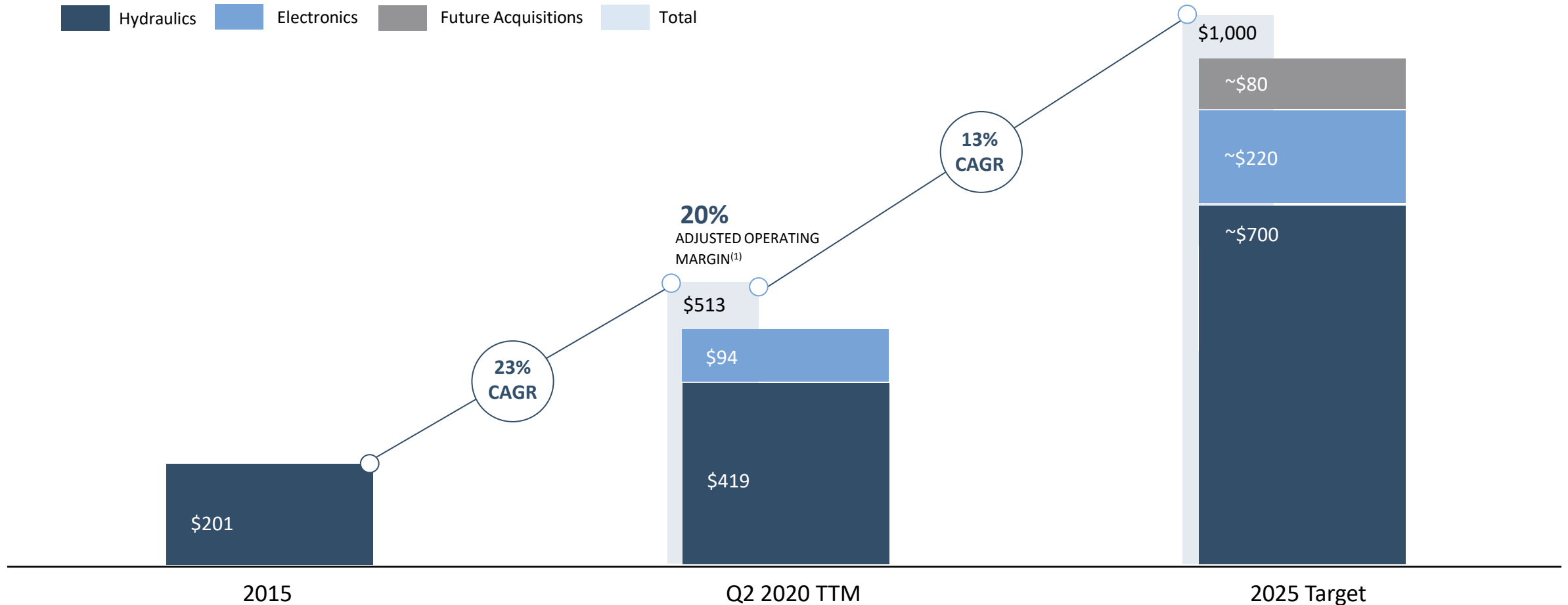
Vision 2025: Pathway to Superior Profitability



