



AUGMENTING STRATEGY ADVANCING TECHNOLOGIES ACCELERATING GROWTH

FOURTH QUARTER 2023 EARNINGS

FEBRUARY 27, 2024

JOSEF MATOSEVIC, PRESIDENT & CEO | SEAN BAGAN, CFO | TANIA ALMOND, VP OF IR & CORP. COMM.



SAFE HARBOR STATEMENT

This presentation and oral statements made by management in connection herewith that are not historical facts are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve risks and uncertainties, and actual results may differ materially from those expressed or implied by such statements. They include statements regarding current expectations, estimates, forecasts, projections, our beliefs, and assumptions made by Helios Technologies, Inc. (“Helios” or the “Company”), its directors or its officers about the Company and the industry in which it operates, and assumptions made by management, and include among other items, (i) the Company’s strategies regarding growth, including its intention to develop new products and make acquisitions; (ii) the effectiveness of creating the Centers of 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 Company’s ability to declare and pay dividends; and (vii) the Company’s ability to respond to changes in customer demand domestically and internationally, including as a result of the cyclical nature of our business and the 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) the Company’s ability to respond to global economic trends and changes in customer demand domestically and internationally, including as a result of standardization and the cyclical nature of our business, which can adversely affect the demand for capital goods; (ii) supply chain disruption and the potential inability to procure goods; (iii) conditions in the capital markets, including the interest rate environment and the availability of capital on terms acceptable to us, or at all; (iv) global and regional economic and political conditions, including inflation (or hyperinflation) exchange rates, changes in the cost or availability of energy, transportation, the availability of other necessary supplies and services and recession; (v) 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; (vi) risks related to health epidemics, pandemics and similar outbreaks, 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; (vii) risks related to our international operations, including the potential impact of the ongoing conflict in Ukraine and the Middle East; and (viii) new product introductions, product sales mix and the geographic mix of sales nationally and internationally; (ix) stakeholders, including regulators, views regarding our environmental, social and governance goals and initiatives, and the impact of factors outside of our control on such goals and initiatives. Further information relating to additional 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 31, 2022 filed with the Securities and Exchange Commission (SEC) on February 28, 2023 as well as our upcoming 10-K to be filed with the SEC.

Helios has presented forward-looking statements regarding non-GAAP measures. Helios believes that providing these specific Non-GAAP figures 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. 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. You should not consider the inclusion of this additional information in isolation or as a substitute for results prepared in accordance with GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and the related additional information provided throughout. Because these metrics are Non-GAAP measures and are thus susceptible to varying calculations, these figures, as presented, may not be directly comparable to other similarly titled measures used by other companies.

This presentation also presents forward-looking statements regarding Non-GAAP measures, including adjusted operating income, adjusted operating margin, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, net debt-to-adjusted EBITDA, adjusted net income, adjusted net income per diluted share and sales in constant currency. The Company is unable to present a quantitative reconciliation of these forward-looking Non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures because such information is not available, and management cannot reliably predict the necessary components of such GAAP measures without unreasonable effort or expense. In addition, the Company believes that such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on the Company’s 2024 financial results. These Non-GAAP financial measures are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with quarter-end and year-end adjustments. Any variation between the Company’s actual results and preliminary financial data set forth above may be material.

Q4 2023 BUSINESS SUMMARY



NAVIGATING HEADWINDS YoY revenue for Hydraulics (5%) and Electronics +7%; QoQ revenue for Hydraulics +1% and Electronics (14%) reflecting **SUSTAINED MARKET CONDITIONS** driven by macroeconomic factors influencing customer behavior across multiple end markets



HELIOS TEAM continued tirelessly transforming the business into an integrated operating company; Elevated and developed our talent, innovated and engineered new system solutions, integrated acquisitions, increased global capacity and opened regional Centers of Excellence to gain further efficiencies



HIGHEST QUARTER OF CASH GENERATION for 2023 of \$34 million demonstrating a more disciplined working capital management and strong cash flow; paid down \$20 million of debt



EXECUTE & ELEVATE looking beyond near-term challenges **STRATEGY REMAINS INTACT**; well positioned with innovative products and software, expanded end markets, and regionalized capacity to capitalize on growth opportunities that will continually elevate our returns over time



ESTABLISHING 2024 OUTLOOK revenue guidance of approximately \$840 to \$860 million, or 1% to 3% annual growth over 2023; excluding potential system sales opportunities

Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

STRATEGIC INVESTMENTS MADE OVER THE LAST SEVERAL YEARS

1

Product Innovation



Helios continues to be a leading innovator introducing many new products leveraging its strengths across both Hydraulics and Electronics

2

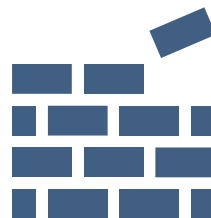
Acquisitions



Helios is enhancing its technology, expanding end markets, deepening geographic reach, adding talent and strengthening its global facility footprint via acquisitions

3

Capacity



Helios is bringing ~200,000 square feet of capacity online to meet demand from OEMs and further enable its manufacturing capabilities as a competitive advantage

4

Regional Structure



Helios is maximizing quality and efficiency for our customers with an 'In the region for the region' approach anchored by regional Centers of Excellence

5

Systems / Software



Helios is leveraging open-source software along with its new patented remote field service platform to create a recurring revenue stream (SaaS)

Helios has been Investing Over the Last Several Years Through a Challenging Macro Environment to be Ready When the Market Turns to Drive Leverage Across Both the Top and Bottom Lines

STRATEGIC INVESTMENTS IN CAPACITY TO MEET FUTURE DEMAND

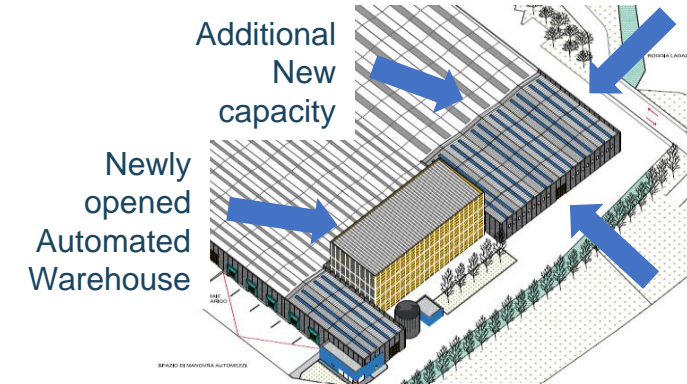
COMPLETE: New capacity
in India @ Faster



COMPLETE: Automated
Warehouse in Italy @ Faster



IN PROCESS: New
capacity in Italy @ Faster



Added ~22,000 sq. ft. to
double the size of this location



Added 22,600 sq. ft. of floor
space in the existing building
for use in manufacturing



Adds 30,000 sq. ft. for production
and another 10,000 sq. ft. for
offices related to production

STRATEGIC INVESTMENTS IN CAPACITY TO MEET FUTURE DEMAND

COMPLETE: New Hydraulic Valve and Coupling Solutions Center of Excellence in Sarasota @ Sun



Transformed ~27,000 existing sq. ft. - moved out equipment to Indiana and in equipment from (Faster) Ohio

COMPLETE: New Hydraulic Manifold Solutions Center of Excellence in Indiana @ Daman



Added 50,000 sq. ft. to the existing 72,000 sq. ft. - moved in equipment from (Sun) Sarasota

COMPLETE: New capacity expansion in Tijuana, Mexico @ Balboa



Added 68,000 sq. ft. to the existing 198,000 sq. ft.

