HELIOS TECHNOLOGIES

Third Quarter 2022 Earnings

November 7, 2022

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Safe Harbor Statement

This presentation and oral statements made by management in connection herewith that are not historical facts are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve risks and uncertainties, and actual results may differ materially from those expressed or implied by such statements. They include statements regarding current expectations, estimates, forecasts, projections, our beliefs, and assumptions made by Helios Technologies, Inc. ("Helios" or the "Company"), its directors or its officers about the Company and the industry in which it operates, and assumptions made by management, and include among other items, (i) the Company's strategies regarding growth, including its intention to develop new products and make acquisitions; (ii) the effectiveness of creating the Center of Engineering Excellence; (iii) the Company's financing plans; (iv) trends affecting the Company's financial condition or results of operations; (v) the Company's ability to continue to control costs and to meet its liquidity and other financing needs; (vi) the declaration and payment of dividends; and (vii) the Company's ability to respond to changes in customer demand domestically and internationally, including as a result of standardization. In addition, we may make other written or oral statements, which constitute forward-looking statements, from time to time. Words such as "may," "expects," "projects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. Similarly, statements that describe our future plans, objectives or goals also are forward-looking statements. These statements are not guaranteeing future performance and are subject to a number of risks and uncertainties. Our actual results may differ materially from what is expressed or forecasted in such forward-looking statements, and undue reliance should not be placed on such statements. All forward-looking statements are made as of the date hereof, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that could cause the actual results to differ materially from what is expressed or forecasted in such forward-looking statements include, but are not limited to, (i) supply chain disruption and the potential inability to procure goods; (ii) conditions in the capital markets, including the interest rate environment and the availability of capital; (iii) inflation (including hyperinflation) or recession; (iv) changes in the competitive marketplace that could affect the Company's revenue and/or cost bases, such as increased competition, lack of qualified engineering, marketing, management or other personnel, and increased labor and raw materials costs; (v) risks related to health epidemics, pandemics and similar outbreaks, 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; (vi) risks related to our international operations, including the potential impact of the ongoing conflict between Russia and Ukraine; (vii) our failure to realize the benefits expected from acquisitions, our failure to promptly and effectively integrate acquisitions and the ability of Helios to retain and hire key personnel, and maintain relationships with suppliers. 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 1, 2022.

Helios has presented forward-looking statements regarding non-GAAP measures. 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 measures 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.

Q3 2022 Business Summary

HELIOS TEAM united to **OVERCOME MACRO IMPACTS** to deliver **TOP-TIER MARGINS** in the quarter; driving innovation, capturing share and diversifying customers, markets and geographies

EXECUTING TO LONG TERM GROWTH PLAN with manufacturing and operating strategy and new product innovations working to **PROTECT MARGINS, EARNINGS, AND CASH FLOW**

NAVIGATING HEADWINDS of hurricane, FX, prolonged war in Europe and restricted economy in China to produce GAAP YTD revenue up 6%; **QUARTERLY REVENUE RELATIVELY UNCHANGED** YoY when adjusted for constant currency(1) and temporary shut down from hurricane(2) in Sarasota, FL

FINANCIAL STRENGTH WITH COMPETITIVE MOAT investing in augmented strategy through all market conditions; financial strength with **NET DEBT TO ADJ. EBITDA** leverage ratio at 1.90x(3)

Line of sight to **$1B REVENUE MILESTONE** by YE2023 supported by **DEMONSTRATED MARKET LEADERSHIP** combined with **ACTIVE, ACTIONABLE PIPELINE OF OPPORTUNITIES**

(1) Constant currency is a non-GAAP financial measure; calculated as Net Sales including the impact of foreign currency translation, (translating current period activity at average prior period exchange rates).
(2) See supplemental slide for reconciliation of estimated Hurricane Ian impacts and other important information regarding Helios' use of non-GAAP financial measures.
(3) On a pro-forma basis Taimi and Daman Products; reflects non-GAAP measure; see supplemental slide for a reconciliation to the most comparable GAAP measure.

Latest M&A Flywheel Acquisition Strategy At Work

Daman®

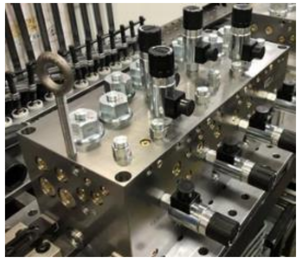
Daman Products Company

recognized leader in complex manifold design and manufacturing for precision hydraulic manifolds and related fluid conveyance products

- Founded 1976 – headquartered in Mishawaka, Indiana
- **HISTORICAL COLLABORATION:** Sun Hydraulics and Daman have collaborated for years on solutions that address fluid power challenges
- **EXTENDING DIVERSIFIED END MARKETS:** Daman products are used in numerous hydraulics applications for industrial and mobile markets including applications in the oil and gas, railroad, construction, agriculture, forestry, mining, material handling, machine tool, robotics, and entertainment industries
- **STRONG BRAND RECOGNITION:** highly recognized brand with a quality reputation, has leading market share in the standard manifold niche market segment, as well as in custom designed integrated solutions
- **BOLT ON TO HELIOS' HYDRAULICS PLATFORM:** enhances product offering and enables horizontal product line integration for more sophisticated system solutions; complements engineering capabilities, talent and expertise
- Closed in the third quarter of 2022, expect to grow this closer to a $100 million business over the next five years

Product Examples

Integrated Manifold Assemblies



Q3 2022 Financial Results Highlights

($ in millions, except per share data)

$207.2

Sales

7% YoY

($8.2)+($5.3)

Impact of FX + Hurricane

$220.7

1% YoY adjusted

Adjusted for FX + Hurricane (1)

Sales

- Revenue in quarter reflected rapid change in FX ($8.2M) and estimated sales unable to ship ($5.3M) related to hurricane; up against strong comparable quarter in prior-year period
- Strength in industrial, mobile and recreational partially offset weakness in health & wellness

33.4%

Gross Margin

280 bps YoY

33.7%

Adjusted for Hurricane (1)

250 bps YoY adjusted

Gross Profit & Margin

- Gross profit and margin reflect FX, closure of Sarasota operations due to the hurricane and under absorption from decline in volume for Health & Wellness market; all was somewhat offset by price improvements
- FX and the hurricane had a $2.1 million and estimated $2.3 million negative impact on gross profit, respectively

(1) Reflects a non-GAAP financial measure; see supplemental slide for reconciliation of estimated Hurricane Ian impacts and other important information regarding Helios' use of non-GAAP financial measures.

