Execute. Elevate.

HELIOS TECHNOLOGIES
(NYSE: HLIO)

FIRST QUARTER 2024 EARNINGS

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May 9, 2024

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) 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 Company’s ability to declare and pay dividends; and (vi) 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; (viii) new product introductions, product sales mix and the geographic mix of sales nationally and internationally; and (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, 2023 filed with the Securities and Exchange Commission (SEC) on February 27, 2024 as well as any subsequent filing with the SEC.

Helios has presented 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. 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 EBITDA, adjusted EBITDA margin, and adjusted net income per diluted share.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.

Q1 2024:
STRONG START TO THE YEAR OUT OF THE GATE

- 10% SEQUENTIAL TOP LINE GROWTH OVER 4Q23
- SOLID SEQUENTIAL MARGIN IMPROVEMENT OVER 4Q23
- IMPROVED CASH CONVERSION CYCLE
- DEBT REDUCED THREE CONSECUTIVE QUARTERS
- AFFIRMING 2024 OUTLOOK

Net Sales
$212.0 M
+10% QoQ
-1% YoY

Adj. Free Cash Flow[1]
$12.3 M
-51% QoQ
+284% YoY

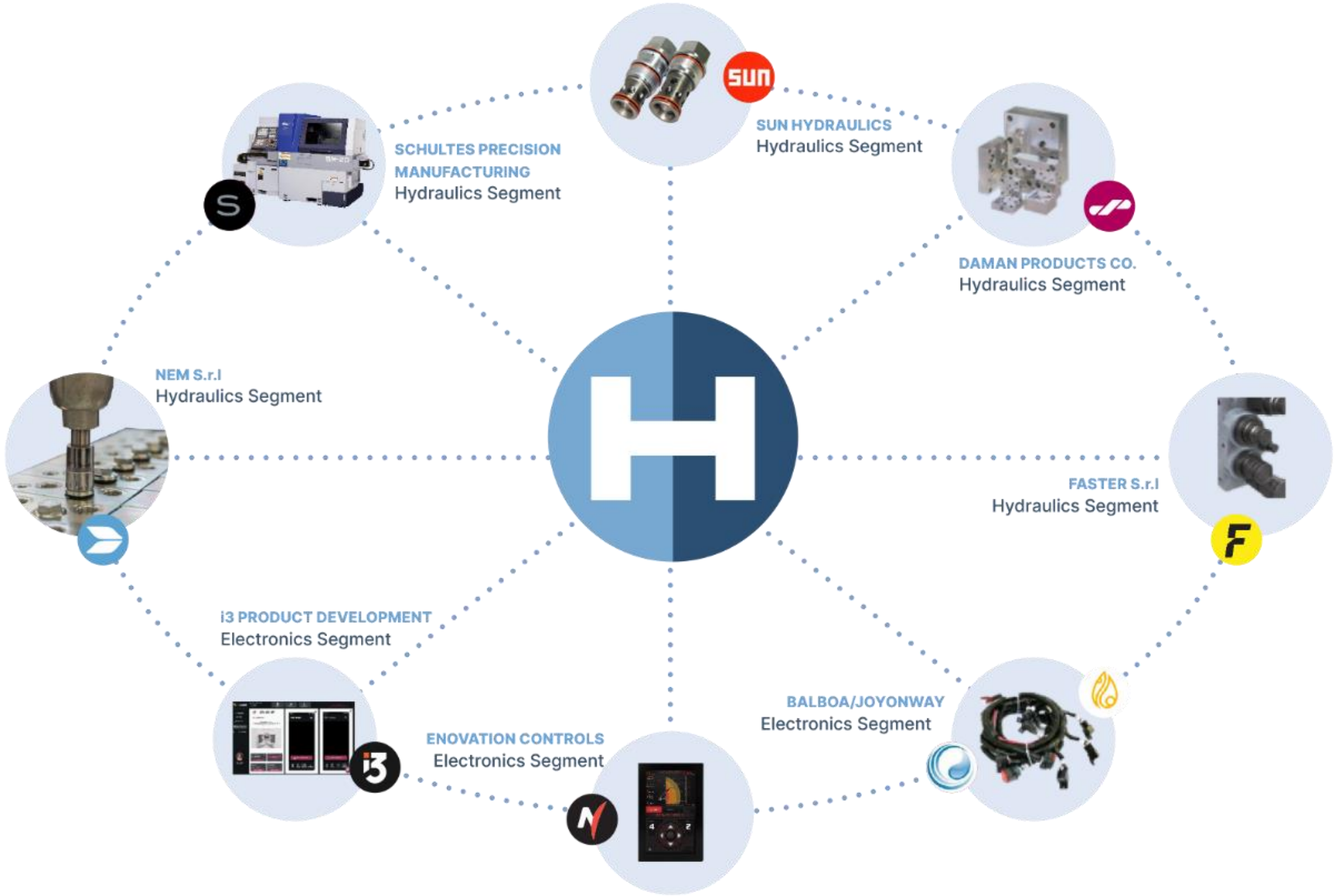
Adj. EBITDA Margin[1]
18.2%
+150 bps QoQ
-210 bps YoY

Diluted Non-GAAP EPS[1]
$0.53
+40% QoQ
-26% YoY

(1) See Supplemental Information for definition of adjusted free cash flow, 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

OUR CONNECTED FUTURE

Leveraging our position at the intersection of Hydraulics and Electronics to create industry leading sub-system sales



TRANSFORMATION INTO AN INTEGRATED OPERATING COMPANY

Q1 2024 – NET SALES

Strong sequential improvement across all regions; YoY electronics offset hydraulics for relatively unchanged sales

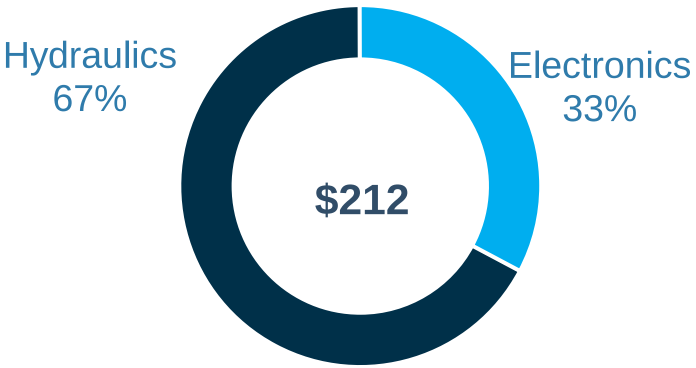
($ in millions)