Q4 2023 FINANCIAL RESULTS HIGHLIGHTS

(\$ in millions)

\$193.4

Sales

-1%

YoY

-4%

QoQ

Sales

- YoY sales up 7% in Electronics and down 5% in Hydraulics which was spread across several end markets served
- QoQ sales up 1% increase in Hydraulics and down 14% in Electronics driven by swift macroeconomic shifts cited in 3Q23
- Acquisitions added \$9.4 million in 4Q23
- Supply chain constraints delayed an estimated \$7.4 million in sales, which has leveled back to a more normalized operating range
- Sales in the Americas YoY were up by 4% while there was a 10% decline in Europe, the Middle East and Africa ("EMEA") and a 5% decline Asia Pacific ("APAC")

28.6%

Gross Margin

-360 bps

YoY

-100 bps

QoQ

Gross Profit & Margin

- YoY gross profit and margin: gross profit was down 13% with gross margin down 360 bps which declined primarily on lower volume, restructuring costs, higher wage and benefit costs, partially offset by acquisitions and pricing. Margin contraction primarily due to under absorption of overhead on lower volume.
- QoQ gross profit and margin: gross profit decreased 7.4% with gross margin down 100 bps

Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Q4 2023 FINANCIAL RESULTS HIGHLIGHTS

6.2%
Operating Margin

-440 bps

YoY

-70bps

QoQ

12.6%
Adj. Operating Margin⁽¹⁾

-410 bps

YoY

-110 bps

QoQ

Operating Expenses

- SEA dollars declined QoQ by \$2.5 million, or down 7%, primarily driven by cost control measures deployed during 2H23 despite absorbing higher run-rate SEA from 1H23 acquisitions; YoY increased slightly compared to the prior-year period
- Amortization of intangible assets increased 9% to \$8.2 million YoY reflecting the Company's flywheel acquisitions
- Net interest expense: 4Q23 level down \$0.1 million QoQ due to total debt reduction of 4%; up \$3.6 million YoY due to higher interest rates and increased average net debt balance related to the debt financing of 1H23 acquisitions

Operating Income and Margin

- YoY operating income and margin declined reflecting reduced revenues and slightly increased SEA investments
- QoQ adj. operating income contracted 11% while adj. operating margin declined 110 basis points driven by lower volume

(1) Reflects a non-GAAP financial measure; see supplemental slides for reconciliation of adjusted operating margin and other important information regarding Helios' use of Non-GAAP financial measures.

Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Q4 2023 FINANCIAL RESULTS HIGHLIGHTS



(\$ in millions, except per share data)

\$3.3

Net Income

-81%

YoY

-6%

QoQ

16.7%

Adj. EBITDA Margin⁽¹⁾

-330 bps

YoY

-100 bps

QoQ

\$0.10

Diluted GAAP EPS

-81%

YoY

-9%

QoQ

\$0.38

Diluted Non-GAAP EPS⁽¹⁾

-51%

YoY

-14%

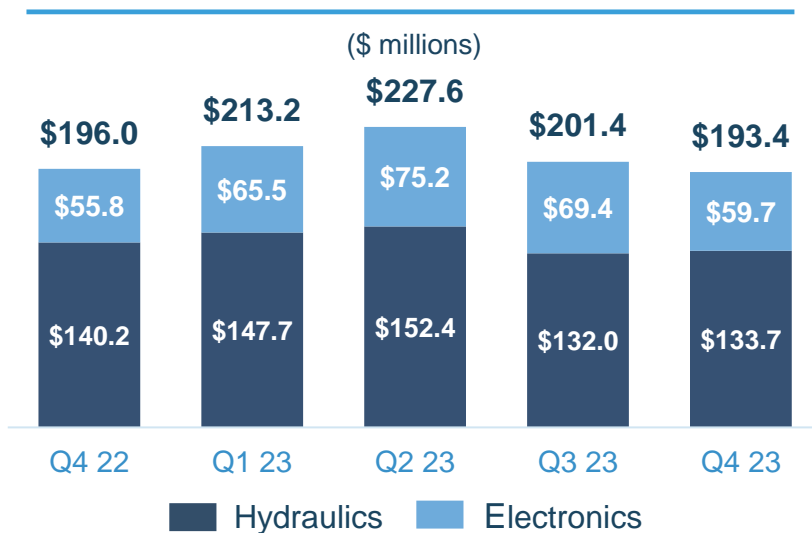
QoQ

(1) Reflects a non-GAAP financial measure; see supplemental slides for reconciliation of adjusted EBITDA, Non-GAAP net income and other important information regarding Helios' use of Non-GAAP financial measures.

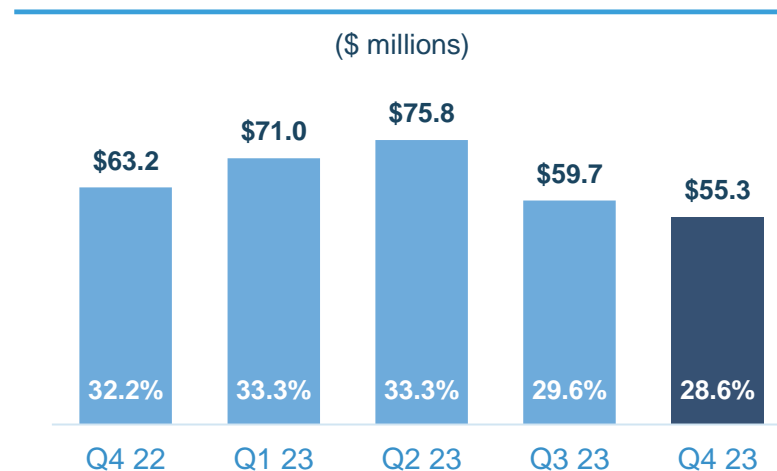
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