Vision 2025: Pathway to Superior Growth

REVENUE AND ADJUSTED OPERATING MARGIN

(IN MILLIONS) *Assumption: Includes COVID -19 pandemic impact in 2020*



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

Differentiated & Disciplined Acquisition Strategy

Goals

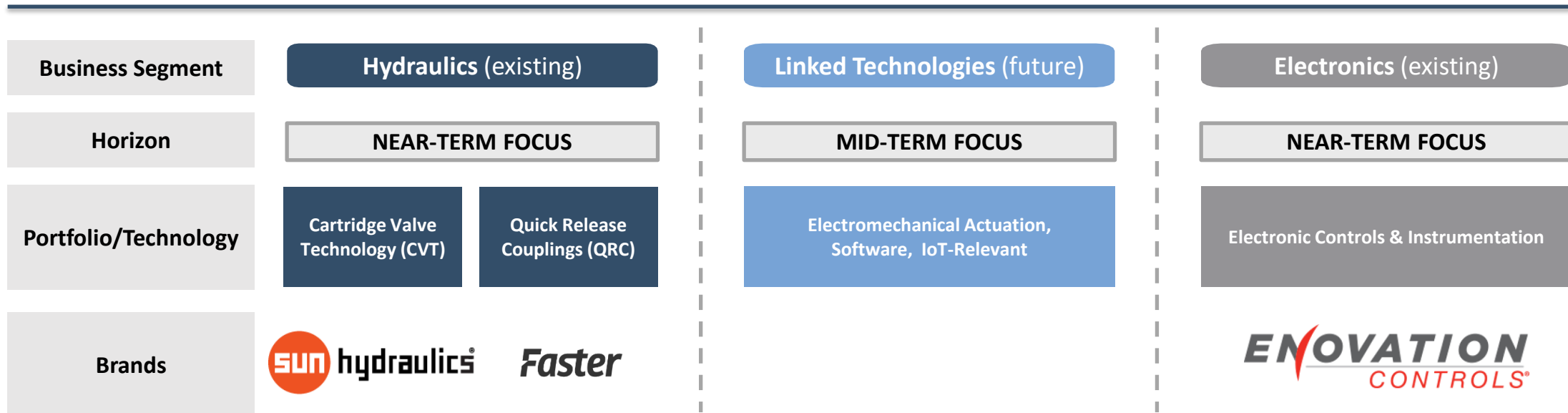
- Niche Technology leader
- Broaden technology offerings and capabilities
- Increase solutions-based offerings
- Diversify end markets
- Expand aftermarket / MRO
- Simultaneous engineering

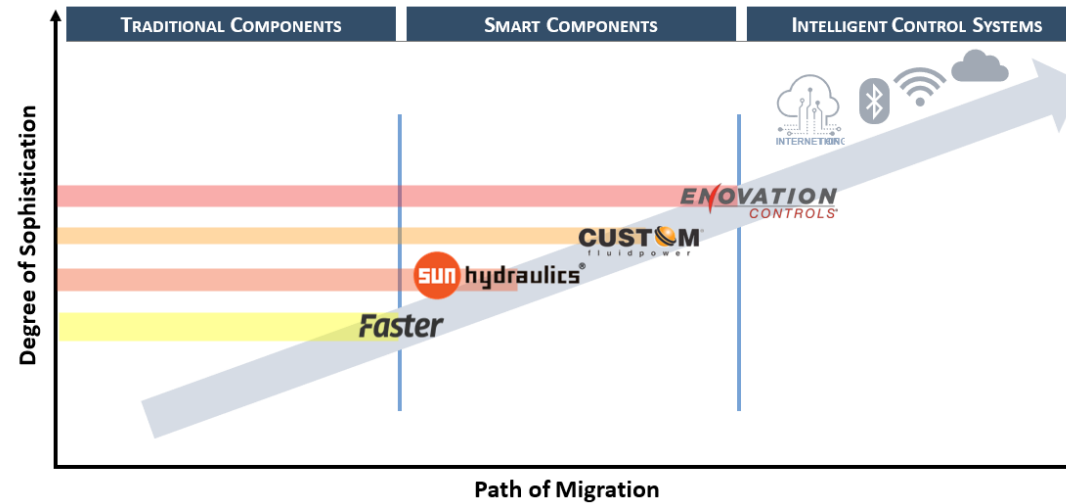
Targets






- 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



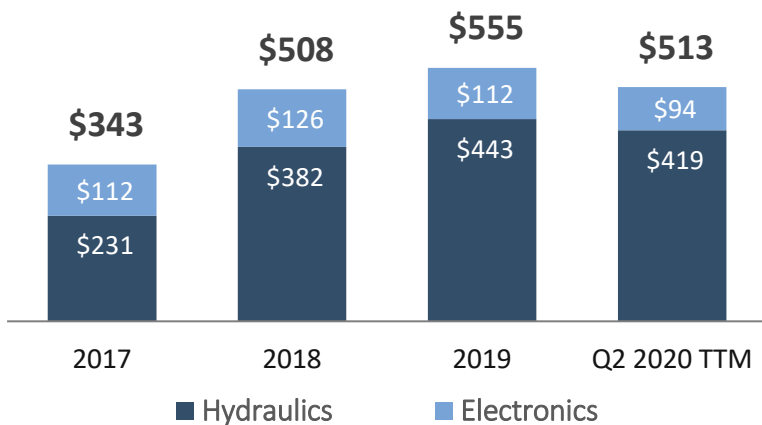


	 2016	<i>Faster</i> 2018	 2018
Growth/Profitability 	High growth; good margins	Outpaced market growth; strong margins	New end-market and regional entry; Improving margins
Synergy Targets (within 4 yrs) 	~\$5M in EBITDA	~\$7.5M in EBITDA	~\$2M in EBITDA
Technology Fit 	Electronic Controls & Instrumentation	Quick Release Couplings	Cartridge Valve Technology
End Market Expansion 	Recreational	Agricultural	Mining, South-East Asia
Migration Path 	Intelligent Components	Traditional Components	Smart Components
EPS Accretion 	In first full year	In first full year	In first full year