QUARTER TRENDS (QoQ):

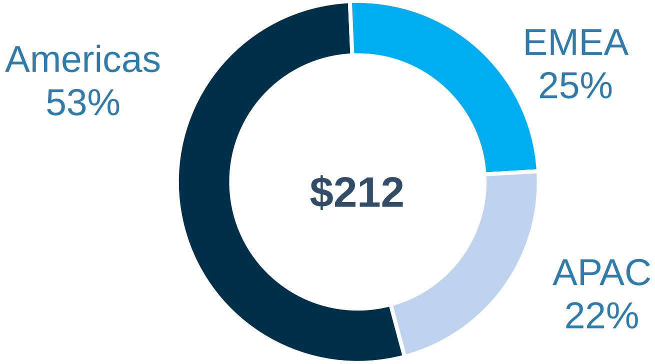
Direction	Market*
↔	Industrial
↑	Mobile
↔	Agriculture
↔	Recreational
↑	Health & Wellness
↑	Other

Direction	Region
↑	Americas
↑	EMEA
↑	APAC

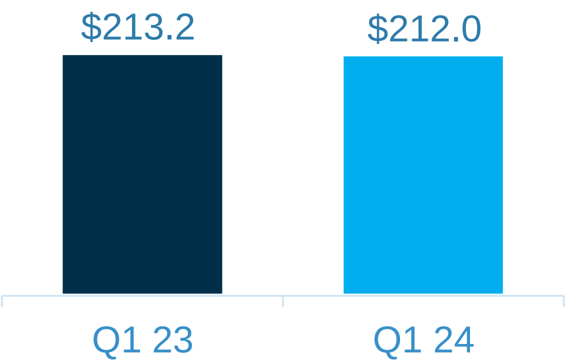
SALES BY SEGMENT



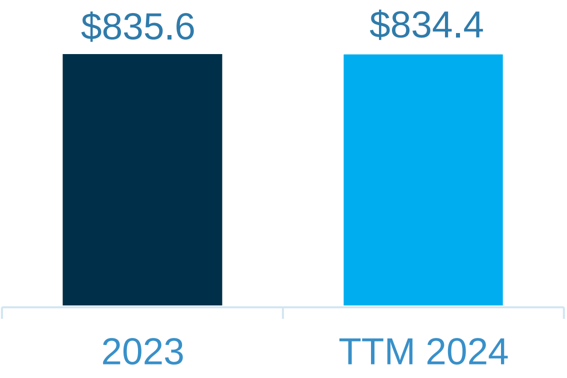
SALES BY REGION



YoY



ANNUAL

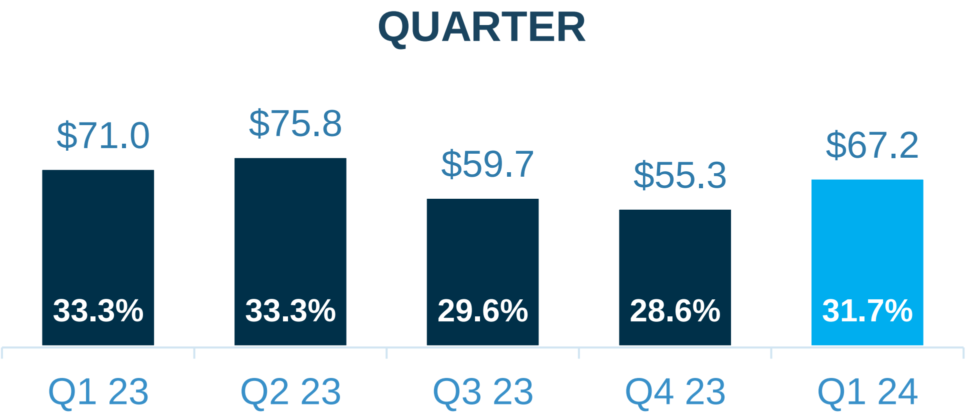


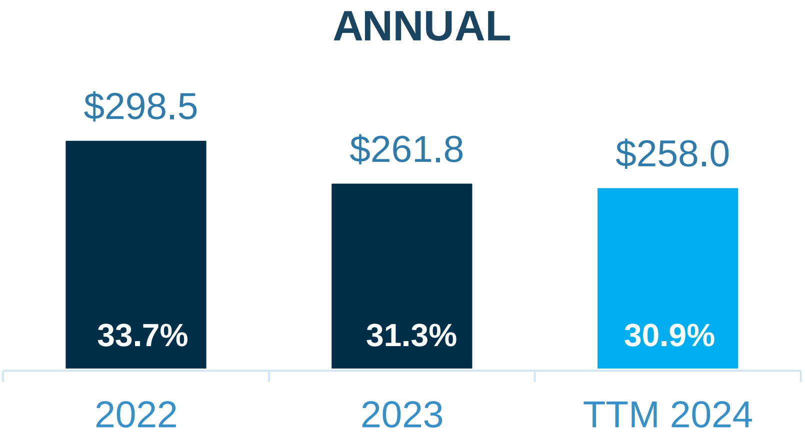
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter TTM = trailing twelve months
* Market trends meant to be a combination of both quarterly results and our best current approximation of leading activity.

Q1 2024 – GROSS PROFIT AND MARGIN

Improved sequential volume drives margin expansion in first quarter

($ in millions)





- **QoQ**: gross profit up 22% while gross margin expanded 310 bps driven by higher sales volume.
- **YoY**: decline in gross profit driven by lower volume, higher labor costs, and unfavorable FX impacts of $0.3 million. Gross margin declined 160 bps driven by lower fixed cost leverage on lower volume, sales mix, and costs mentioned.