H Q4 2023 CONSOLIDATED RESULTS

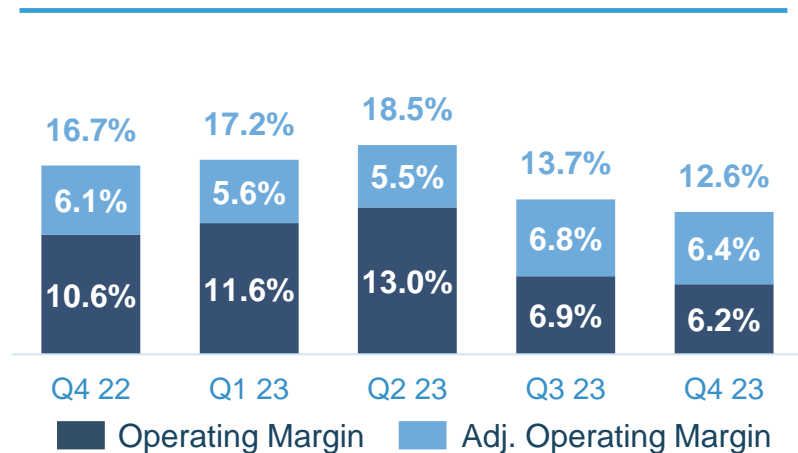
Sales



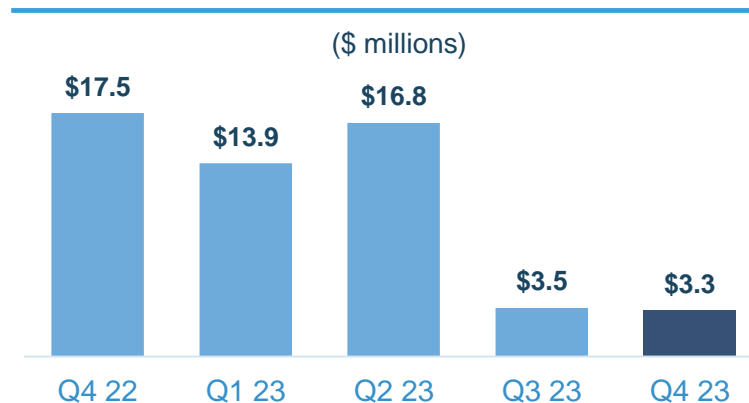
Gross Profit & Margin



Operating / Adj. Op. Margin⁽¹⁾



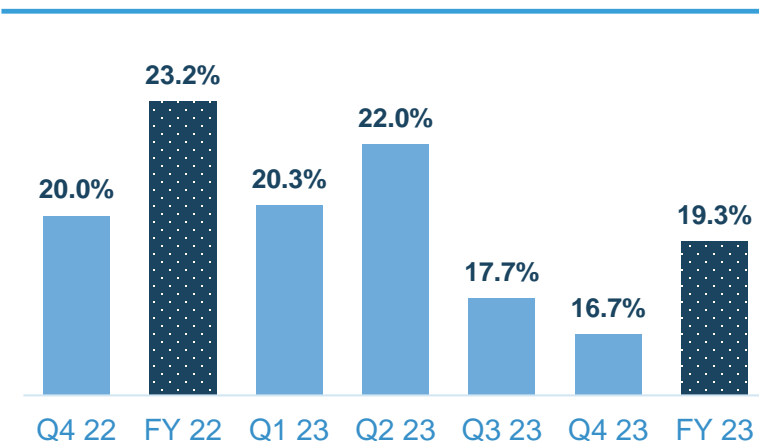
Net Income



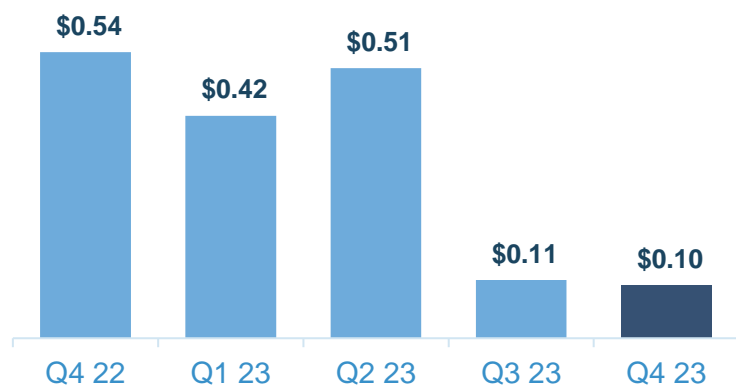
(1) See Supplemental Information for definition of adjusted operating margin, reconciliation from GAAP, and other disclaimers regarding Non-GAAP information.

H Q4 2023 CONSOLIDATED RESULTS

Adj. EBITDA Margin⁽¹⁾



Diluted GAAP EPS



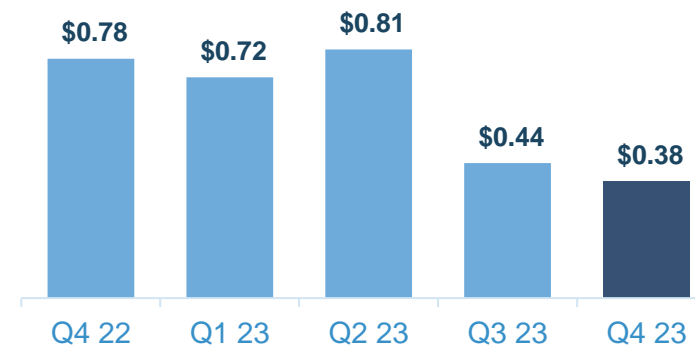
Adjusted EBITDA Margin Drivers

- Adjusted EBITDA margin down QoQ 100 basis points at 16.7% in Q4 reflecting items discussed while investing for future growth

Diluted Earnings Drivers

- Tailwinds: cost control, manufacturing and operating strategy efficiencies
- Headwinds: macroeconomic factors impacting volumes, inflation, interest rates, tax rates, geopolitical environment

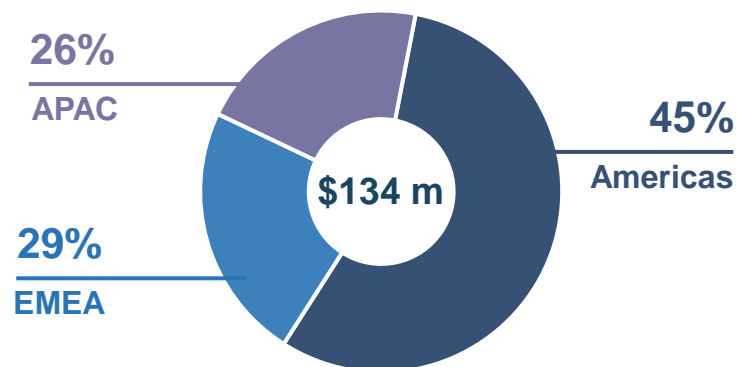
Diluted Non-GAAP EPS⁽¹⁾



(1) See Supplemental Information for definition of adjusted EBITDA margin, diluted non-GAAP EPS, reconciliation from GAAP, and other disclaimers regarding Non-GAAP information.
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Q4 2023 – HYDRAULICS SEGMENT

Q4 Sales by Region

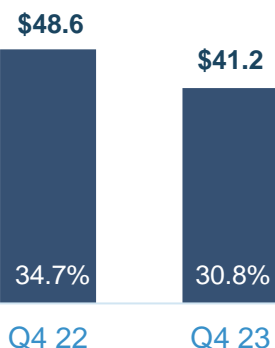


(\$ in millions)

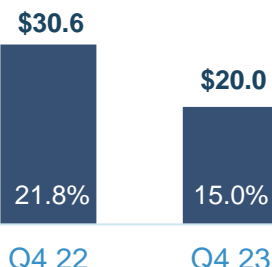
Sales



Gross Profit



Operating Income



Fourth Quarter Highlights

Sales Drivers

- Sales down 5% YoY driven by sales declines in EMEA and APAC partially offset by growth in the Americas; sales declined broadly across several end markets
- Sales up 1% QoQ driven by growing throughput levels in our NA CoE
- Acquisitions added \$7.1 million
- FX favorable impact of \$1.6 million; supply chain constraints delayed an estimated \$4.2 million in sales

Gross Profit and Margin Drivers

- Gross profit decreased YoY resulting from lower volume, restructuring costs, higher wage and benefit costs partially offset by acquisitions and improved pricing
- Gross margin contraction due to under absorption of overhead on lower volume