Note: YoY = year-over-year

Q3 2022 Financial Results Highlights

($ in millions, except per share data)

14.8%
Operating Margin
340 bps YoY

15.4%
Adjusted for Hurricane[1]
280 bps YoY adjusted

20.4%
Adj. Operating Margin[1]
210 bps YoY

20.8%
Adjusted for Hurricane[1]
170 bps YoY adjusted

Operating Expenses

- SEA declined 3% reflecting cost management initiatives
- Amortization of intangible assets was down $0.6 million to $6.8 million

Operating Income and Margin

- Operating income reflecting headwinds of FX, hurricane and decline in discretionary consumer spending in health and wellness market

(1) Reflects a non-GAAP financial measure; see supplemental slides for reconciliation of estimated Hurricane Ian impacts, Adjusted Operating Margin and other important information regarding Helios' use of non-GAAP financial measures.
Note: YoY = year-over-year

Q3 2022 Financial Results Highlights

($ in millions, except per share data)

$20.4
Net Income
27% YoY

$22.0
Adjusted for Hurricane[(1)]
21% YoY adjusted

23.2%
Adj. EBITDA Margin[(1)]
190 bps YoY

23.6%
Adjusted for Hurricane [(1)]
150 bps YoY adjusted

$0.63
Diluted GAAP EPS
26% YoY

($0.03)+($0.05)
Impacts for FX + Hurricane

$0.71
Adjusted for FX + Hurricane [(1)]
17% YoY adjusted

$0.90
Diluted Non-GAAP Cash EPS[(1)]
16% YoY

($0.03)+($0.05)
Impacts for FX + Hurricane

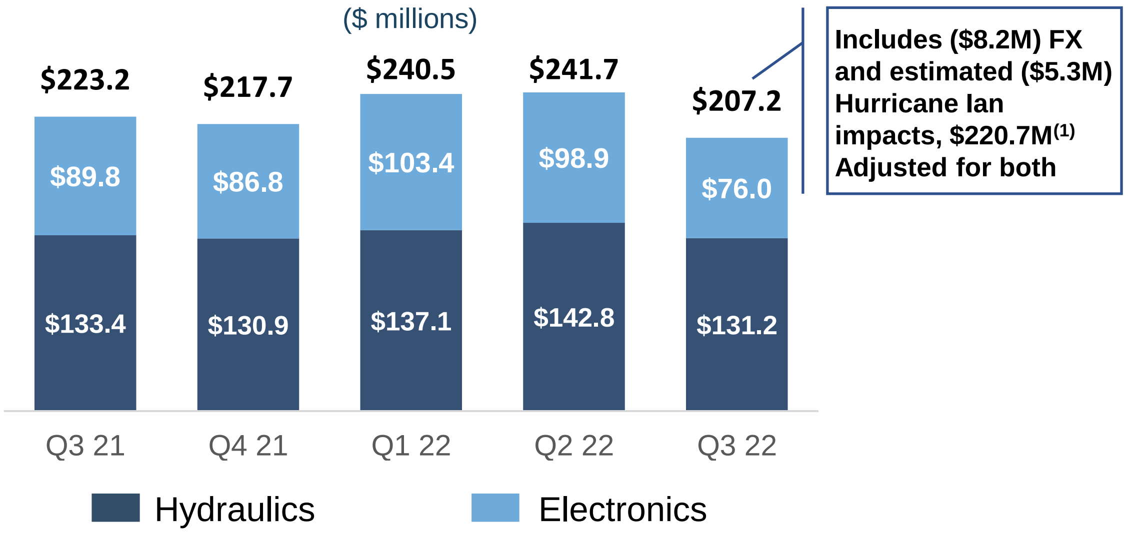
$0.98
Adjusted for FX + Hurricane [(1)]
8% YoY adjusted

(1) Reflects a non-GAAP financial measure; see supplemental slides for reconciliation of estimated Hurricane Ian impacts, Adjusted EBITDA, Non-GAAP Cash Net Income and other important information regarding Helios' use of non-GAAP financial measures.

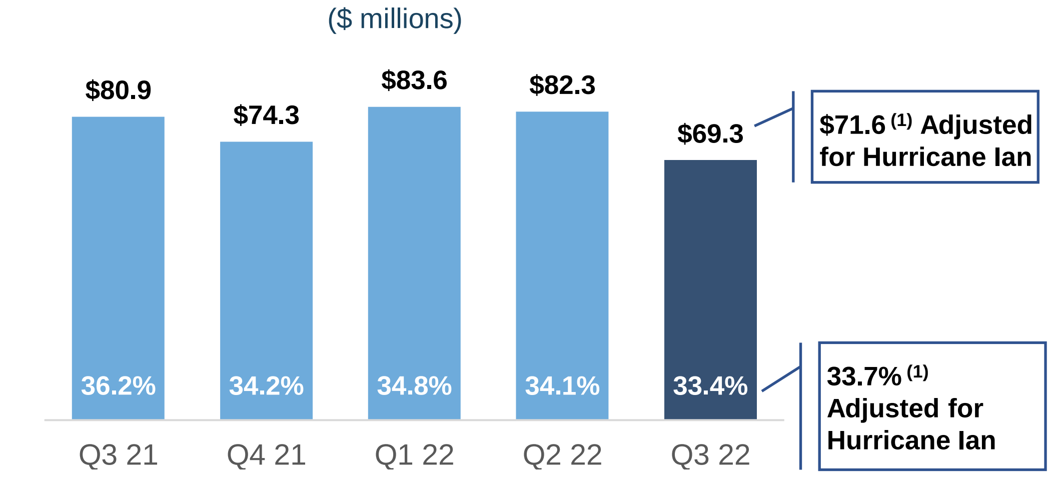
Note: YoY = year-over-year

Q3 2022 – Consolidated Results

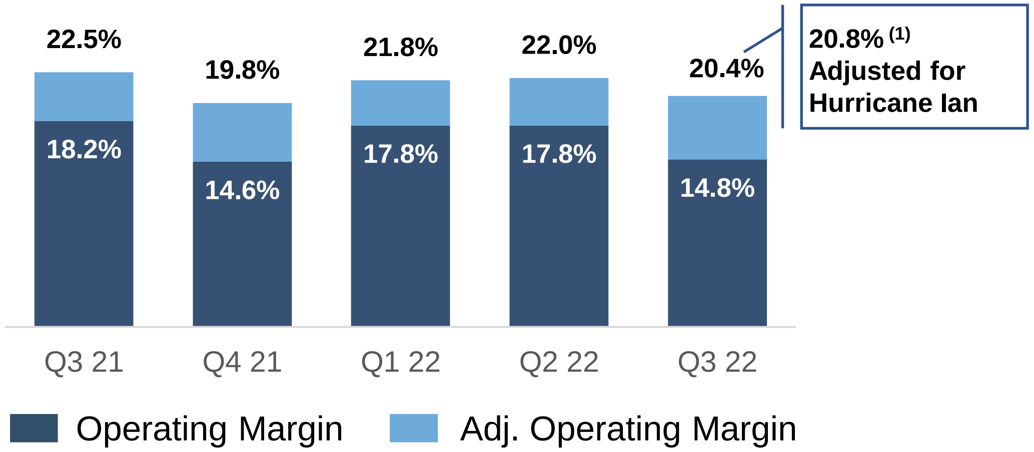
Sales



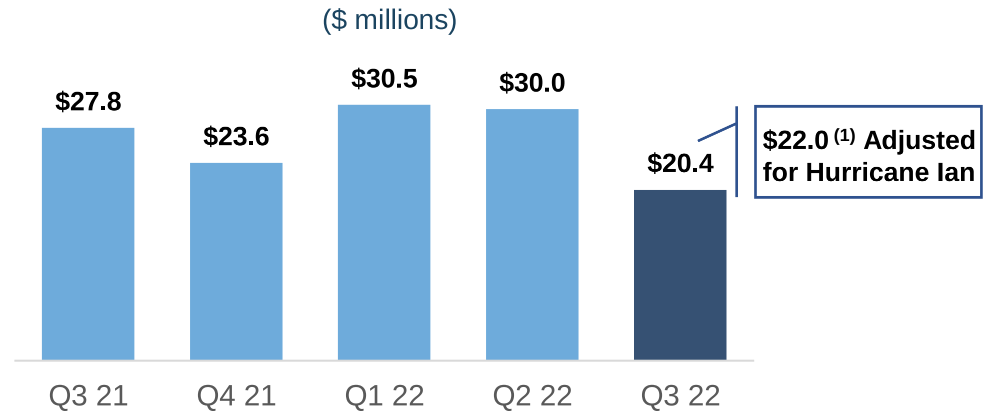
Gross Profit & Margin



Operating / Adj. Op. Margin(2)