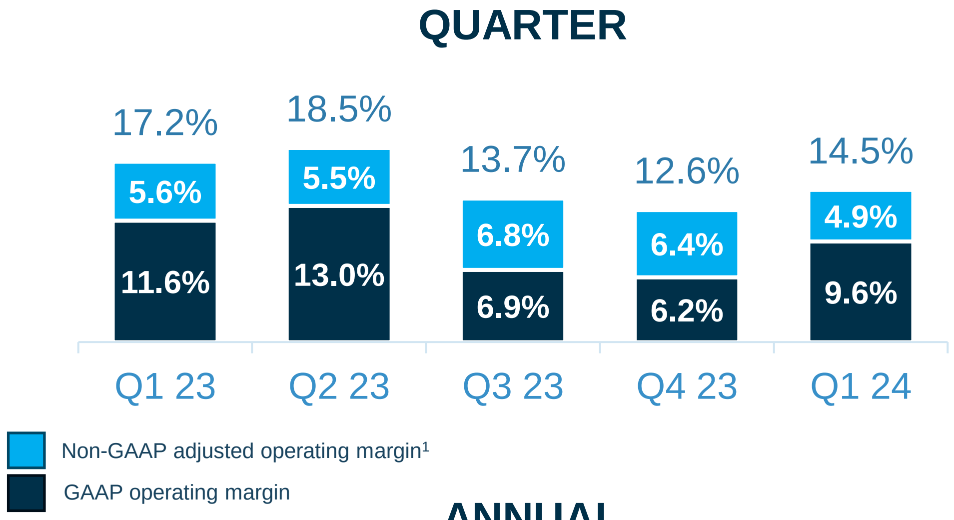
- **TTM**: compared with FY23 gross profit decline relatively in line with change in revenue; gross margin contracted 40 bps on mix.

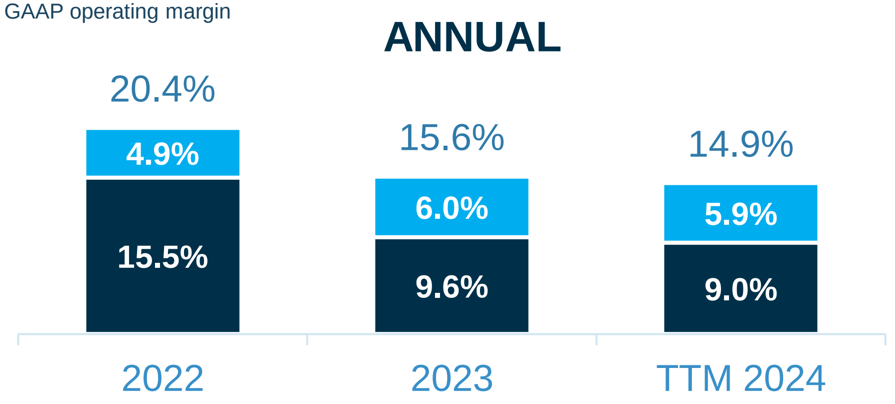
SEQUENTIAL INCREASES ARE VOLUME DRIVEN AND MORE THAN OFFSETTING MIX IMPACT

Note: YoY = year-over-year QoQ = sequential quarter-over-quarter TTM = trailing twelve months

Q1 2024 – OPERATING / ADJUSTED OPERATING MARGIN

Cost control key to delivering margin improvement





- **QoQ**: GAAP operating income expanded 71% while GAAP operating margin expanded 340 bps driven by increasing volume
- **YoY**: GAAP operating income declined 18% with margin contracting 200 bps driven by gross margin changes along with increases in higher wages and benefits and increased R&D for product development.

- **TTM**: GAAP operating income declined 6% with margin contracting 60 basis points driven by gross margin decline and i3PD costs not in year ago period. Non-GAAP operating income declined 5% with margin contracting 70 bps compared to FY23.

FINANCIAL PRIORITY TO RETURN TO GROWTH AND DRIVE OPERATING LEVERAGE

(1) See Supplemental Information for definition of Non-GAAP adjusted operating margin, reconciliation from GAAP, and other disclaimers regarding Non-GAAP information.
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter TTM = trailing twelve months

Q1 2024 – NET INCOME & ADJUSTED EBITDA MARGIN

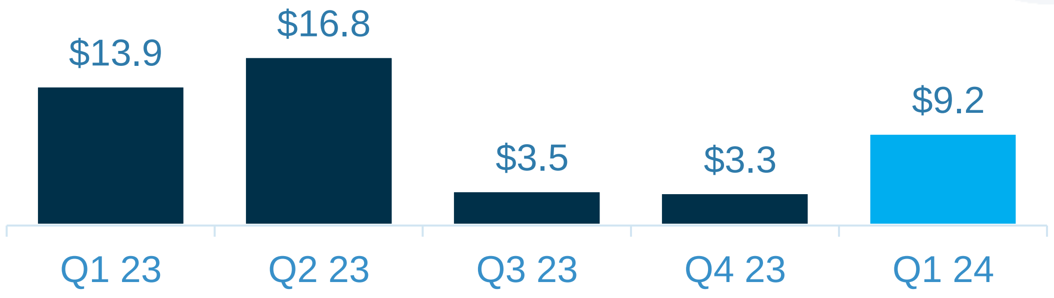
The incremental margin impacts inherent in the Helios business model will drop to the bottom line as volume comes back

($ in millions, except per share data)

- **QoQ**: net income up 179% or $0.18 per diluted share.
- **YoY**: net income down 34% or $0.14 per diluted share.

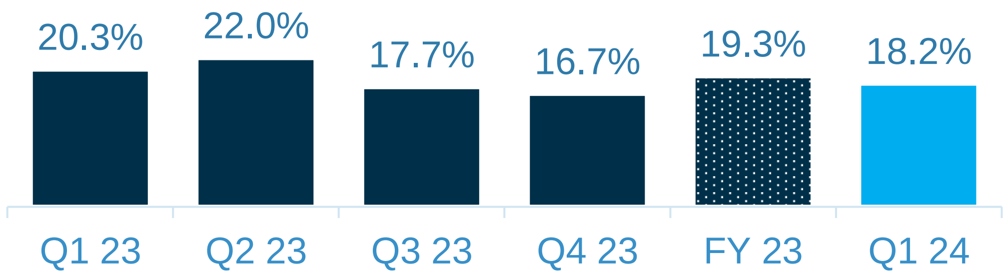
- **QoQ**: adjusted EBITDA up 20% with margin up 150 bps seeing benefits of higher sales volume.
- **YoY**: adjusted EBITDA down 11% with margin down 210 bps with investments in expanded capacity nearly completed; expect to realize leverage as new capacity is further utilized.