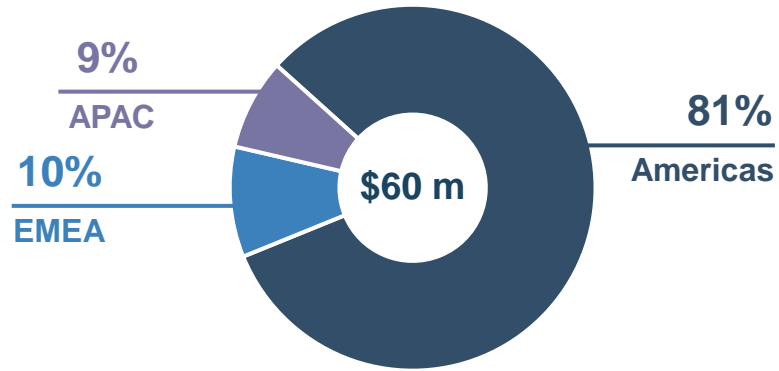
Operating Income and Margin Drivers

- SEA expenses were down 7% QoQ primarily related to cost control measures deployed during 2H23 despite absorbing higher run-rate SEA from 1H23 acquisitions and increased <1% YoY
- 680 basis point impact on operating margin reflects the lower volume, costs related to acquisitions, and maintaining R&D levels

Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Q4 2023 – ELECTRONICS SEGMENT

Q4 Sales by Region

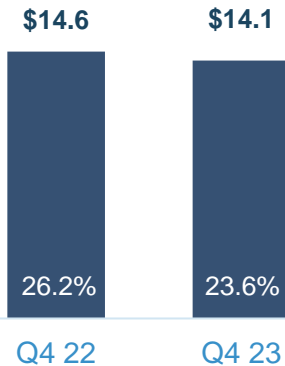


(\$ in millions)

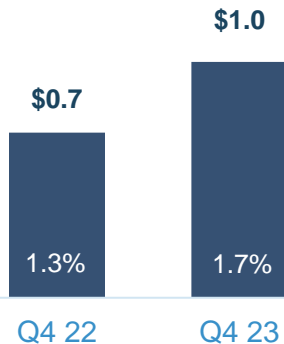
Sales



Gross Profit



Operating Income



Fourth Quarter Highlights

Sales Drivers

- Sales up 7% YoY driven by sales increases in all regions with the largest contribution from APAC. YoY end market increases driven by health and wellness
- Sales down 14% QoQ as expected driven by swift macro shifts cited in 3Q23
- Acquisitions added \$2.3 million
- Supply chain constraints delayed estimated \$3.2 million in sales

Gross Profit and Margin Drivers

- Gross profit and margin decreased YoY resulting from sales mix, higher material costs, the different margin profile of acquired businesses and restructuring costs

Operating Income and Margin Drivers

- Operating income and margin grew YoY in spite of lower gross profit as a result of discipline cost control
- SEA expenses decreased 6% YoY and 9% QoQ

Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

CASH FLOW

(\$ in millions)

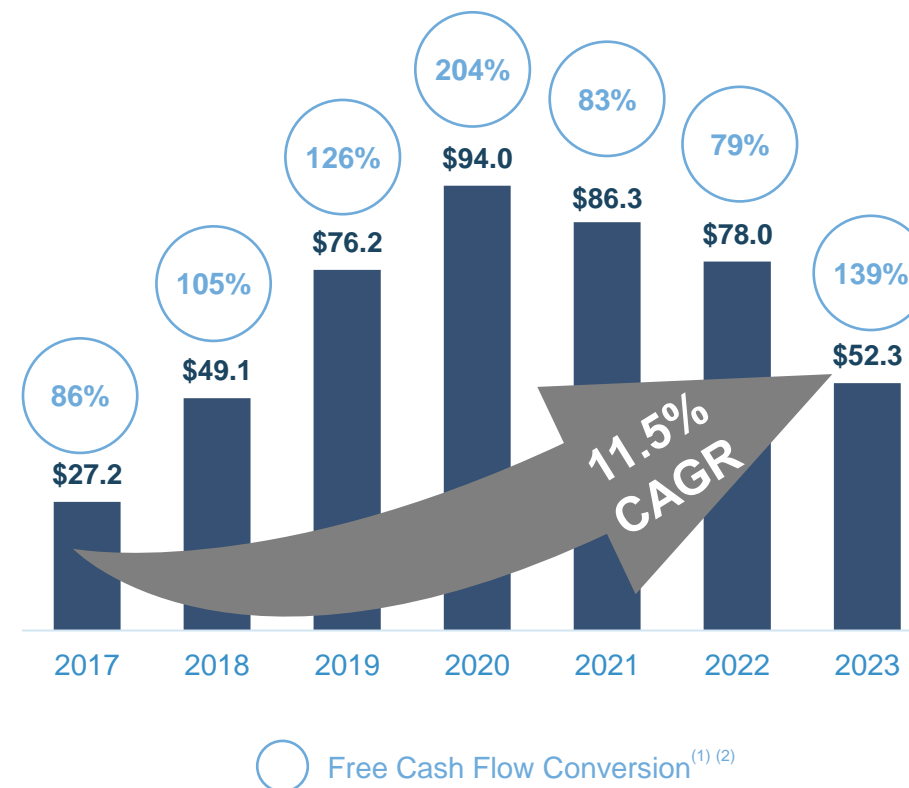
	Three Months Ended		Twelve Months Ended	
	<u>12/30/23</u>	<u>12/31/22</u>	<u>12/30/23</u>	<u>12/31/22</u>
Adjusted net cash provided by operating activities	\$33.7	\$35.7	\$86.6	\$109.9
Capital Expenditures	(8.8)	(10.0)	(34.3)	(31.9)
Free cash flow⁽¹⁾	\$24.9	\$25.7	\$52.3	\$78.0

Cash generation and free cash flow

- 4Q23 capital expenditures of \$8.8M to support strategic investments
- Cash and cash equivalents at 12/30/23 of \$32.4M
- FY 2023 free cash flow conversion⁽²⁾ was 139% compared with 79% in FY 2022

Free Cash Flow⁽¹⁾

(\$ millions)



(1) Free cash flow and free cash flow conversion are Non-GAAP financial measures; see supplemental slide for a reconciliation to the most comparable GAAP measure.

(2) Free cash flow conversion is a Non-GAAP financial measure and defined as free cash flow divided by net income.

CAPITAL STRUCTURE

Capital Deployment Priorities

1

Organic Investment

2

Dividend

3

Acquisitions

(\$ in millions)

Capitalization

	<u>12/30/23</u>	<u>12/31/22</u>
Cash and cash equivalents	\$32.4	\$43.7
Total debt	524.8	446.1
Total net debt⁽¹⁾	492.4	402.4
Shareholders' equity	854.6	794.9
Total capitalization	\$1,379.4	\$1,241.0
Debt/total capitalization	38.0%	35.9%

Financial Flexibility

- Generated \$33.7 million of cash from operations in Q4
- Net debt/pro forma Adjusted EBITDA of 3.01x⁽²⁾ with a focus on debt pay down through 2024
- Company invested \$34.3 million or approximately 4% of sales in capital expenditures during 2023
- Ended the quarter with total liquidity of \$233 million
- Paid dividends consistently for 108 sequential quarters or over 26 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 Schultes and i3 Product Development 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.