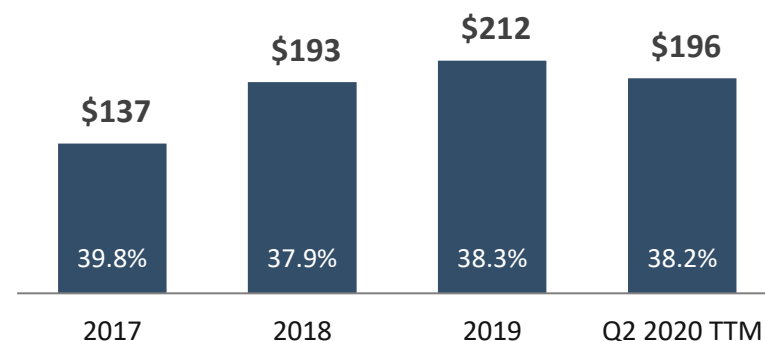
Solid Financial Performance

(\$ in millions, except per share data)

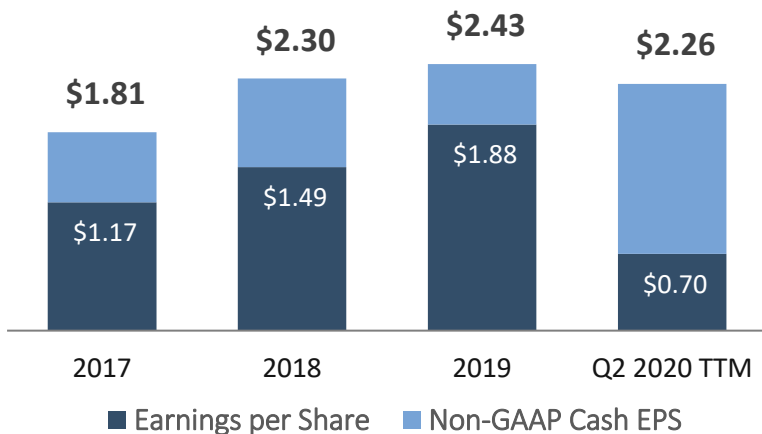
Revenue



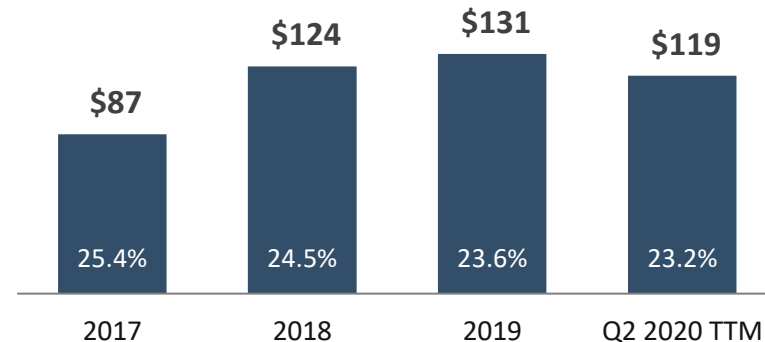
Gross Profit & Margin



EPS & Non-GAAP Cash EPS



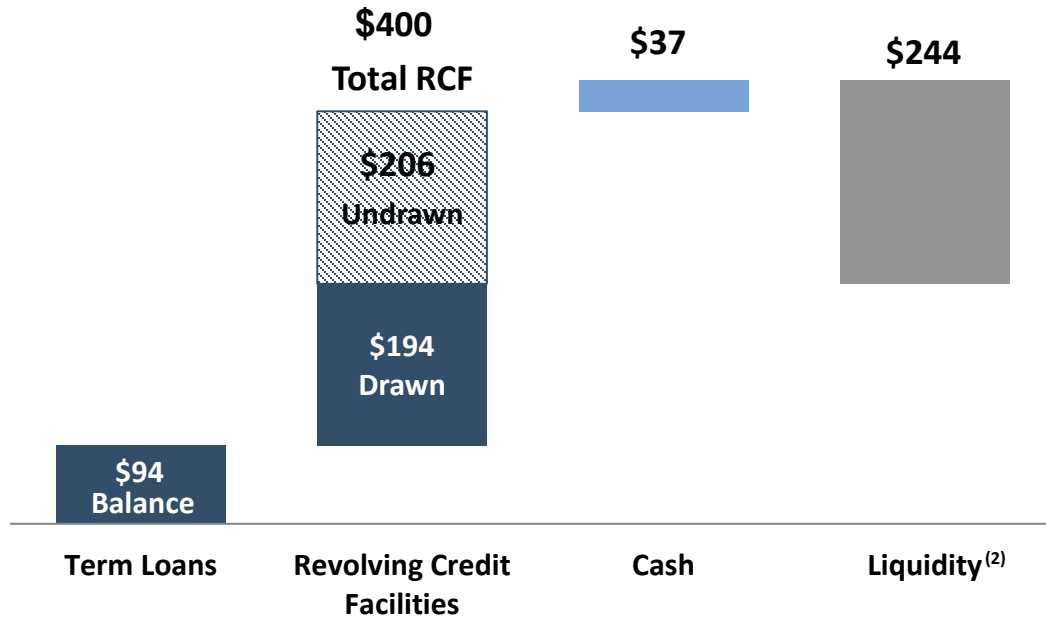
Adjusted EBITDA & Margin



(1) 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

(\$ in millions)

Capital Structure



- Net Debt / Adj. EBITDA⁽¹⁾: 2.1x - Goal: Net Debt / Adj. EBITDA below 2.0x
- Maintaining financial flexibility in uncertain macroeconomic environment

Strong Liquidity Position

Capital Allocation Priorities

- ① Organic Growth
- ② Debt Reduction
- ③ Acquisitive Growth