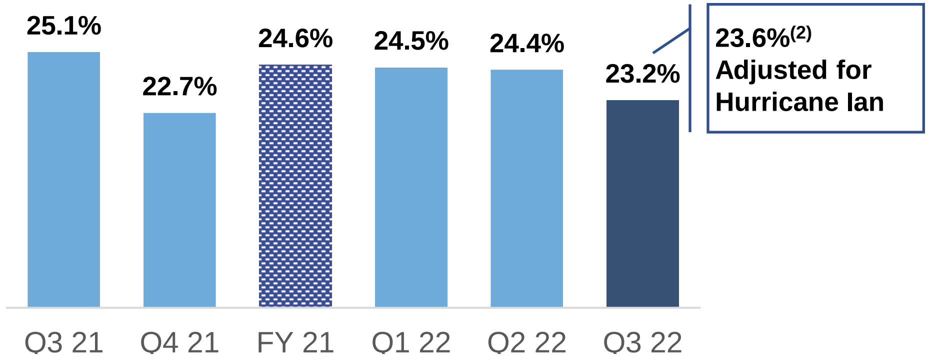
Net Income



(1) Reflects a non-GAAP financial measure; see supplemental slide for reconciliation of estimated Hurricane Ian impacts and other important information regarding Helios' use of non-GAAP financial measures.
(2) See Supplemental Information for definition of Adjusted Operating Margin, and reconciliation from GAAP and other disclaimers regarding non-GAAP information.

Q3 2022 – Consolidated Results

Adj. EBITDA Margin[1]



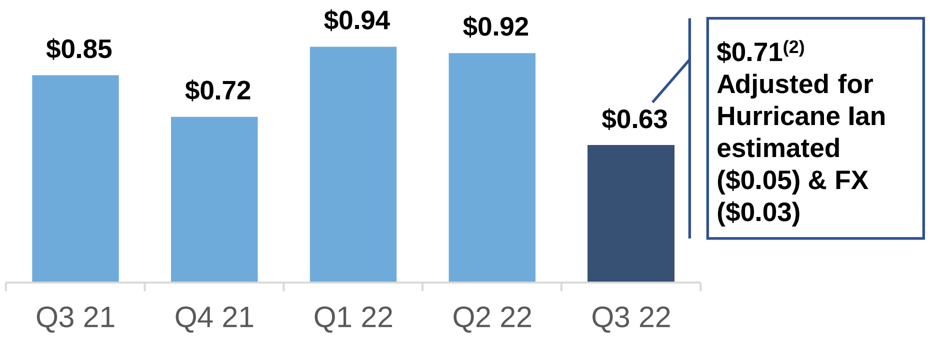
Adjusted EBITDA Margin Drivers

- Continue to deliver top-tier margins in the face of significant macro headwinds, a hurricane, and supply chain constraints

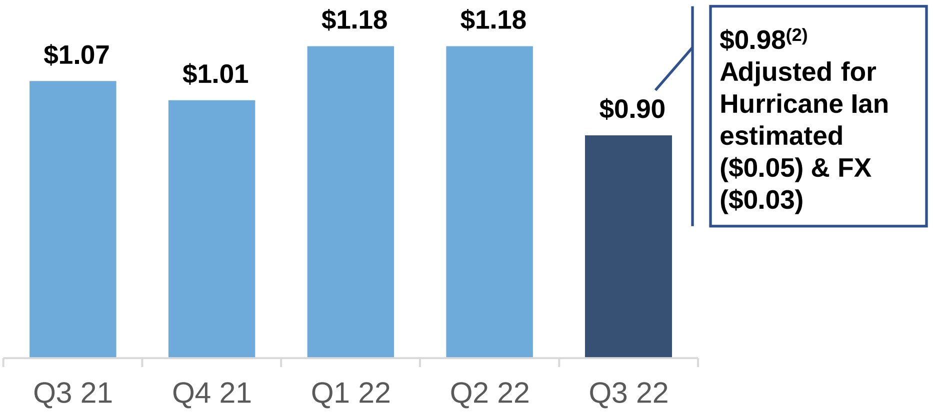
Diluted Earnings Drivers

- Tailwinds: manufacturing and operating strategy efficiencies, leverage and price improvements
- Headwinds: FX, Florida hurricane, global supply chains, prolonged European war, inflation, and higher sequential tax rate

Diluted GAAP EPS



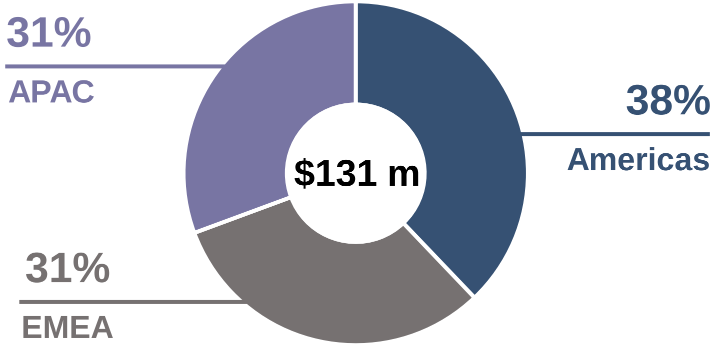
Diluted Non-GAAP Cash EPS[1]



(1) See Supplemental Information for definition of Adjusted EBITDA Margin and Diluted non-GAAP Cash EPS, and reconciliation from GAAP and other disclaimers regarding non-GAAP information.
(2) Reflects a non-GAAP financial measure; see supplemental slide for reconciliation of estimated Hurricane Ian impacts and other important information regarding Helios' use of non-GAAP financial measures.