ESTABLISHING FULL YEAR 2024 OUTLOOK

Total Company Sales

\$ in Millions



Up 1% to 3% over 2023 of \$836M

Segment Sales

\$ in Millions

Hydraulics
\$565M to \$580M
0% to 2% growth relative to 2023 of \$566M

Electronics
\$275M to \$280M
2% to 4% growth relative to 2023 of \$270M

Diluted Non-GAAP EPS ^(1, 2)



Flat to 18% growth relative to 2023 of \$2.34

Adjusted EBITDA Margin ⁽²⁾

% of Sales



20 to 170 bps relative to 2023 of 19.3%

2024 Outlook Assumptions

- Sales guidance excludes any potential new large system sales opportunities
- Expecting mid- to high-single digit top line growth sequentially in Q1
- Electronics segment growth rate to outpace Hydraulics segment driven by Balboa's core business recovery and identified growth opportunities
- Market headwinds and known OEM order push-outs impacting 1H contraction
- Distributor channel inventory levels drive 2H expansion
- European manufacturing footprint realignment and capacity expansions completed during Q3
- Effective tax rate reduction opportunity through geographic mix of income
- Interest expense reductions likely in back half based on debt paydown timing, potentially offset by timing of debt refinancing
- Foreign exchange rates assumed at constant currency levels from 2023 year-end

Other Key Metrics

Key Metric	2023 Actual	2024 Outlook
Net Income	\$37.5 million	\$50 - \$63 million
Adjusted EBITDA	\$161.4 million	\$163 - \$180 million
Interest Expense	\$31.2 million	\$34 - \$35 million
Effective Tax Rate	24%	22% - 24%
Depreciation	\$30.2 million	\$34 - \$36 million
Amortization	\$33.6 million	\$33 - \$35 million
Capital Expenditures % Sales	4%	3% - 4%
Diluted EPS	\$1.14	\$1.50 - \$1.90

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

(2) See Supplemental Information for definition of adjusted EBITDA margin and diluted Non-GAAP EPS, and reconciliation from GAAP and other disclaimers regarding Non-GAAP information.

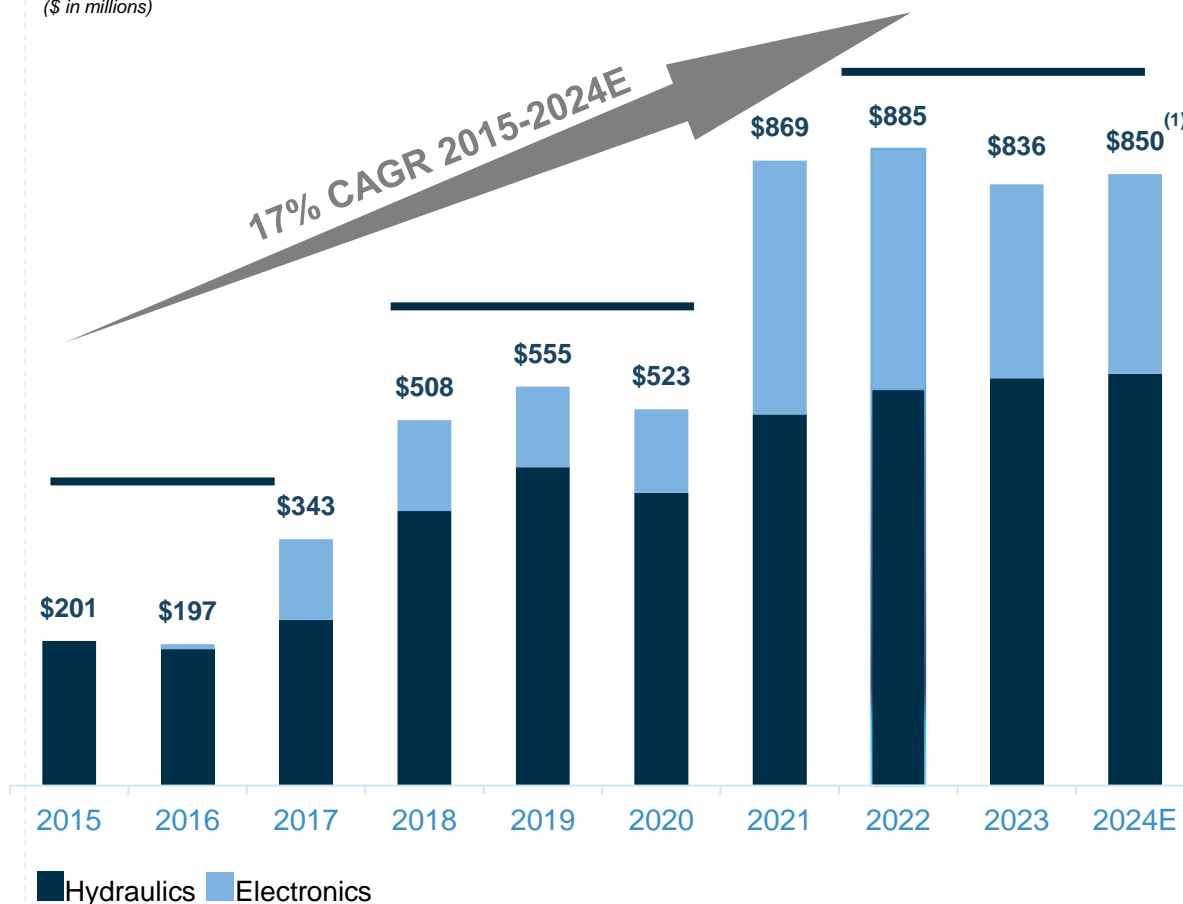
Note: adjusted EBITDA, adjusted EBITDA margin and diluted Non-GAAP EPS represent Non-GAAP financial measures. The Company has presented the comparable GAAP figures in the table above. For 2023, adjusted EBITDA excludes \$17.2 million of costs for restructuring activities and acquisition related costs including integration. For 2023, diluted Non-GAAP EPS excludes \$1.20 per diluted share of costs primarily for amortization, restructuring activities, acquisition related costs including integration and the related tax impact on these items.



BUILDING ON A STRONG FOUNDATION OF STEP LEVEL GROWTH

Our Performance & Current View

(\$ in millions)



(1) 2024E Mid-Point of FY2024 Outlook provided February 26, 2024

Highlights

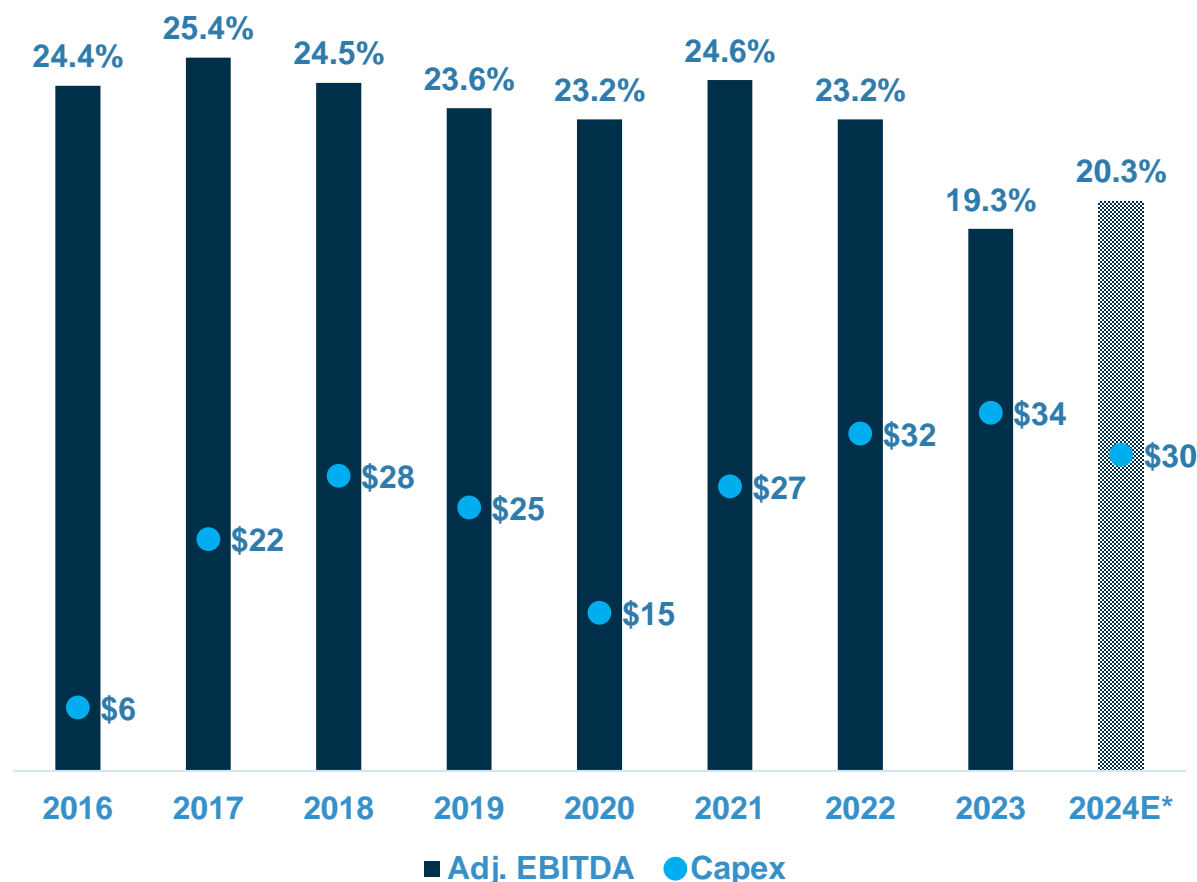
- Transitioning from a holding company to an integrated operating company
- Diversifying the business and markets while evolving into selling system solutions
- Leveraging regional manufacturing Centers of Excellence in the region for the region, optimized for our customers
- Investing in manufacturing capacity to support future customer demand for new solutions
- Acquiring to strategically fill in technology gaps, geographic white spaces, and expand end markets
- Progressing several OEM opportunities through the sales funnel that could be top 20 customers over the coming years