- ④ Support Dividend

(1) Information as of June 27, 2020. Based on adjusted EBITDA on a trailing twelve months basis. 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 June 27, 2020; revolving credit facilities also allow for a \$200 million accordion, subject to certain pro forma compliance requirements, not reflected above.

Significant Free Cash Flow Generation

(\$ in millions)

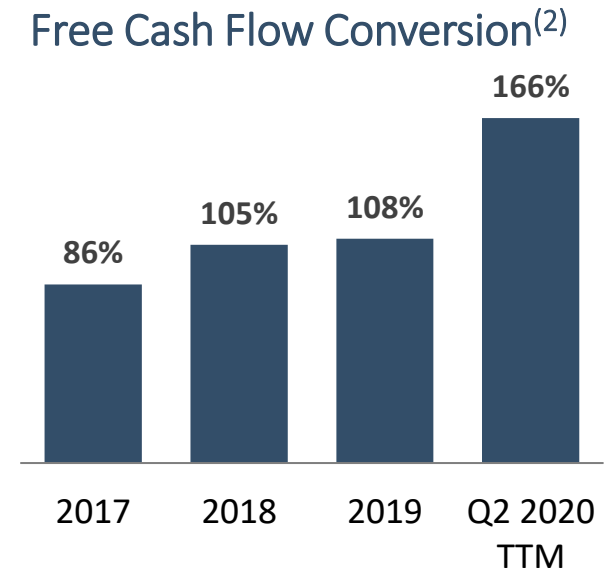
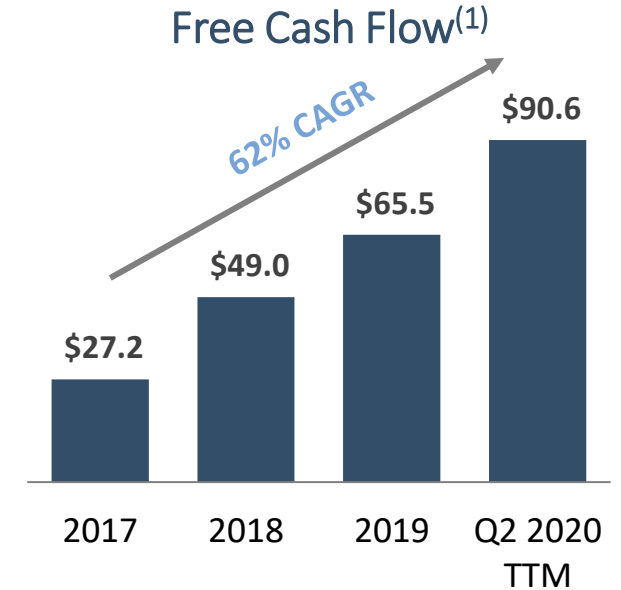
	2017	2018	2019	Q2 2020 TTM
Net cash provided by operating activities	\$49.4	\$77.4	\$90.5	\$105.4
CapEx	(22.2)	(28.4)	(25.0)	(14.8)
Free cash flow (FCF)	\$27.2	\$49.0	\$65.5	\$90.6
Cash dividend	\$0.36	\$0.36	\$0.36	\$0.36