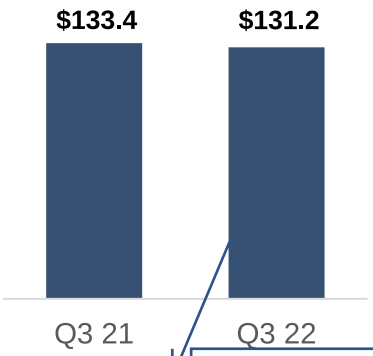
Q3 2022 – Hydraulics Segment

Q3 Sales by Region



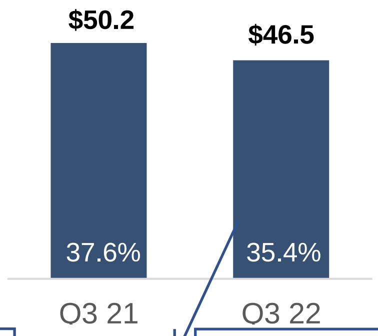
($ in millions)

Sales



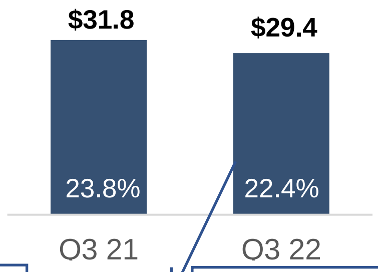
$144.4(2) Adjusted for Hurricane Ian & FX

Gross Profit



$50.7(2) and 35.1%(2) Adjusted for Hurricane Ian & FX

Operating Income



$32.4(2) and 22.4%(2) Adjusted for Hurricane Ian & FX

Third Quarter Highlights

Sales Drivers

- Sales, on a constant currency(1) basis and excluding impact of hurricane(2), were up 8%; end market demand in industrial and mobile markets helped to offset headwinds
- Acquisitions added $2.1 million; Organic constant currency (1) revenue growth YoY adjusting for the est. hurricane impacts(2) was 7%
- FX impact of ($7.9) million; estimated hurricane impact of ($5.3) million; supply chain constraints delayed an estimated $6.6 million in sales

Gross Profit and Margin Drivers

- Gross profit decrease driven primarily by estimated ($2.3) million impact from hurricane and FX of ($1.9) million
- Price increases helped to partially offset increases in material costs, product mix and energy costs

Operating Income and Margin

- SEA expenses decreased $1.3 million, 7% YoY, as a percent of sales improved 80 basis points to 13.0%; FX impact on operating income ($0.9) million
- 140 basis point impact on margin reflects gross margin drivers offset by strong cost discipline

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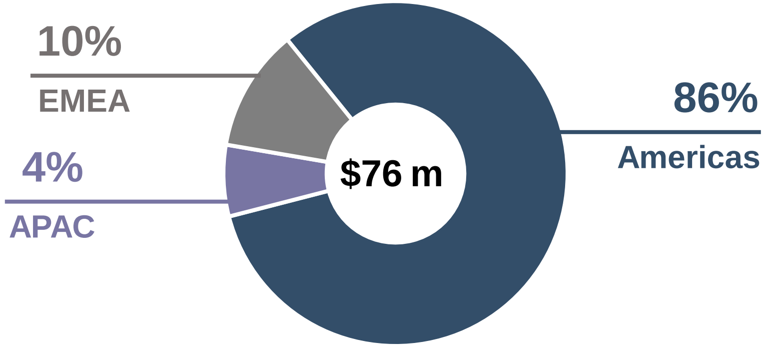
(2) Reflects a non-GAAP financial measure; see supplemental slide for reconciliation of estimated Hurricane Ian impacts and other important information regarding Helios' use of non-GAAP financial measures.

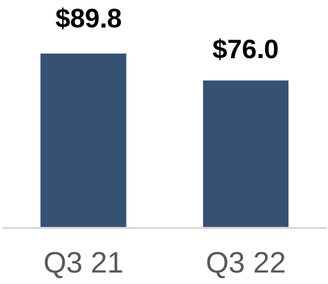
Q3 2022 – Electronics Segment

Q3 Sales by Region

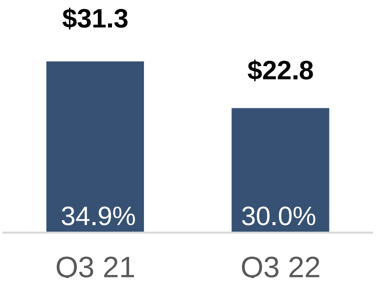


($ in millions)

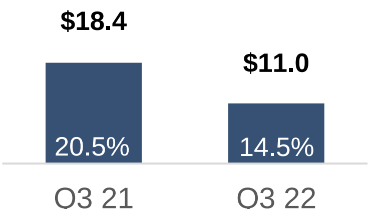
Sales



Gross Profit



Operating Income



Third Quarter Highlights

Sales Drivers

- End market demand in recreational, industrial machinery, and construction partially offset supply chain constraints and decline in health & wellness market
- Acquisitions added $0.8 million in sales
- FX impact was ($0.3) million; supply chain constraints delayed an estimated $8.2 million in sales

Gross Profit and Margin Drivers

- Gross profit declined $8.5 million due to lower volumes in health and wellness and FX of ($0.3) million. Gross margin declined reflecting increases in raw material, one-time restructuring costs, labor inefficiencies, and reduced fixed cost leverage

Operating Income and Margin

- SEA expenses decreased by $1.1 million, 9% YoY
- 600 basis point impact on margin reflects flow through of gross profit somewhat offset by cost management initiatives

Strong Cash Flow

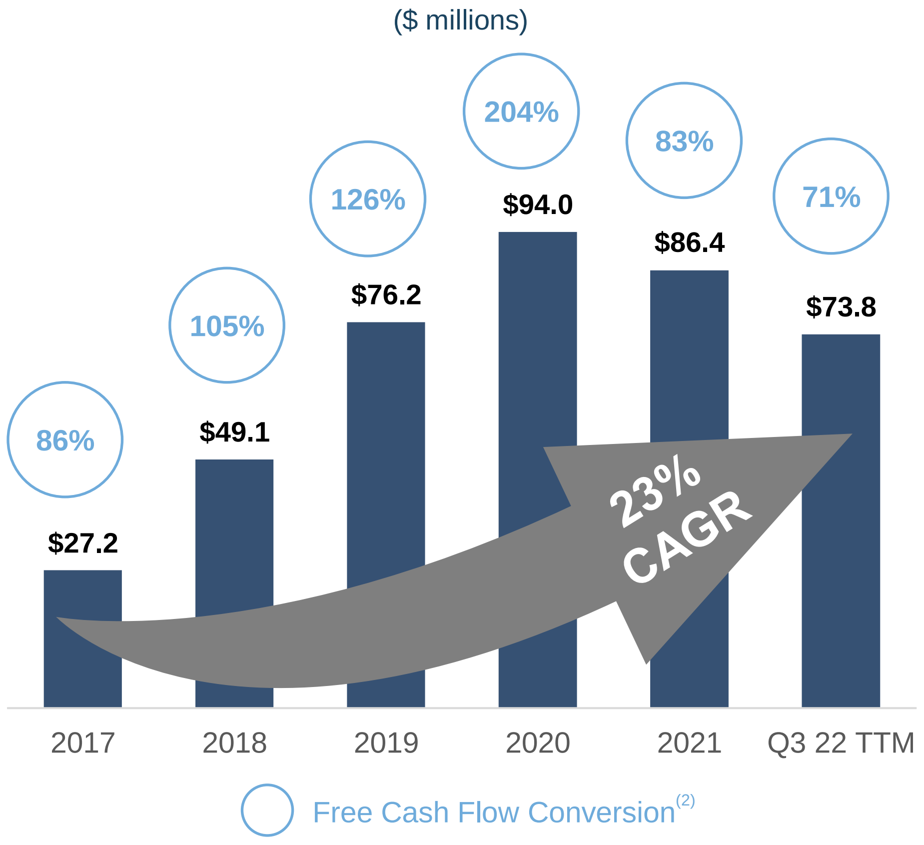
	Three Months Ended	
	10/1/22	10/2/21
Net cash provided by operating activities	$30.0	$32.5
CapEx	(8.5)	(6.7)
Free cash flow (FCF)[1]	**$21.5**	**$25.7**