MAINTAINING HEALTHY MARGINS WHILE INVESTING FOR GROWTH

Historic / Projected Capex & Adj. EBITDA Margin⁽¹⁾

(\$ in millions)



Highlights

- Integrating manufacturing operations and leveraging regional Centers of Excellence to position for long term growth
- Leveraging shared global supply chains and low-cost locations
- Utilizing capacity to achieve manufacturing footprint leverage
- Driving continuous Kaizen manufacturing process improvements
- Targeting capital investments to maximize efficiency with the latest technology and prepare for future customer demand

(1) Reflects a Non-GAAP financial measure; see supplemental slide for adjusted EBITDA margin reconciliation.

* 2024E capex and adjusted EBITDA margin is the mid-point of our guidance ranges issued on February 26, 2024.

2024 FINANCIAL PRIORITIES



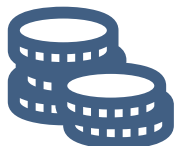
RETURN TO GROWTH executing on profitable sales growth plan



DRIVE OPERATING LEVERAGE with higher volumes and disciplined investment and cost management



SHORTEN CASH CONVERSION CYCLE through improved working capital management



REDUCE DEBT utilizing free cash flow conversion proceeds, while evaluating longer-term debt structure



LEVERAGE STRONG FOUNDATION to scale and elevate to new heights!

SUPPLEMENTAL INFORMATION



H SEGMENT DATA

(Unaudited)

(\$ in millions)

	For the Three Months Ended		For the Year Ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
<i>Net Sales:</i>				
Hydraulics	\$ 133.7	\$ 140.2	\$ 565.8	\$ 551.3
Electronics	59.7	55.8	269.8	334.1
Consolidated	<u>\$ 193.4</u>	<u>\$ 196.0</u>	<u>\$ 835.6</u>	<u>\$ 885.4</u>
<i>Gross profit and margin:</i>				
Hydraulics	\$ 41.2	\$ 48.6	\$ 181.8	\$ 195.5
	30.8%	34.7%	32.1%	35.5%
Electronics	14.1	14.6	79.9	103.0
	23.6%	26.2%	29.6%	30.8%
Consolidated	<u>\$ 55.3</u>	<u>\$ 63.2</u>	<u>\$ 261.7</u>	<u>\$ 298.5</u>
	28.6%	32.2%	31.3%	33.7%
<i>Operating income (loss) and margin:</i>				
Hydraulics	\$ 20.0	\$ 30.6	\$ 93.3	\$ 122.7
	15.0%	21.8%	16.5%	22.3%
Electronics	1.0	0.7	24.7	52.5
	1.7%	1.3%	9.2%	15.7%
Corporate and other	(9.1)	(10.6)	(38.1)	(37.9)
Consolidated	<u>\$ 11.9</u>	<u>\$ 20.7</u>	<u>\$ 79.9</u>	<u>\$ 137.3</u>
	6.2%	10.6%	9.6%	15.5%

H ORGANIC AND ACQUIRED NET SALES

(Unaudited)
(\$ in millions)

	For the Three Months Ended				For the Year Ended	For the Three Months Ended				For the Year Ended
	April 2, 2022	July 2, 2022	October 1, 2022	December 31, 2022	December 31, 2022	April 1, 2023	July 1, 2023	September 30, 2023	December 30, 2023	December 30, 2023
Hydraulics										
Organic	\$ 130.7	\$ 137.1	\$ 129.1	\$ 132.0	\$ 528.9	\$ 134.0	\$ 137.2	\$ 121.0	\$ 126.6	\$ 518.8
Acquisition	6.4	5.7	2.1	8.2	22.4	13.7	15.2	11.0	7.1	47.0
Total	\$ 137.1	\$ 142.8	\$ 131.2	\$ 140.2	\$ 551.3	\$ 147.7	\$ 152.4	\$ 132.0	\$ 133.7	\$ 565.8
Electronics										
Organic	\$ 102.7	\$ 97.9	\$ 75.2	\$ 55.8	\$ 331.6	\$ 65.5	\$ 74.0	\$ 67.1	\$ 57.4	\$ 264.0
Acquisition	0.8	1.0	0.7	-	2.5	-	1.2	2.3	2.3	5.8
Total	\$ 103.4	\$ 98.9	\$ 75.9	\$ 55.8	\$ 334.1	\$ 65.5	\$ 75.2	\$ 69.4	\$ 59.7	\$ 269.8
Consolidated										
Organic	\$ 233.4	\$ 235.0	\$ 204.3	\$ 187.8	\$ 860.5	\$ 199.5	\$ 211.2	\$ 188.1	\$ 184.0	\$ 782.8
Acquisition	7.2	6.6	2.9	8.2	24.9	13.7	16.4	13.3	9.4	52.8
Total	\$ 240.5	\$ 241.7	\$ 207.2	\$ 196.0	\$ 885.4	\$ 213.2	\$ 227.6	\$ 201.4	\$ 193.4	\$ 835.6

Note: Net sales is considered to be acquisition related until the acquisition has been included in the Company's financial results for one full year.