Note: Components may not add to totals due to rounding

- Agile response to preserve and generate cash
- Generated \$25.3 million of cash from operations and \$23.0 million of free cash flow in Q2 2020
- 2020 CapEx focused on high priority and critical projects

(1) Free cash flow is defined as cash provided by operating activities minus capital expenditures

(2) Free cash flow conversion is defined as free cash flow divided by net income; adjusted for goodwill impairment of \$31.9m in Q1 2020



- Cautious near-term outlook given uncertainty of the COVID-19 pandemic
 - Expect Q3 to be trough
- Continued focus on cash generation expected to build offensive position for growth
 - Advancing and Enhancing Vision 2025 Strategy
 - Leverage already existing strengths and capabilities
 - Development of four additional value streams to accelerate goal achievement
- Continued confidence in successful management of current challenges

POSITIONING FOR GROWTH AND MARKET EXPANSION

(1) Outlook as of as September 17, 2020

Commitment to Shareholder Value Creation

- 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

(\$ in thousands)

	Three Months Ended		Six Months Ended	
	June 27, 2020	June 29, 2019	June 27, 2020	June 29, 2019
<i>Sales:</i>				
Hydraulics	\$ 102,089	\$ 113,710	\$ 205,907	\$ 230,173
Electronics	17,205	30,132	42,870	60,520
Consolidated	<u>\$ 119,294</u>	<u>\$ 143,842</u>	<u>\$ 248,777</u>	<u>\$ 290,693</u>
<i>Gross profit and margin:</i>				
Hydraulics	\$ 37,473	\$ 42,407	\$ 77,147	\$ 85,040
	36.7%	37.3%	37.5%	36.9%
Electronics	7,246	13,820	19,422	27,695
	42.1%	45.8%	45.3%	45.8%
Consolidated	<u>\$ 44,719</u>	<u>\$ 56,227</u>	<u>\$ 96,569</u>	<u>\$ 112,735</u>
	37.5%	39.1%	38.8%	38.8%
<i>Operating income and margin:</i>				
Hydraulics	\$ 21,989	\$ 24,123	\$ 43,471	\$ 47,885
	21.5%	21.2%	21.1%	20.8%
Electronics	939	6,488	5,717	13,000
	5.5%	21.6%	13.3%	21.5%
Corporate and other	(6,226)	(4,238)	(42,519)	(8,681)
Consolidated	<u>\$ 16,702</u>	<u>\$ 26,373</u>	<u>\$ 6,669</u>	<u>\$ 52,204</u>
	14.0%	18.4%	2.7%	18.0%

Sales by Geographic Region & Segment

(Unaudited)

2020 Sales by Geographic Region and Segment

(\$ in millions)

	Q1	% of Total	Q2	% of Total	2020	% of Total
<i>Americas:</i>						
Hydraulics	\$ 37.3		\$ 34.2		\$ 71.6	
Electronics	21.6		13.4		35.0	
Consol. Americas	58.9	45%	47.6	40%	106.6	43.0%
<i>EMEA:</i>						
Hydraulics	33.5		31.2		64.7	
Electronics	2.5		1.9		4.4	
Consol. EMEA	36.0	28%	33.1	28%	69.1	28.0%
<i>APAC:</i>						
Hydraulics	33.0		36.7		69.6	
Electronics	1.6		1.9		3.5	
Consol. APAC	34.6	27%	38.6	32%	73.1	29.0%
Total	\$ 129.5		\$ 119.3		\$ 248.8	

2019 Sales by Geographic Region and Segment

(\$ in millions)

	Q1	% of Total	Q2	% of Total	Q3	% of Total	Q4	% of Total	2019	% of Total
<i>Americas:</i>										
Hydraulics	\$ 41.6		\$ 41.2		\$ 43.3		\$ 36.2		\$ 162.3	
Electronics	26.1		26.6		24.0		19.5		96.3	
Consol. Americas	67.7	46%	67.8	47%	67.3	49%	55.7	44%	258.6	47.0%
<i>EMEA:</i>										
Hydraulics	41.8		36.8		31.9		31.1		141.6	
Electronics	2.5		1.8		2.1		2.0		8.4	
Consol. EMEA	44.3	30%	38.6	27%	34.0	25%	33.1	26%	150.0	27.0%
<i>APAC:</i>										
Hydraulics	33.1		35.7		34.9		35.2		138.9	
Electronics	1.8		1.7		1.8		1.9		7.2	
Consol. APAC	34.9	24%	37.4	26%	36.7	26%	37.1	30%	146.1	26.0%
Total	\$ 146.9		\$ 143.8		\$ 138.0		\$ 125.9		\$ 554.7	