Note: Components may not add to totals due to rounding

Consistent cash generation and free cash flow

- Solid cash generation even with strategic inventory investments to combat supply chain challenges; DOH up 28% over prior year
- Q3 2022 Free cash flow conversion[2] was 105%
- Q3 2022 CapEx of $8.5 million, or 4% of sales
- Inventory modestly up from the end of Q2 2022, impacted by timing of shipments due to the hurricane

Free Cash Flow[1]



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

Capital Structure

Capitalization		
	10/1/22	10/2/21
Cash and cash equivalents	$36.8	$47.7
Total debt	457.5	471.2
Total net debt[(1)]	420.7	423.6
Shareholders' equity	751.4	688.4
Total capitalization	$1,208.9	$1,159.7
Debt/total capitalization	37.8%	40.6%

Note: Components may not add to totals due to rounding

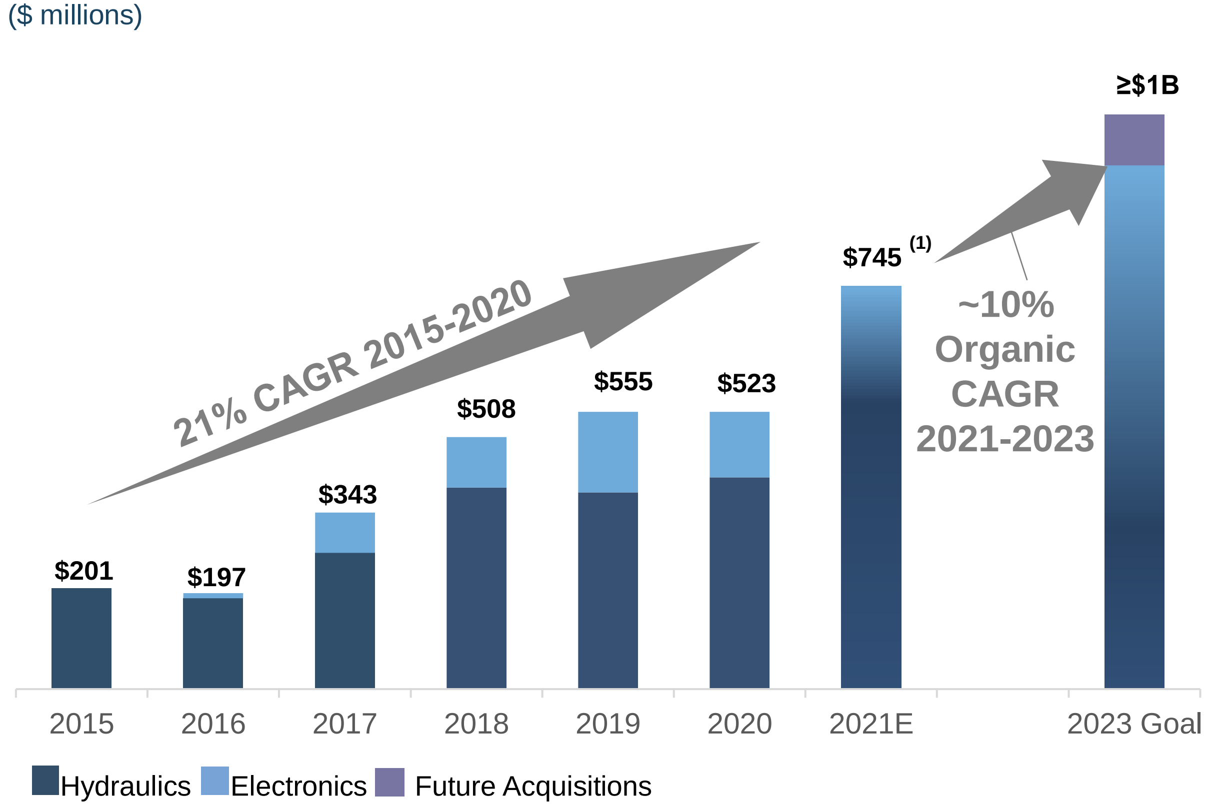
Financial Flexibility

- Achieved net debt/pro forma Adjusted EBITDA of 1.90x[(2)]:
  - Reflects acquisitions of Taimi and Daman
  - Below target leverage ratio of 2.0x providing flexibility
- Company expects to invest approximately 3% to 4% of sales in capital expenditures in 2022
- Ended the quarter with total liquidity of $168 million
- Paid dividends consistently for 103 sequential quarters or over 25 years!

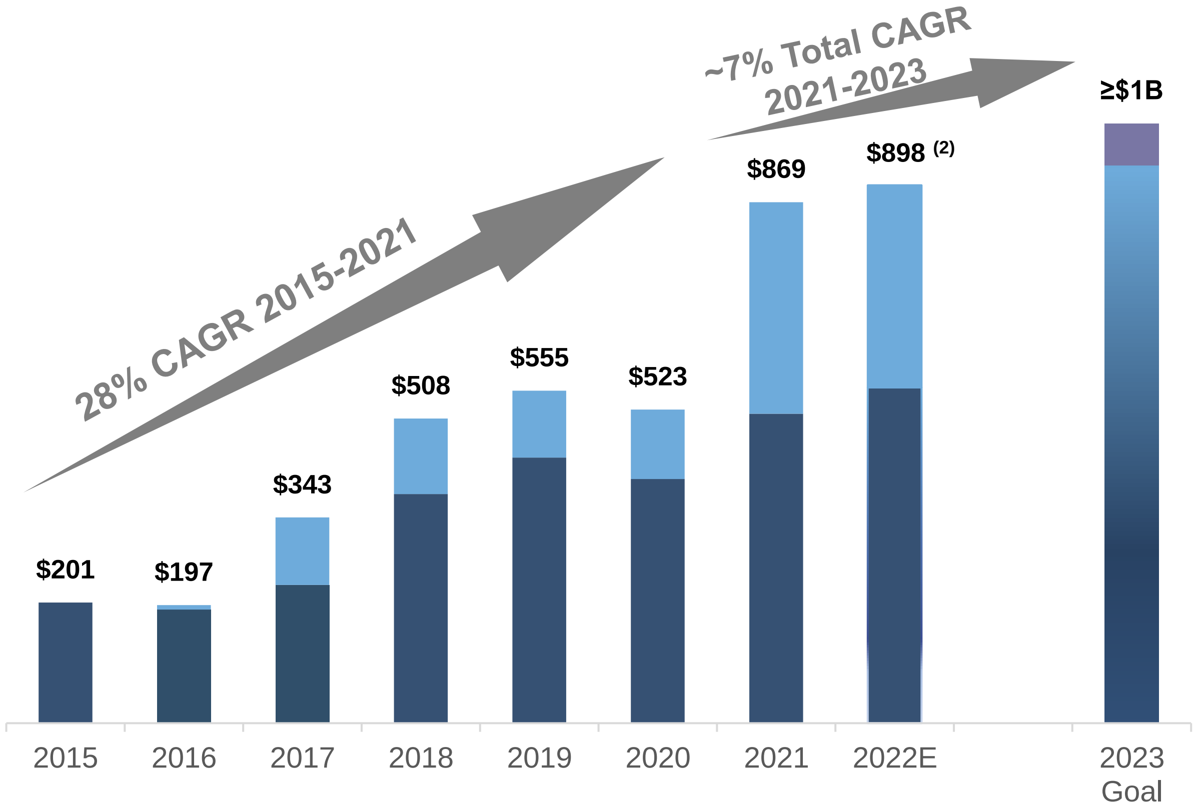
(1) Net debt is a non-GAAP financial measure and is defined as total debt less cash and cash equivalents; see supplemental slides for a reconciliation to the most comparable GAAP measure.
(2) Pro Forma for the Taimi and Daman acquisitions.
See supplemental slide for net debt-to-Pro Forma Adjusted EBITDA reconciliation and other important information regarding Helios' use of net debt-to-Pro Forma Adjusted EBITDA.