Net Income



	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Diluted GAAP EPS	$0.42	$0.51	$0.11	$0.10	$0.28
Diluted Non-GAAP EPS[1]	$0.72	$0.81	$0.44	$0.38	$0.53

Adj. EBITDA Margin (1)



EXPECT FURTHER SEQUENTIAL EXPANSION THROUGH 2024

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

Q1 2024 – HYDRAULICS SEGMENT

Sequential improvement; First positive YoY growth in APAC since 4Q22

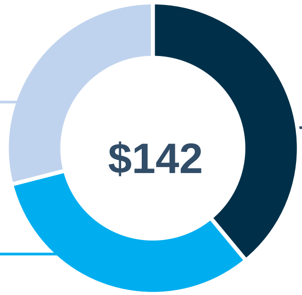
($ in millions)

		QoQ	YoY
Sales:	$142.4	↑ 7%	↓ 4%
Gross Profit:	$44.5	↑ 8%	↓ 11%
Operating Income:	$21.8	↑ 9%	↓ 22%

Q1 SALES BY REGION

29% APAC

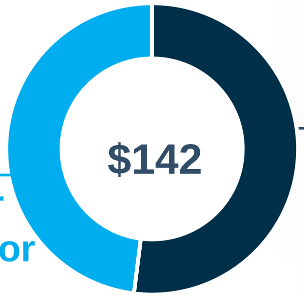
32% EMEA



39% Americas

Q1 SALES BY CHANNEL

~48% Distributor or Integrator



~52% OEM

STRENGTH IN INDUSTRIALS HELPING TO OFFSET SOFT AG MARKET; GREEN SHOOTS IN APAC

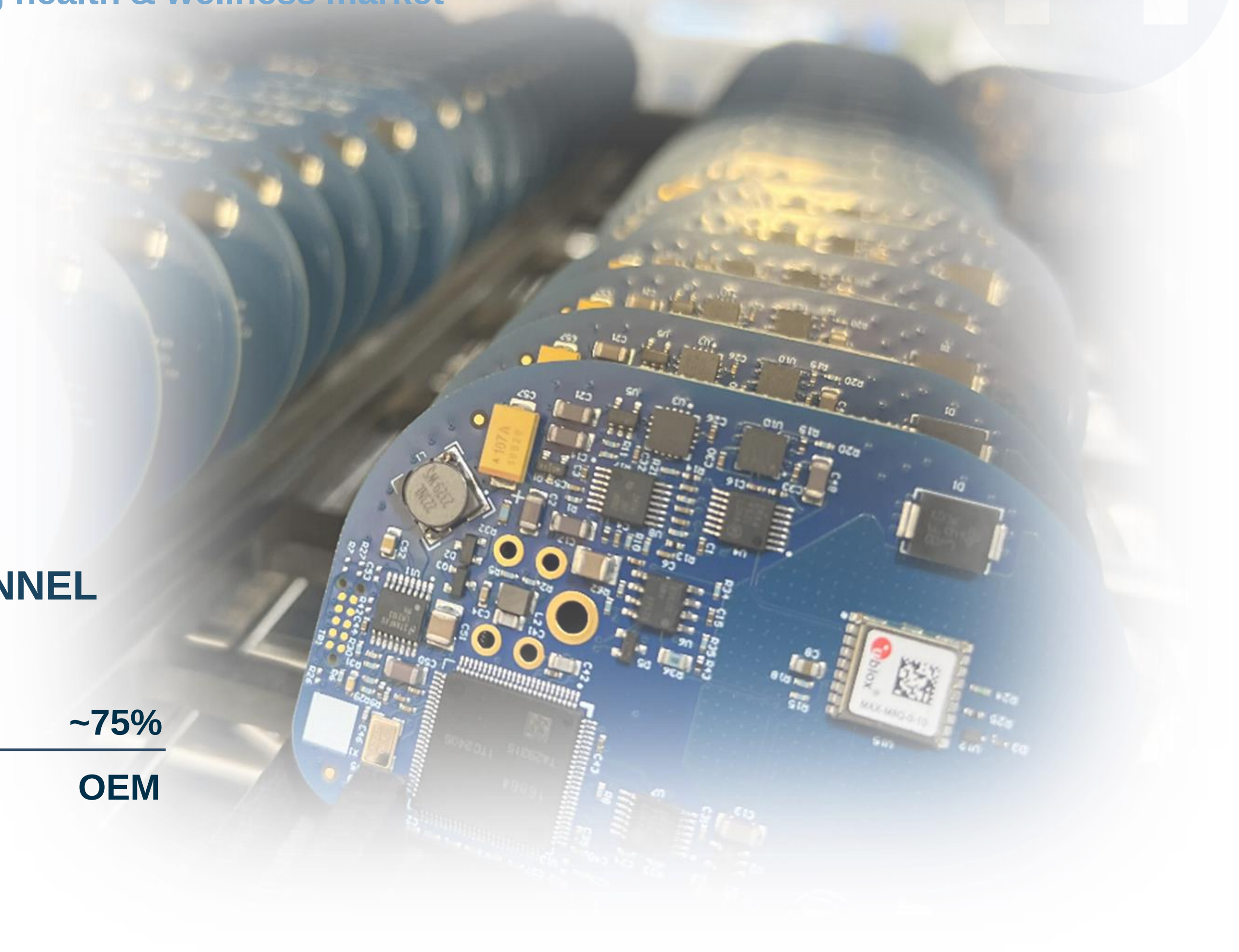
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter.

Q1 2024 – ELECTRONICS SEGMENT

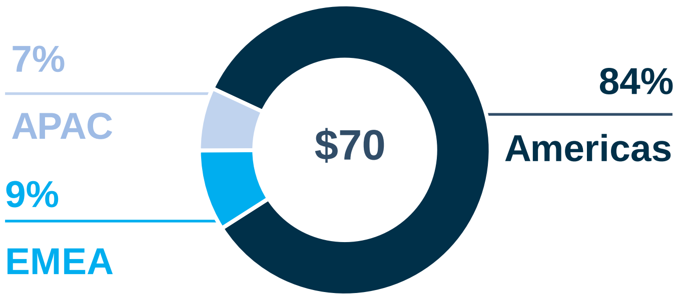
Strong sequential and YoY performance driven by improving health & wellness market

($ in millions)

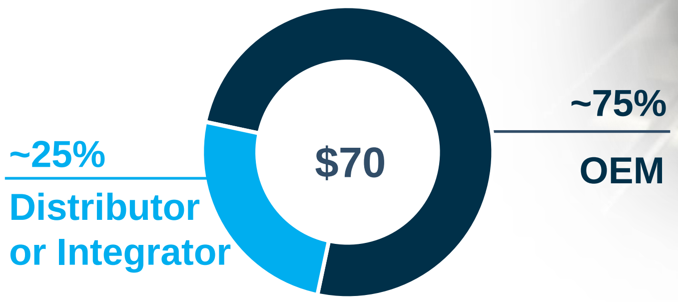
		QoQ	YoY
Sales:	**$69.6**	↑ 17%	↑ 6%
Gross Profit:	**$22.7**	↑ 61%	↑ 8%
Operating Income:	**$7.1**	↑ 610%	↓ 5%