NET SALES BY GEOGRAPHIC REGION & SEGMENT

(Unaudited)
(\$ in millions)

2023										
	Q1	% Change y/y	Q2	% Change y/y	Q3	% Change y/y	Q4	% Change y/y	Full Year	% Change y/y
Americas:										
Hydraulics	\$ 57.9	34%	\$ 60.6	21%	\$ 55.7	12%	\$ 60.2	6%	\$ 234.4	17%
Electronics	55.1	(29%)	63.2	(21%)	59.4	(9%)	48.8	2%	226.5	(16%)
Consol. Americas	113.0	(6%)	123.8	(5%)	115.1	0%	109.0	4%	460.9	(2%)
% of total	53%		54%		57%		56%		55%	
EMEA:										
Hydraulics	\$ 49.4	(7%)	\$ 51.3	5%	\$ 38.8	(6%)	\$ 38.1	(12%)	\$ 177.6	(5%)
Electronics	6.7	(43%)	7.0	(43%)	5.7	(26%)	5.8	9%	25.2	(32%)
Consol. EMEA	56.1	(13%)	58.3	(5%)	44.5	(9%)	43.9	(10%)	202.8	(9%)
% of total	26%		26%		22%		23%		24%	
APAC:										
Hydraulics	\$ 40.4	(2%)	\$ 40.5	(8%)	\$ 37.5	(7%)	\$ 35.4	(12%)	\$ 153.8	(7%)
Electronics	3.7	(73%)	5.0	(22%)	4.3	30%	5.1	104%	18.1	(31%)
Consol. APAC	44.1	(20%)	45.5	(10%)	41.8	(4%)	40.5	(5%)	171.9	(10%)
% of total	21%		20%		21%		21%		21%	
Total	\$ 213.2	(11%)	\$ 227.6	(6%)	\$ 201.4	(3%)	\$ 193.4	(1%)	\$ 835.6	(6%)

2022										
	Q1	% Change y/y	Q2	% Change y/y	Q3	% Change y/y	Q4	% Change y/y	Full Year	% Change y/y
Americas:										
Hydraulics	\$ 43.1	26%	\$ 49.9	20%	\$ 49.7	10%	\$ 56.8	22%	\$ 199.5	19%
Electronics	77.7	20%	80.2	25%	65.0	1%	48.0	(26%)	270.9	5%
Consol. Americas	120.8	22%	130.1	23%	114.7	5%	104.8	(6%)	470.4	11%
% of total	50%		54%		55%		53%		53%	
EMEA:										
Hydraulics	\$ 52.9	22%	\$ 49.0	5%	\$ 41.3	(8%)	\$ 43.3	(4%)	\$ 186.5	4%
Electronics	11.8	27%	12.3	12%	7.7	(31%)	5.3	(50%)	37.1	(12%)
Consol. EMEA	64.7	23%	61.3	6%	49.0	(12%)	48.6	(13%)	223.6	1%
% of total	27%		25%		24%		25%		25%	
APAC:										
Hydraulics	\$ 41.1	(1%)	\$ 43.9	(2%)	\$ 40.2	(7%)	\$ 40.1	3%	\$ 165.3	(2%)
Electronics	13.9	22%	6.4	(58%)	3.3	(77%)	2.5	(79%)	26.1	(51%)
Consol. APAC	55.0	4%	50.3	(16%)	43.5	(25%)	42.6	(16%)	191.4	(14%)
% of total	23%		21%		21%		22%		22%	
Total	\$ 240.5	17%	\$ 241.7	8%	\$ 207.2	(7%)	\$ 196.0	(10%)	\$ 885.4	2%



NON-GAAP ADJUSTED OPERATING INCOME & NON-GAAP ADJUSTED OPERATING MARGIN RECONCILIATION

(Unaudited)
(\$ in millions)

	For the Three Months Ended				For the Year Ended			
	December 30, 2023	Margin	December 31, 2022	Margin	December 30, 2023	Margin	December 31, 2022	Margin
GAAP operating income	\$ 11.9	6.2%	\$ 20.7	10.6%	\$ 79.9	9.6%	\$ 137.3	15.5%
Acquisition-related amortization of intangible assets	8.2	4.2%	7.5	3.8%	32.9	3.9%	28.1	3.2%
Acquisition and financing-related expenses ^(A)	0.7	0.4%	1.9	1.0%	4.0	0.5%	5.9	0.7%
Restructuring charges ^(B)	3.0	1.6%	1.4	0.7%	12.1	1.4%	5.2	0.6%
Officer transition costs	0.3	0.2%	-	0.0%	1.2	0.1%	0.3	0.0%
Acquisition integration costs ^(C)	0.1	0.1%	1.3	0.7%	0.3	0.0%	3.7	0.4%
Other	0.2	0.1%	-	0.0%	0.3	0.0%	0.2	0.0%
Non-GAAP adjusted operating income	\$ 24.4	12.6%	\$ 32.8	16.7%	\$ 130.7	15.6%	\$ 180.7	20.4%
GAAP operating margin	6.2%		10.6%		9.6%		15.5%	
Non-GAAP adjusted operating margin	12.6%		16.7%		15.6%		20.4%	
Net sales	\$ 193.4		\$ 196.0		\$ 835.6		\$ 885.4	

Non-GAAP Financial Measure:

Adjusted operating margin is adjusted operating income divided by net 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. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.

NON-GAAP ADJUSTED NET INCOME & NON-GAAP ADJUSTED NET INCOME PER DILUTED SHARE RECONCILIATION

(Unaudited)

(\$ in millions)

	For the Three Months Ended				For the Year Ended			
	December 30, 2023	Per Diluted Share*	December 31, 2022	Per Diluted Share	December 30, 2023	Per Diluted Share*	December 31, 2022	Per Diluted Share
GAAP net income	\$ 3.3	\$ 0.10	\$ 17.5	\$ 0.54	\$ 37.5	\$ 1.14	\$ 98.4	\$ 3.02
Amortization of intangible assets ^(D)	8.4	0.25	7.7	0.24	33.6	1.02	28.7	0.88
Acquisition and financing-related expenses ^(A)	0.7	0.02	1.9	0.06	4.0	0.12	5.9	0.18
Restructuring charges ^(B)	3.0	0.09	(0.3)	(0.01)	12.1	0.37	3.5	0.11
Officer transition costs	0.3	0.01	-	-	1.2	0.04	0.3	0.01
Acquisition integration costs ^(C)	0.1	-	1.3	0.04	0.3	0.01	3.7	0.11
Change in fair value of contingent consideration	(0.9)	(0.03)	0.1	-	(0.1)	-	1.7	0.05
Other	0.1	-	(0.1)	-	(0.3)	(0.01)	0.1	-
Tax effect of above	(2.6)	(0.08)	(2.7)	(0.08)	(11.2)	(0.34)	(11.0)	(0.34)
Non-GAAP Adjusted net income	\$ 12.4	\$ 0.38	\$ 25.4	\$ 0.78	\$ 77.1	\$ 2.34	\$ 131.3	\$ 4.03
<i>GAAP net income per diluted share</i>	<i>\$ 0.10</i>		<i>\$ 0.54</i>		<i>\$ 1.14</i>		<i>\$ 3.02</i>	
<i>Non-GAAP Adjusted net income per diluted share</i>	<i>\$ 0.38</i>		<i>\$ 0.78</i>		<i>\$ 2.34</i>		<i>\$ 4.03</i>	

*may not foot or recalculate due to rounding

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, Helios 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 Helios' 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.