Remain On-Path for Long Term Growth Plans

As Outlined at June 2021 Investor Day



Our Performance & Current View



Acquisitions Completed Since June 2021 Investor Day:

- **July 2021** – NEM S.r.l. (Italy/Hydraulics)
- **October 2021** – Joyonway (China/Electronics)
- **July 2022 –** Taimi (Canada/Hydraulics)
- **September 2022 –** Daman Products Company (U.S./Hydraulics)

(1) 2021E Mid-Point of FY2021 Outlook provided on May 10, 2021
(2) 2022E Mid-Point of FY2022 Outlook provided on November 7, 2022

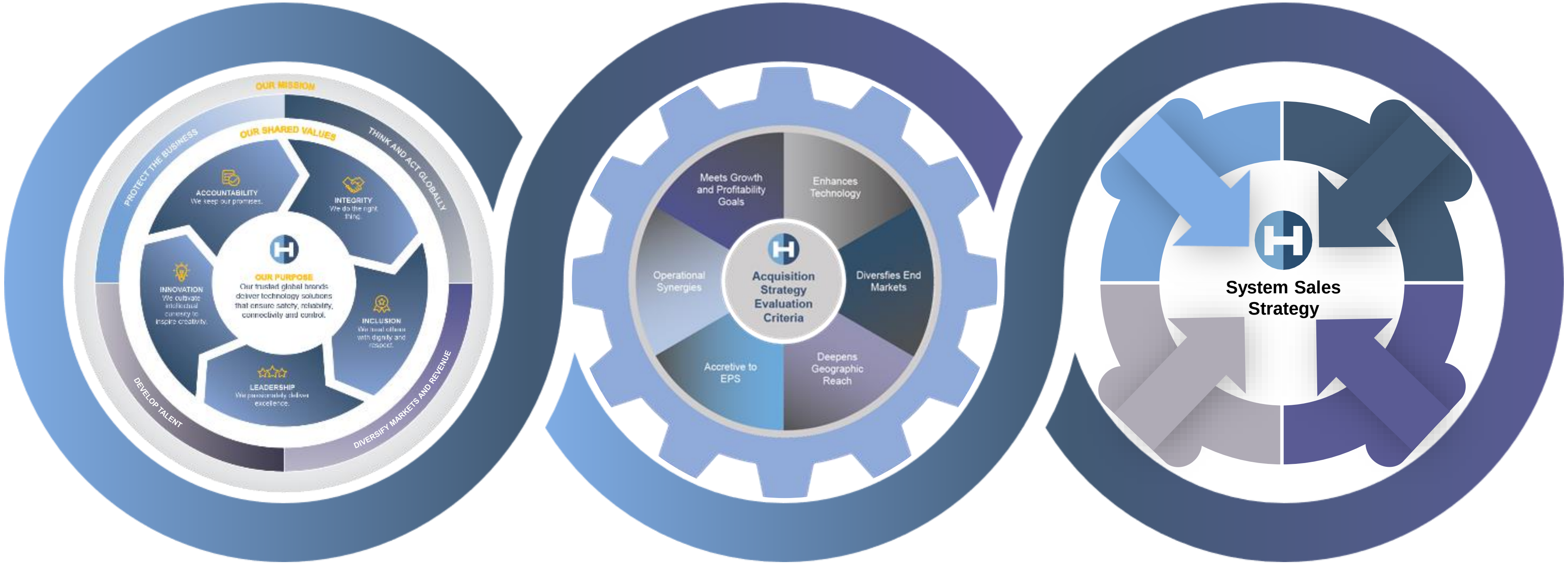
Updated 2022 Outlook

	2021 Actual	2022 Outlook (as of 8/8/22 low-end of original range)	2022 Outlook (Updated)
Consolidated revenue	$869.2 million	~$930 million	$885 - $910 million
Adjusted EBITDA	$214.1 million	~$219 million	$200 - $215 million
Adjusted EBITDA margin	24.6%	~23.5%	22.6% - 23.6%
Interest expense	$16.9 million	$14 - $15 million	$16 - $17 million
Effective tax rate	20.3%	~23%	23% - 24%
Depreciation	$21.4 million	$24.5 - $26.5 million	$23 - $24 million
Amortization	$33.0 million	$28 - $29 million	$28 - $29 million
Capital expenditures % total revenue	3%	3% - 5% of sales	3% - 4% of sales
Diluted Non-GAAP Cash EPS	$4.25	~4.35	$3.85 - $4.05

The Company is updating its outlook for 2022, which assumes constant currency using quarter end rates, impacts from global macro-economic conditions effecting market demand timing, material and energy cost increases, and foreign currency exchange rates. Guidance assumes that markets served are not further impacted by the global pandemic or the geo-political environment.

Non-GAAP Financial Measures and Non-GAAP Forward-looking Financial Measures:
The Company does not provide a reconciliation of forward-looking non-GAAP financial measures, such as adjusted EBITDA, adjusted EBITDA margin and cash net income and cash net income per diluted share disclosed above in our 2022 Outlook, to their comparable GAAP financial measures because it could not do so without unreasonable effort due to the unavailability of the information needed to calculate reconciling items and due to the variability, complexity and limited visibility of the adjusting items that would be excluded from the non-GAAP financial measures in future periods.

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

Supplemental Information

Segment Data

(Unaudited)

($ in thousands)

	Three Months Ended		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Sales:				
Hydraulics	$ 131,204	$ 133,404	$ 411,118	$ 385,549
Electronics	76,001	89,837	278,302	265,950
Consolidated	$ 207,205	$ 223,241	$ 689,420	$ 651,499
Gross profit and margin:				
Hydraulics	$ 46,498	$ 50,223	$ 146,819	$ 146,548
	35.4%	*37.6%*	*35.7%*	*38.0%*
Electronics	22,768	31,277	88,399	92,473
	30.0%	*34.9%*	*31.8%*	*34.8%*
Corporate and other	-	(558)	-	(558)
Consolidated	$ 69,266	$ 80,942	$ 235,218	$ 238,463
	33.4%	*36.2%*	*34.1%*	*36.6%*
Operating income (loss) and margin:				
Hydraulics	$ 29,411	$ 31,799	$ 92,097	$ 92,200
	22.4%	*23.8%*	*22.4%*	*23.9%*
Electronics	10,964	18,445	51,778	56,324
	14.5%	*20.5%*	*18.6%*	*21.2%*
Corporate and other	(9,632)	(9,495)	(27,270)	(31,103)
Consolidated	$ 30,743	$ 40,749	$ 116,605	$ 117,421
	14.8%	*18.2%*	*16.9%*	*18.0%*