Q1 SALES BY REGION



Q1 SALES BY CHANNEL



RECENT WINS IN A NEW MARKET COMMERCIAL FOOD SERVICE TO ADD TO FUTURE GROWTH

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

Q1 2024 – CASH FLOW

Disciplined working capital management and strong cash conversion

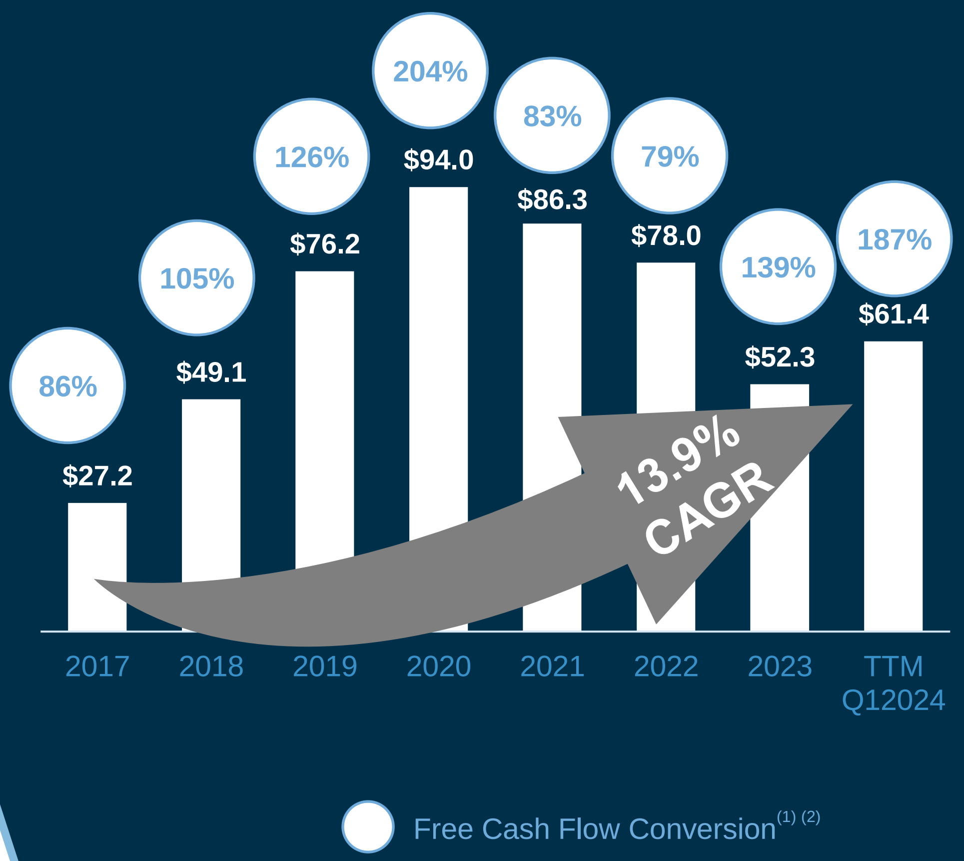
($ in millions)

	Three Months Ended	
	3/30/24	4/1/23
Net Cash Provided by Operating Activities	$17.8	$12.3
Capital Expenditures (CapEx)	(5.5)	(9.1)
Free Cash Flow (FCF) (1)	**$12.3**	**$3.2**

CASH GENERATION AND FREE CASH FLOW

- 1Q24 CapEx of $5.5M (3% sales) to support strategic investments
- FY24 CapEx outlook: 3% to 4% of sales
- Cash and cash equivalents at 3/30/24 of $37.3
- TTM 2024 FCF conversion[2] was 187% compared with 139% in FY 2023, showing improving cash management

Free Cash Flow[1]



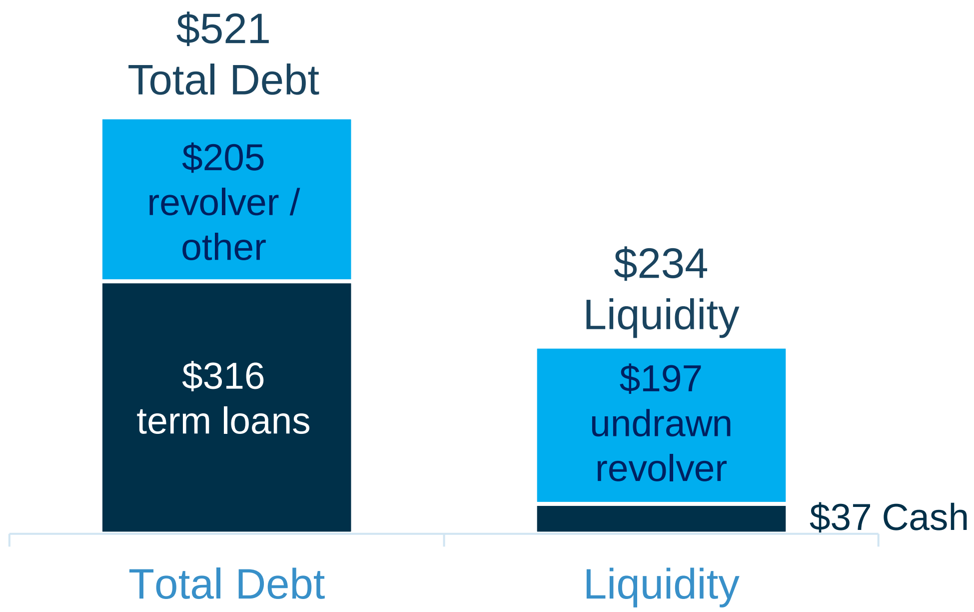
(1) Free cash flow and free cash flow conversion are Non-GAAP financial measures; see supplemental slide for a reconciliation to the most comparable GAAP measure.
(2) Free cash flow conversion is a Non-GAAP financial measure and defined as free cash flow divided by net income.
Note: TTM = trailing twelve months.