NON-GAAP ADJUSTED EBITDA & NON-GAAP ADJUSTED EBITDA MARGIN RECONCILIATION

(Unaudited)

(\$ in millions)

	For the Three Months Ended				For the Year Ended			
	December 30, 2023	Margin	December 31, 2022	Margin	December 30, 2023	Margin	December 31, 2022	Margin
Net income	\$ 3.3	1.7%	\$ 17.5	8.9%	\$ 37.5	4.5%	\$ 98.4	11.1%
Interest expense, net	8.6	4.4%	5.0	2.6%	31.2	3.7%	16.7	1.9%
Income tax provision	1.0	0.5%	(0.4)	-0.2%	11.7	1.4%	23.4	2.6%
Depreciation and amortization	16.1	8.3%	14.2	7.2%	63.8	7.6%	51.6	5.8%
EBITDA	29.0	15.0%	36.3	18.5%	144.2	17.3%	190.1	21.5%
Acquisition and financing-related expenses ^(A)	0.7	0.4%	1.9	1.0%	4.0	0.5%	5.9	0.7%
Restructuring charges ^(B)	3.0	1.6%	(0.3)	-0.2%	12.1	1.4%	3.5	0.4%
Officer transition costs	0.3	0.2%	-	0.0%	1.2	0.1%	0.3	0.0%
Acquisition integration costs ^(C)	0.1	0.1%	1.3	0.7%	0.3	0.0%	3.7	0.4%
Change in fair value of contingent consideration	(0.9)	-0.5%	0.1	0.1%	(0.1)	0.0%	1.7	0.2%
Other	0.1	0.1%	(0.1)	-0.1%	(0.3)	0.0%	0.1	0.0%
Adjusted EBITDA	\$ 32.3	16.7%	\$ 39.2	20.0%	\$ 161.4	19.3%	\$ 205.3	23.2%
Pre-acquisition adjusted EBITDA, 2023 Schultes and i3, 2022 Taimi and Daman					2.2		5.0	
TTM Pro forma adjusted EBITDA					\$ 163.6		\$ 210.3	
GAAP net income margin	1.7%		8.9%		4.5%		11.1%	
EBITDA margin	15.0%		18.5%		17.3%		21.5%	
Adjusted EBITDA margin	16.7%		20.0%		19.3%		23.2%	
Net sales	\$ 193.4		\$ 196.0		\$ 835.6		\$ 885.4	

(A) Acquisition and financing-related expenses include costs associated with our M&A activities. 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 months and twelve months ended December 30, 2023, the charges include recurring labor costs of \$0.1 million and \$0.7 million, professional fees of \$0.4 million and \$2.2 million and other M&A related costs of \$0.2 million and \$1.1 million, respectively.

(B) Restructuring activities include costs associated with the creation of our two new Regional Operational Centers of Excellence. 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 months and twelve months ended December 30, 2023, the charges include non-recurring labor costs of \$2.1 million and \$7.8 million, travel costs of \$0.2 million and \$0.9 million and manufacturing relocation and other costs of \$0.7 million and \$3.4 million, respectively.

(C) Acquisition integration activities include costs associated with integrating our recently 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 months and twelve months ended December 30, 2023, the costs totaled \$0.1 million and \$0.3 million, respectively.

(D) Amortization of intangible assets presented here includes \$0.2 million and \$0.7 million of amortization for capitalized software development costs included within cost of sales in the income statement for the three months and twelve months ended December 30, 2023, respectively.

Non-GAAP Financial Measure:

Adjusted EBITDA margin is adjusted EBITDA divided by net 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. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.

NON-GAAP ADJUSTED FREE CASH FLOW RECONCILIATION

(Unaudited)

(\$ in millions)

For the Year Ended

	December 30, 2017	December 29, 2018	December 28, 2019	January 2, 2021	January 1, 2022	December 31, 2022	December 30, 2023
Net cash provided by operating activities	\$ 49.4	\$ 77.5	\$ 90.5	\$ 108.6	\$ 113.1	109.9	83.9
Contingent consideration payment in excess of acquisition date fair value	-	-	10.7	-	-	-	2.7
Adjusted net cash provided by operating activities	49.4	77.5	101.2	108.6	113.1	109.9	86.6
Capital expenditures	22.2	28.4	25.0	14.6	26.8	31.9	34.3
Adjusted Free cash flow	\$ 27.2	\$ 49.1	\$ 76.2	\$ 94.0	\$ 86.3	78.0	52.3
Net income	31.6	46.7	60.3	14.2	104.6	98.4	37.5
Goodwill impairment	-	-	-	31.9	-	-	-
Net income, less goodwill impairment	\$ 31.6	\$ 46.7	\$ 60.3	\$ 46.1	\$ 104.6	98.4	37.5
Free cash flow conversion	86%	105%	126%	204%	83%	79%	139%

Three Months Ended

	December 30, 2023	December 31, 2022
Net cash provided by operating activities	33.7	35.7
Contingent consideration payment in excess of acquisition date fair value	-	-
Adjusted net cash provided by operating activities	33.7	35.7
Capital expenditures	8.8	10.0
Adjusted Free cash flow	24.9	25.7
Net income	3.3	17.5
Goodwill impairment	-	-
Net income, less goodwill impairment	3.3	17.5
Free cash flow conversion	755%	147%

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. Free cash flow conversion is a non-GAAP financial measure and defined as free cash flow divided by net income. 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. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.

NON-GAAP NET SALES GROWTH RECONCILIATION

(Unaudited)

(\$ in millions)

	For the Three Months Ended			For the Year Ended		
	Hydraulics	Electronics	Consolidated	Hydraulics	Electronics	Consolidated
Q4 / Full Year 2023 Net Sales	\$ 133.7	\$ 59.7	\$ 193.4	\$ 565.8	\$ 269.8	\$ 835.6
Impact of foreign currency translation ^(E)	(1.6)	(0.1)	(1.7)	(0.3)	0.2	(0.1)
Net Sales in constant currency	132.1	59.6	191.7	565.5	270.0	835.5
Less: Acquisition related sales	(7.1)	(2.3)	(9.4)	(47.0)	(5.8)	(52.8)
Organic sales in constant currency	\$ 125.0	\$ 57.3	\$ 182.3	\$ 518.5	\$ 264.2	\$ 782.7
Q4 / Full Year 2022 Net Sales	\$ 140.2	\$ 55.8	\$ 196.0	\$ 551.3	\$ 334.1	\$ 885.4
Net sales growth	-5%	7%	-1%	3%	-19%	-6%
Net sales growth in constant currency	-6%	7%	-2%	3%	-19%	-6%
Organic net sales growth in constant currency	-11%	3%	-7%	-6%	-21%	-12%

^(E) The impact from foreign currency translation is calculated by translating current period activity at average prior period exchange rates.

Non-GAAP Financial Measure:

Net sales in constant currency is net sales adjusted for the impact of foreign currency translation. The impact from foreign currency translation is calculated by translating current period activity at average prior period exchange rates. Net sales in constant currency is not a measure 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 sales in constant currency 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 net sales in constant currency is Non-GAAP measures and are thus susceptible to varying calculations, net sales in constant currency, as presented, may not be directly comparable to other similarly titled measures used by other companies. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.

H NET DEBT TO NON-GAAP ADJUSTED EBITDA RECONCILIATION

(Unaudited)

(\$ in millions)

	As of December 30, 2023
Current portion of long-term non-revolving debt, net	23.2
Revolving lines of credit	203.3
Long-term non-revolving debt, net	298.3
Total debt	524.8
Less: Cash and cash equivalents	32.4
Net debt	492.4
TTM Pro forma adjusted EBITDA ^(F)	163.6
Ratio of net debt to TTM pro forma adjusted EBITDA	3.01

^(F) On a pro-forma basis for Schultes and i3.

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. These Non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP and should not be considered a substitute for GAAP. Please carefully review the Non-GAAP reconciliations to the most directly comparable GAAP measures and other related additional information provided.



AUGMENTING STRATEGY
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