Organic and Acquired Sales

(Unaudited)
($ in thousands)

	Three Months Ended				Full Year Ended	Three Months Ended			Nine Months Ended
	April 3, 2021	July 3, 2021	October 2, 2021	January 1, 2022	January 1, 2022	April 2, 2022	July 2, 2022	October 1, 2022	October 1, 2022
Hydraulics									
Organic	$ 119,106	$ 133,039	$ 128,672	$ 125,200	$ 506,017	$ 130,691	$ 137,140	$ 129,079	$ 396,910
Acquisition	-	-	4,732	5,700	10,432	6,415	5,667	2,125	14,208
Total	$ 119,106	$ 133,039	$ 133,404	$ 130,900	$ 516,449	$ 137,106	$ 142,807	$ 131,204	$ 411,118
Electronics									
Organic	$ 29,459	$ 30,191	$ 30,808	$ 66,107	$ 156,565	$ 102,663	$ 97,909	$ 75,210	$ 275,782
Acquisition	56,279	60,183	59,029	20,680	196,171	778	952	791	2,520
Total	$ 85,738	$ 90,374	$ 89,837	$ 86,787	$ 352,736	$ 103,441	$ 98,861	$ 76,001	$ 278,302
Consolidated									
Organic	$ 148,565	$ 163,230	$ 159,480	$ 191,307	$ 662,582	$ 233,354	$ 235,049	$ 204,289	$ 672,692
Acquisition	56,279	60,183	63,761	26,380	206,603	7,193	6,619	2,916	16,728
Total	$ 204,844	$ 223,413	$ 223,241	$ 217,687	$ 869,185	$ 240,547	$ 241,668	$ 207,205	$ 689,420

Sales by Geographic Region & Segment

(Unaudited)

2021 Sales by Geographic Region and Segment

($ in millions)

	Q1	% Change y/y	Q2	% Change y/y	Q3	% Change y/y	Q4	% Change y/y	YTD 2021	% Change y/y
Americas:										
Hydraulics	$ 34.3	(8%)	$ 41.7	22%	$ 45.2	63%	$ 46.5	49%	$ 167.7	29%
Electronics	65.0	201%	64.1	378%	64.2	200%	$ 64.5	72%	257.8	175%
Consol. Americas	**99.3**	***69%***	**105.8**	***122%***	**109.4**	***123%***	**111.0**	***61%***	**425.5**	***90%***
% of total	*48%*		*47%*		*49%*		*51%*		*49%*	
EMEA:										
Hydraulics	$ 43.3	29%	$ 46.6	49%	$ 44.8	40%	$ 45.3	32%	$ 180.0	37%
Electronics	9.3	272%	11.0	479%	11.1	640%	10.6	116%	42.0	289%
Consol. EMEA	**52.6**	***46%***	**57.6**	***74%***	**55.9**	***66%***	**55.9**	***42%***	**222.0**	***56%***
% of total	*26%*		*26%*		*25%*		*26%*		*26%*	
APAC:										
Hydraulics	$ 41.5	26%	$ 44.7	22%	$ 43.4	13%	$ 39.1	5%	$ 168.7	16%
Electronics	11.4	613%	15.3	705%	14.5	867%	$ 11.7	92%	52.9	377%
Consol. APAC	**52.9**	***53%***	**60.0**	***55%***	**57.9**	***45%***	**50.8**	***17%***	**221.7**	***42%***
% of total	*26%*		*27%*		*26%*		*23%*		*26%*	
Total	**$ 204.8**	***58%***	**$ 223.4**	***87%***	**$ 223.2**	***82%***	**$ 217.7**	***44%***	**$ 869.2**	***66%***

2022 Sales by Geographic Region and Segment

($ in millions)

	Q1	% Change y/y	Q2	% Change y/y	Q3	% Change y/y	YTD 2022	% Change y/y
Americas:								
Hydraulics	$ 43.1	26%	$ 49.9	20%	$ 49.7	10%	$ 142.7	18%
Electronics	77.7	20%	80.2	25%	65.0	1%	222.9	15%
Consol. Americas	**120.8**	***22%***	**130.1**	***23%***	**114.7**	***5%***	**365.6**	***16%***
% of total	*50%*		*54%*		*55%*		*53%*	
EMEA:								
Hydraulics	$ 52.9	22%	$ 49.0	5%	$ 41.3	(8%)	$ 143.2	6%
Electronics	11.8	27%	12.3	12%	7.7	(31%)	31.8	1%
Consol. EMEA	**64.7**	***23%***	**61.3**	***6%***	**49.0**	***(12%)***	**175.0**	***5%***
% of total	*27%*		*25%*		*24%*		*25%*	
APAC:								
Hydraulics	$ 41.1	(1%)	$ 43.9	(2%)	$ 40.2	(7%)	$ 125.2	(3%)
Electronics	13.9	22%	6.4	(58%)	3.3	(77%)	23.6	(43%)
Consol. APAC	**55.0**	***4%***	**50.3**	***(16%)***	**43.5**	***(25%)***	**148.8**	***(13%)***
% of total	*23%*		*21%*		*21%*		*22%*	
Total	**$ 240.5**	***17%***	**$ 241.7**	***8%***	**$ 207.2**	***(7%)***	**$ 689.4**	***6%***

Adjusted Operating Income Reconciliation

(Unaudited)
($ in thousands)

	Three Months Ended		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
GAAP operating income	$ 30,743	$ 40,749	$ 116,605	$ 117,421
Acquisition-related amortization of intangible assets	6,774	7,407	20,554	25,285
Acquisition and financing-related expenses[(1)]	2,190	654	3,991	2,901
Restructuring charges[(2)]	1,835	55	3,785	472
Officer transition costs	-	-	301	569
Inventory step-up amortization	-	558	-	558
Acquisition integration costs[(3)]	649	845	2,377	1,729
Other	41	(99)	232	(99)
Non-GAAP adjusted operating income	$ 42,232	$ 50,169	$ 147,845	$ 148,836
GAAP operating margin	*14.8%*	*18.2%*	*16.9%*	*18.0%*
Non-GAAP adjusted operating margin	*20.4%*	*22.5%*	*21.4%*	*22.8%*

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

Non-GAAP Cash Net Income Reconciliation

(Unaudited)

($ in thousands)

	Three Months Ended		Nine Months Ended	
	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net income	$ 20,378	$ 27,760	$ 80,892	$ 81,042
Amortization of intangible assets	6,925	7,487	20,956	25,431
Acquisition and financing-related expenses[1]	2,190	654	3,991	2,901
Restructuring charges[2]	1,835	55	3,785	472
Officer transition costs	-	-	301	569
Inventory step-up amortization	-	558	-	558
Acquisition integration costs[3]	649	845	2,377	1,729
Change in fair value of contingent consideration	152	-	1,621	-
Other	41	(216)	233	481
Tax effect of above	(2,946)	(2,347)	(8,313)	(8,035)
Non-GAAP cash net income	$ 29,224	$ 34,796	$ 105,843	$ 105,148
Non-GAAP cash net income per diluted share	$ 0.90	$ 1.07	$ 3.25	$ 3.26