Q1 2024 – CAPITAL STRUCTURE

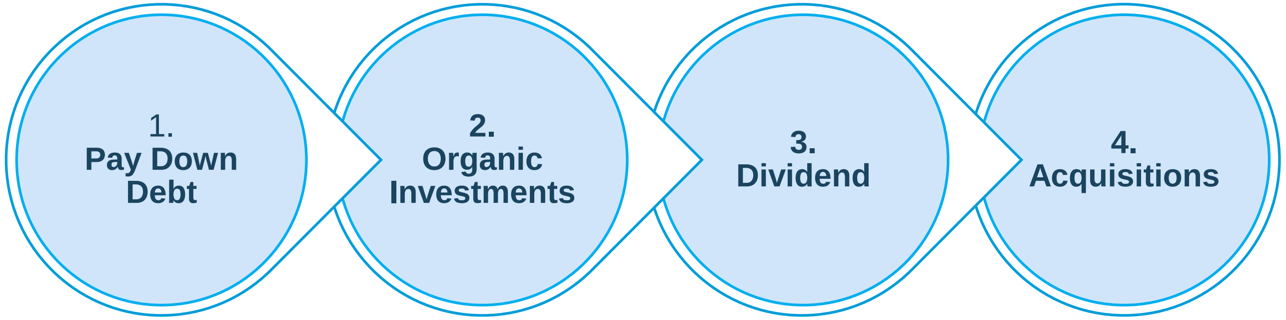
Utilizing cash generated to reduce debt and fund organic growth initiatives

($ in millions)

DEBT PROFILE



CAPITAL ALLOCATION PRIORITIES



Additional Details

- Net debt/pro forma adjusted EBITDA of 3.08x ending 1Q24
- Credit facility debt maturity October 2025
- Near term objective: continue to use cash to extinguish debt
- Paid dividends for 109 sequential quarters, or 27 years!

TARGET NET DEBT/EBITDA RATIO OF 2.0x TO 3.0x

AFFIRMING FULL YEAR 2024 OUTLOOK

Total Net Sales	$840M	to	$860M
Adjusted EBITDA Margin[2]	19.5%	to	21.0%
Diluted Non-GAAP EPS [1, 2]	$2.35	to	$2.75

Note: See Supplemental Information for full 2024 outlook line-item details.

(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.

RETURN TO GROWTH, DRIVE OPERATING LEVERAGE, GENERATE CASH, AND REDUCE DEBT

2024 SEGMENT OUTLOOK

	HYDRAULICS	ELECTRONICS
Positive Catalysts	Ramping CoE, new markets	Health & Wellness, Americas, addition of Commercial Food Service, recurring software sales starting in 2024
Stable / Moderate Lift	Mobile, APAC, Americas	APAC
Flat / No Signs Yet of Bounce	Industrial	Construction, EMEA
Starting / In a Down Cycle	Agriculture, EMEA	Marine, Recreation
2024 Revenue Outlook	**\$565 - \$580M** *0% to 2% growth over 2023*	**\$275 - \$280M** *2% to 4% growth over 2023*

2024 FINANCIAL PRIORITIES

Focused on execution to deliver the year and set the stage for accelerating future growth

1 Return to Growth

Executing on profitable sales growth plan

2 Drive Operating Leverage

With higher volumes and disciplined investment and cost management

3 Shorten Cash Conversion Cycle

Through improved working capital management

4 Reduce Debt

Utilizing free cash flow conversion proceeds, while evaluating longer-term debt structure

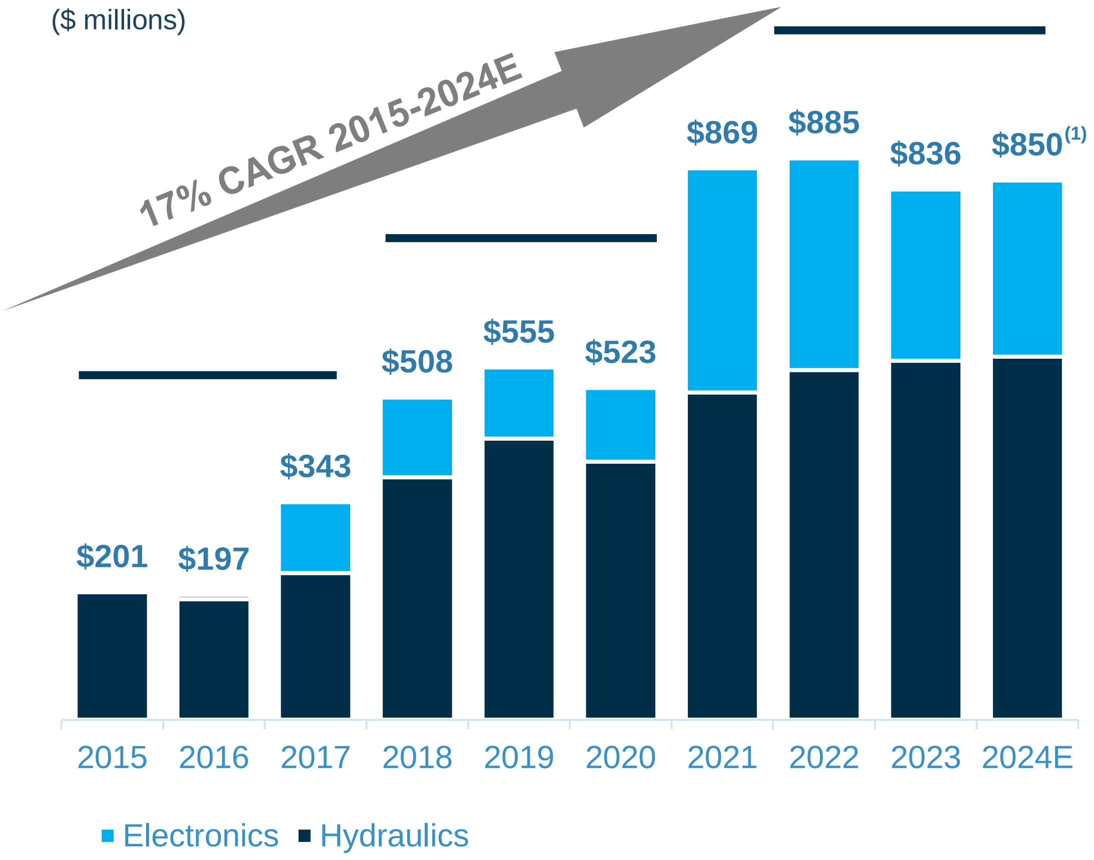
5 Leverage Strong Foundation

To scale and elevate to new heights!