Adjusted Operating Income Reconciliation

<i>(Unaudited)</i>	Twelve Months Ended
<i>(\$ in thousands)</i>	June 27,
	2020
GAAP operating income	\$ 44,579
Acquisition-related amortization of intangible assets	17,744
Acquisition and financing-related expenses	74
Restructuring charges	2,022
Loss on disposal of intangible asset	2,713
CEO transition costs	1,809
Goodwill impairment	31,871
Other	127
Non-GAAP adjusted operating income	\$ 100,939
<i>GAAP operating margin</i>	<i>8.7%</i>
<i>Non-GAAP Adjusted operating margin</i>	<i>19.7%</i>

Non-GAAP Financial Measure:

Adjusted operating margin is adjusted operating income divided by sales. Adjusted operating income and adjusted operating margin are not measures determined in accordance with generally accepted accounting principles in the United States, commonly known as GAAP. Nevertheless, 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)

	Twelve Months Ended			
	June 27, 2020	December 28, 2019	December 29, 2018	December 30, 2017
Net income (loss)	\$ 22,285	\$ 60,268	\$ 46,730	\$ 31,558
Interest expense, net	12,796	15,387	13,876	3,781
Income tax provision	10,567	15,039	9,665	15,986
Depreciation and amortization	35,041	35,215	39,714	19,190
EBITDA	80,689	125,909	109,985	70,515
Acquisition-related amortization of inventory step-up	-	-	4,441	1,774
Acquisition and financing-related expenses	74	11	5,685	1,019
Restructuring charges	2,022	1,724	170	1,462
One-time operational items	-	-	-	2,907
Change in fair value of contingent consideration	(157)	652	1,482	9,476
Foreign currency forward contract loss	-	-	2,535	-
Loss on disposal of intangible asset	2,713	2,713	-	-
CEO transition costs	1,809	-	-	-
Goodwill impairment	31,871	-	-	-
Other	127	127	-	-
Adjusted EBITDA	\$ 119,148	\$ 131,136	\$ 124,298	\$ 87,153
<i>Adjusted EBITDA margin</i>	<i>23.2%</i>	<i>23.6%</i>	<i>24.5%</i>	<i>25.4%</i>

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)	Twelve Months Ended			
	June 27, 2020	December 28, 2019	December 29, 2018	December 30, 2017
Net income (loss)	\$ 22,285	\$ 60,268	\$ 46,730	\$ 31,558
Acquisition-related amortization of inventory step-up	-	-	4,441	1,774
Acquisition and financing-related expenses	74	11	5,685	1,019
Restructuring charges	2,022	1,724	170	1,462
One-time operational items	-	-	-	2,907
Change in fair value of contingent consideration	(157)	652	1,482	9,476
Amortization of intangible assets	17,764	18,065	23,262	8,423
Impact of tax reform	-	-	(1,400)	463
Foreign currency forward contract loss	-	-	2,535	-
Loss on disposal of intangible asset	2,713	2,713	-	-
Other one-time tax-related items	-	-	(1,920)	-
Other	127	127	-	-
CEO transition costs	1,809	-	-	-
Goodwill impairment	31,871	-	-	-
Tax effect of above	(6,088)	(5,823)	(8,850)	(8,271)
Non-GAAP cash net income	\$ 72,420	\$ 77,737	\$ 72,135	\$ 48,811
Non-GAAP cash net income per diluted share	\$ 2.26	\$ 2.43	\$ 2.30	\$ 1.81

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.

Net Debt-to-Adjusted EBITDA Reconciliation

<i>(Unaudited)</i>	As of
<i>(\$ in thousands)</i>	June 27,
	2020
Current portion of long-term non-revolving debt, net	\$ 10,216
Revolving lines of credit	193,948
Long-term non-revolving debt, net	83,267
Total debt	287,431
Less: Cash and cash equivalents	36,965
Net debt	\$ 250,466
Adjusted EBITDA, TTM ended June 27, 2020	\$ 119,148
Ratio of net debt to TTM Adjusted EBITDA	2.1

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.



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