Non-GAAP Financial Measure:

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

Adjusted EBITDA Reconciliation

(Unaudited) *($ in thousands)*	Three Months Ended October 1, 2022	Three Months Ended October 2, 2021	Nine Months Ended October 1, 2022	Nine Months Ended October 2, 2021	Twelve Months Ended October 1, 2022
Net income	$ 20,378	$ 27,760	$ 80,892	$ 81,042	$ 104,447
Interest expense, net	4,098	3,813	11,719	12,965	15,627
Income tax provision	6,289	9,488	23,782	22,870	27,496
Depreciation and amortization	12,381	12,989	37,355	41,131	50,628
EBITDA	43,146	54,050	153,748	158,008	198,198
Acquisition and financing-related expenses(1)	2,190	654	3,991	2,901	6,831
Restructuring charges(2)	1,835	55	3,785	472	3,784
Officer transition costs	-	-	301	569	50
Inventory step-up amortization	-	558	-	558	-
Acquisition integration costs(3)	649	845	2,377	1,729	3,498
Change in fair value of contingent consideration	152	-	1,621	-	2,670
Other	41	(216)	233	481	376
Adjusted EBITDA	$ 48,013	$ 55,946	$ 166,056	$ 164,718	$ 215,407
Adjusted EBITDA margin	*23.2%*	*25.1%*	*24.1%*	*25.3%*	*23.7%*
Pre-acquisition adjusted EBITDA, Taimi and Daman					6,203
TTM Pro forma adjusted EBITDA					$ 221,610

(1) Acquisition and financing-related expenses include costs associated with our M&A activities. These activities include all phases of the M&A process from analyzing targets, to raising funding, to due diligence and transaction costs at closing. We utilize internal resources for a significant amount of time spent on our acquisition activities and have chosen not to staff a full M&A department or use significant outside services. We believe these costs are not representative of the Company's operational performance and it is therefore more meaningful to analyze results with the costs excluded. For the three and nine months ended Oct 1, 2022, the charges include recurring labor costs of $0.7 million and $1.9 million, professional fees of $0.8 million and $1.1 million, travel costs of $0.4 million and $0.5 million and other M&A related costs of $0.3 million and $0.5 million, respectively.

(2) Restructuring activities include costs associated with our actions to improve operating efficiencies and rationalize our cost structure. The 2022 costs relate to an operational restructuring that combined the manufacturing operations at two of our locations into one location as well as organizational restructures among several locations which aligned employee talent with the strategic operational goals of the company. For the three and nine months ended Oct 1, 2022, the charges include recurring labor costs of $0.5 million and $1.8 million, severance-related costs of $1.1 million and $1.7 million and manufacturing relocation and other costs of $0.2 million and $0.3 million, respectively.

(3) Acquisition integration activities include costs associated with integrating our acquired businesses, which can occur up to 18 months after acquisition date. We believe these costs are not representative of the Company's operational performance and it is therefore more meaningful to analyze results with the costs excluded. For the three and nine months ended Oct 1, 2022, the charges include recurring labor costs of $0.4 million and $1.6 million, professional fees of $0.2 million and $0.7 million and travel and other costs of $0.1 million and $0.1 million, respectively.

Non-GAAP Financial Measure:

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

Hurricane Ian Reconciliation

(Unaudited) ($ in millions)	Three Months Ended October 1, 2022 As Reported	Estimated Impact of Hurricane Ian	Hurricane Adjusted
Net Sales	$ 207.2	$ 5.3	$ 212.5
Gross Profit	$ 69.3	$ 2.3	$ 71.6
Gross Margin	33.4%		33.7%
Operating income	$ 30.7	$ 2.1	$ 32.8
Operating Margin	14.8%		15.4%
Adj Operating Income	$ 42.2	$ 2.1	$ 44.3
Adj Operating Margin	20.4%		20.8%
Adj EBITDA	$ 48.0	$ 2.1	$ 50.1
Adj EBITDA Margin	23.2%		23.6%
Net Income	$ 20.4	$ 1.6	$ 22.0
Diluted GAAP EPS	$ 0.63	$ 0.05	$ 0.68
Diluted Non-GAAP Cash EPS	$ 0.90	$ 0.05	$ 0.95

Non-GAAP Financial Measure:
The hurricane adjusted financial measures are estimates and 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 is important for investors and other readers of Helios' financial statements, as they are used as analytical indicators by Helios' management to better understand operating performance. These non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information provided in accordance with GAAP.

Free Cash Flow Reconciliation

(Unaudited)						
($ in thousands)	2017	2018	2019	2020	2021	Q3 2022 TTM
Net cash provided by operating activities	$ 49,382	$ 77,450	$ 90,480	$ 108,556	$ 113,202	$ 105,410
Contingent consideration payment in excess of acquisition date	-	-	10,731	-	-	-
Adjusted net cash provided by operating activities	49,382	77,450	101,211	108,556	113,202	105,410
Capital expenditures	22,205	28,380	25,025	14,580	26,794	31,656
Adjusted Free cash flow	$ 27,177	$ 49,070	$ 76,186	$ 93,976	$ 86,408	$ 73,754
Net income	31,558	46,730	60,268	14,218	104,596	104,446
Goodwill impairment	-	-	-	31,871	-	-
Net income, less goodwill impariment	$ 31,558	$ 46,730	$ 60,268	$ 46,089	$ 104,596	$ 104,446
Free cash flow conversion	86%	105%	126%	204%	83%	71%

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.

Non-GAAP Sales Growth Reconciliation

(Unaudited) *($ in millions)*	Three Months Ended			Nine Months Ended		
	Hydraulics	Electronics	Consolidated	Hydraulics	Electronics	Consolidated
Q3 2022 Net Sales	$ 131.2	$ 76.0	$ 207.2	$ 411.1	$ 278.3	$ 689.4
Impact of foreign currency translation[1]	7.9	0.3	8.2	19.4	1.1	20.5
Net Sales in constant currency	139.1	76.3	215.4	430.5	279.4	709.9
Less: Acquisition related sales	(2.1)	(0.8)	(2.9)	(14.2)	(2.5)	(16.7)
Organic sales in constant currency	$ 137.0	$ 75.5	$ 212.5	$ 416.3	$ 276.9	$ 693.2
Q3 2021 Net Sales	$ 133.4	$ 89.8	$ 223.2	$ 385.5	$ 266.0	$ 651.5
Net sales growth	-2%	-15%	-7%	7%	5%	6%
Net sales growth in constant currency	4%	-15%	-3%	12%	5%	9%
Organic net sales growth in constant currency	3%	-16%	-5%	8%	4%	6%

[1] The impact from foreign currency translation is calcualted by translating current period activity at average prior period exchange rates.

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)

		October 1, 2022
Current portion of long-term non-revolving debt, net	$	18,897
Revolving lines of credit		269,286
Long-term non-revolving debt, net		169,332
Total debt		457,515
Less: Cash and cash equivalents		36,813
Net debt	$	420,702
TTM Pro forma adjusted EBITDA*	$	221,610
Ratio of net debt to TTM pro forma adjusted EBITDA		1.90

*On a pro-forma basis for Taimi and Daman

Non-GAAP Financial Measure:

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

AUGMENTING *STRATEGY*
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