SUPPLEMENTAL INFORMATION

BUILDING ON A STRONG FOUNDATION OF STEP LEVEL GROWTH

OUR PERFORMANCE & CURRENT VIEW



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

(1) 2024E Mid-Point of FY2024 Outlook provided May 8, 2024

OTHER MODELING ITEMS

($ in millions, except per share data)

2024 OUTLOOK ASSUMPTIONS

- Sales guidance excludes any potential new large system sales opportunities
- Electronics segment growth rate to outpace Hydraulics segment driven by Balboa's core business recovery and identified growth opportunities
- European manufacturing footprint realignment and capacity expansions mostly 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 ending Q1 2024

OTHER KEY METRICS

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

Note: Adjusted EBITDA, Adjusted EBITDA margin and Diluted Non-GAAP Cash EPS represent non-GAAP financial measures. The Company has presented the comparable GAAP figures in the table above. For 2023 Outlook, Adjusted EBITDA excludes an estimated $15 million to $18 million of costs for restructuring activities and acquisition related costs including integration. For 2023 Outlook, Diluted non-GAAP Cash EPS excludes an estimated $1.10 to $1.21 per diluted share of costs primarily for amortization, restructuring activities, acquisition related costs including integration and the related tax impact on these items.

SEGMENT DATA

(Unaudited)

($ in millions)

	For the Three Months Ended	
	March 30, 2024	April 1, 2023
Net Sales:		
Hydraulics	$ 142.4	$ 147.7
Electronics	69.6	65.5
Consolidated	$ 212.0	$ 213.2
Gross profit and margin:		
Hydraulics	$ 44.5	$ 50.0
	31.3%	*33.9%*
Electronics	22.7	21.0
	32.6%	*32.1%*
Consolidated	$ 67.2	$ 71.0
	31.7%	*33.3%*
Operating income (loss) and margin:		
Hydraulics	$ 21.8	$ 28.0
	15.3%	*19.0%*
Electronics	7.1	7.5
	10.2%	*11.5%*
Corporate and other	(8.6)	(10.7)
Consolidated	$ 20.3	$ 24.8
	9.6%	*11.6%*

ORGANIC AND ACQUIRED NET SALES

(Unaudited)

($ in millions)

	For the Three Months Ended				For the Year Ended	For the Three Months Ended
	April 1, 2023	July 1, 2023	September 30, 2023	December 30, 2023	December 30, 2023	March 30, 2024
Hydraulics						
Organic	$ 134.0	$ 137.2	$ 121.0	$ 126.6	$ 518.8	$ 140.5
Acquisition	13.7	15.2	11.0	7.1	47.0	1.9
Total	$ 147.7	$ 152.4	$ 132.0	$ 133.7	$ 565.8	$ 142.4
Electronics						
Organic	$ 65.5	$ 74.0	$ 67.1	$ 57.4	$ 264.0	$ 67.6
Acquisition	-	1.2	2.3	2.3	5.8	2.0
Total	$ 65.5	$ 75.2	$ 69.4	$ 59.7	$ 269.8	$ 69.6
Consolidated						
Organic	$ 199.5	$ 211.2	$ 188.1	$ 184.0	$ 782.8	$ 208.1
Acquisition	13.7	16.4	13.3	9.4	52.8	3.9
Total	$ 213.2	$ 227.6	$ 201.4	$ 193.4	$ 835.6	$ 212.0

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										2024	
	Q1	% Change y/y	Q2	% Change y/y	Q3	% Change y/y	Q4	% Change y/y	2023	% Change y/y	Q1	% Change y/y
Americas:												
Hydraulics	$ 57.9	*34%*	$ 60.6	*21%*	$ 55.7	*12%*	$ 60.2	*6%*	$ 234.4	*17%*	$ 55.8	*(4%)*
Electronics	55.1	*(29%)*	63.2	*(21%)*	59.4	*(9%)*	48.8	*2%*	$ 226.5	*(16%)*	58.1	*5%*
Consol. Americas	**113.0**	***(6%)***	**123.8**	***(5%)***	**115.1**	*0%*	**109.0**	*4%*	**460.9**	***(2%)***	**113.9**	***1%***
% of total	*53%*		*54%*		*57%*		*56%*		*55%*		*54%*	
EMEA:												
Hydraulics	$ 49.4	*(7%)*	$ 51.3	*5%*	$ 38.8	*(6%)*	$ 38.1	*(12%)*	$ 177.6	*(5%)*	$ 45.5	*(8%)*
Electronics	6.7	*(43%)*	7.0	*(43%)*	5.7	*(26%)*	5.8	*9%*	$ 25.2	*(32%)*	6.5	*(3%)*
Consol. EMEA	**56.1**	***(13%)***	**58.3**	***(5%)***	**44.5**	*(9%)*	**43.9**	*(10%)*	**202.8**	***(9%)***	**52.0**	***(7%)***
% of total	*26%*		*26%*		*22%*		*23%*		*24%*		*25%*	
APAC:												
Hydraulics	$ 40.4	*(2%)*	$ 40.5	*(8%)*	$ 37.5	*(7%)*	$ 35.4	*(12%)*	$ 153.8	*(7%)*	$ 41.1	*2%*
Electronics	3.7	*(73%)*	5.0	*(22%)*	4.3	*30%*	5.1	*104%*	$ 18.1	*(31%)*	5.0	*35%*
Consol. APAC	**44.1**	***(20%)***	**45.5**	***(10%)***	**41.8**	*(4%)*	**40.5**	*(5%)*	**171.9**	***(10%)***	**46.1**	***5%***
% of total	*21%*		*20%*		*21%*		*21%*		*21%*		*22%*	
Total	**$ 213.2**	***(11%)***	**$ 227.6**	***(6%)***	**$ 201.4**	***(3%)***	**$ 193.4**	***(1%)***	**$ 835.6**	***(6%)***	**$ 212.0**	***(1%)***

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

(Unaudited)

($ in millions)

	For the Three Months Ended				Twelve Months Ended	
	March 30, 2024	Margin	April 1, 2023	Margin	March 30, 2024	Margin
GAAP operating income	$ 20.3	9.6%	$ 24.8	11.6%	$ 75.5	9.0%
Acquisition-related amortization of intangible assets	7.9	3.7%	8.1	3.8%	32.6	3.9%
Acquisition and financing-related expenses (A)	0.5	0.2%	1.7	0.8%	2.8	0.3%
Restructuring charges (B)	1.4	0.7%	1.2	0.6%	12.3	1.5%
Officer transition costs	0.3	0.1%	0.8	0.4%	0.7	0.1%
Acquisition integration costs (C)	0.3	0.1%	-	0.0%	0.5	0.1%
Other	-	0.0%	-	0.0%	0.3	0.0%
Non-GAAP adjusted operating income	$ 30.7	14.5%	$ 36.6	17.2%	$ 124.7	14.9%
GAAP operating margin	*9.6%*		*11.6%*		*9.0%*	
Non-GAAP adjusted operating margin	*14.5%*		*17.2%*		*14.9%*	
Net sales	$ 212.0		$ 213.2		$ 834.4	

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 ADJ. NET INCOME & NON-GAAP ADJ. NET INCOME PER DILUTED SHARE RECONCILIATION

(Unaudited)

($ in millions)

	For the Three Months Ended			
	March 30, 2024	Per Diluted Share	April 1, 2023	Per Diluted Share
GAAP net income	$ 9.2	$ 0.28	$ 13.9	$ 0.42
Amortization of intangible assets(D)	8.1	0.24	8.3	0.25
Acquisition and financing-related expenses(A)	0.5	0.02	1.7	0.05
Restructuring charges(B)	1.4	0.04	1.2	0.04
Officer transition costs	0.3	0.01	0.8	0.02
Acquisition integration costs (C)	0.3	0.01	-	-
Change in fair value of contingent consideration	-	-	0.2	0.01
Other	0.2	0.01	-	-
Tax effect of above	(2.4)	(0.07)	(2.7)	(0.08)
Non-GAAP Adjusted net income	$ 17.6	$ 0.53	$ 23.4	$ 0.72
GAAP net income per diluted share	*$ 0.28*		*$ 0.42*	
Non-GAAP Adjusted net income per diluted share	*$ 0.53*		*$ 0.72*	

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				Twelve Months Ended	
	March 30, 2024	Margin	April 1, 2023	Margin	March 30, 2024	Margin
Net income	$ 9.2	4.3%	$ 13.9	6.5%	$ 32.8	3.9%
Interest expense, net	8.2	3.9%	6.2	2.9%	33.2	4.0%
Income tax provision	2.8	1.3%	4.1	1.9%	10.3	1.2%
Depreciation and amortization	15.7	7.4%	15.2	7.1%	64.3	7.7%
EBITDA	35.9	16.9%	39.4	18.5%	140.6	16.9%
Acquisition and financing-related expenses (A)	0.5	0.2%	1.7	0.8%	2.8	0.3%
Restructuring charges (B)	1.4	0.7%	1.2	0.6%	12.3	1.5%
Officer transition costs	0.3	0.1%	0.8	0.4%	0.7	0.1%
Acquisition integration costs (C)	0.3	0.1%	-	0.0%	0.5	0.1%
Change in fair value of contingent consideration	-	0.0%	0.2	0.1%	(0.3)	0.0%
Other	0.2	0.1%	-	0.0%	-	0.0%
Adjusted EBITDA	$ 38.6	18.2%	$ 43.3	20.3%	$ 156.6	18.8%
Pre-acquisition adjusted EBITDA, i3					0.7	
TTM Pro forma adjusted EBITDA					$ 157.3	
GAAP net income margin	*4.3%*		*6.5%*		*3.9%*	
EBITDA margin	*16.9%*		*18.5%*		*16.9%*	
Adjusted EBITDA margin	*18.2%*		*20.3%*		*18.8%*	
Net sales	$ 212.0		$ 213.2		$ 834.4	

(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 ended March 30, 2024, the charges include $0.5 of other M&A costs.

(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 ended March 30, 2024, the charges include non-recurring labor costs of $0.9 million and manufacturing relocation and other costs of $0.5 million.

(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 ended March 30, 2024, the costs totaled $0.3 million.

(D) Amortization of intangible assets presented here includes $0.2 million for capitalized software development costs included within cost of sales in the income statement for the three months ended March 30, 2024.

NON-GAAP ADJUSTED FREE CASH FLOW RECONCILIATION

(Unaudited)

($ in millions)

	For the Year Ended							TTM
	December 30, 2017	December 29, 2018	December 28, 2019	January 2, 2021	January 1, 2022	December 31, 2022	December 30, 2023	March 30, 2024
Net cash provided by operating activities	$ 49.4	$ 77.5	$ 90.5	$ 108.6	$ 113.1	109.9	83.9	89.4
Contingent consideration payment in excess of acquisition date fair value	-	-	10.7	-	-	-	2.7	2.7
Adjusted net cash provided by operating activities	49.4	77.5	101.2	108.6	113.1	109.9	86.6	92.1
Capital expenditures	22.2	28.4	25.0	14.6	26.8	31.9	34.3	30.7
Adjusted Free cash flow	$ 27.2	$ 49.1	$ 76.2	$ 94.0	$ 86.3	78.0	52.3	61.4
Net income	31.6	46.7	60.3	14.2	104.6	98.4	37.5	32.8
Goodwill impairment	-	-	-	31.9	-	-	-	-
Net income, less goodwill impairment	$ 31.6	$ 46.7	$ 60.3	$ 46.1	$ 104.6	98.4	37.5	32.8
Free cash flow conversion	86%	105%	126%	204%	83%	79%	139%	187%

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		
	Hydraulics	Electronics	Consolidated
Q1 2024 Net Sales	$ 142.4	$ 69.6	$ 212.0
Impact of foreign currency translation[E]	0.2	0.1	0.3
Net Sales in constant currency	142.6	69.7	212.3
Less: Acquisition related sales	(1.9)	(2.0)	(3.9)
Organic sales in constant currency	$ 140.7	$ 67.7	$ 208.4
Q1 2023 Net Sales	$ 147.7	$ 65.5	$ 213.2
Net sales growth	-4%	6%	-1%
Net sales growth in constant currency	-3%	6%	0%
Organic net sales growth in constant currency	-5%	3%	-2%

[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.

NET DEBT TO NON-GAAP ADJUSTED EBITDA RECONCILIATION

(Unaudited)

($ in millions)

	As of March 30, 2024
Current portion of long-term non-revolving debt, net	23.2
Revolving lines of credit	205.4
Long-term non-revolving debt, net	292.7
Total debt	**521.3**
Less: Cash and cash equivalents	37.3
Net debt	**484.0**
TTM Pro forma adjusted EBITDA [F]	157.3
Ratio of net debt to TTM pro forma adjusted EBITDA	**3.08**

[F] *On a pro-forma basis for i3.*

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.

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