Execute. Elevate.

HELIOS TECHNOLOGIES
(NYSE: HLIO)

SECOND QUARTER 2024 EARNINGS

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August 6, 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) risks related to the Company's previous investigation of its former CEO and the related management transition that is in process; (ii) the Company's strategies regarding growth, including its intention to develop new products and make acquisitions; (iii) the effectiveness of creating the Centers of Excellence; (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; (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 30, 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.

OUR CONNECTED FUTURE – STAYING THE COURSE

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

TRANSFORMATION INTO AN INTEGRATED OPERATING COMPANY

Q2 2024:
SOLID SEQUENTIAL IMPROVEMENTS

- 4% SEQUENTIAL TOP LINE GROWTH OVER 1Q24
- STRONG SEQUENTIAL MARGIN INCREASE AGAIN
- IMPROVED CASH CONVERSION CYCLE
- REDUCED DEBT FOUR CONSECUTIVE QUARTERS
- MODERATING 2H24 OUTLOOK FOR MACRO FACTORS

Net Sales
$219.9 M
+4% QoQ
-3% YoY

Cash From Operations
$33.8 M
+90% QoQ
+30% YoY

Adj. EBITDA Margin[1]
20.1%
+190 bps QoQ
-190 bps YoY

Diluted Non-GAAP EPS[1]
$0.64
+21% QoQ
-21% YoY

(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

Q2 2024 – NET SALES

Sequential improvements lead by APAC followed by Americas; mixed results for end market Sales

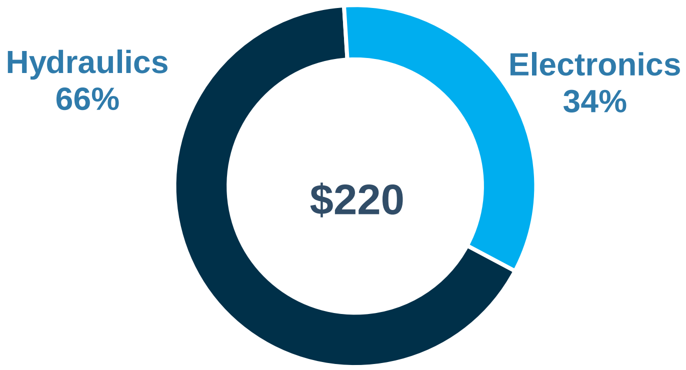
($ in millions)

QUARTER TRENDS (QoQ):

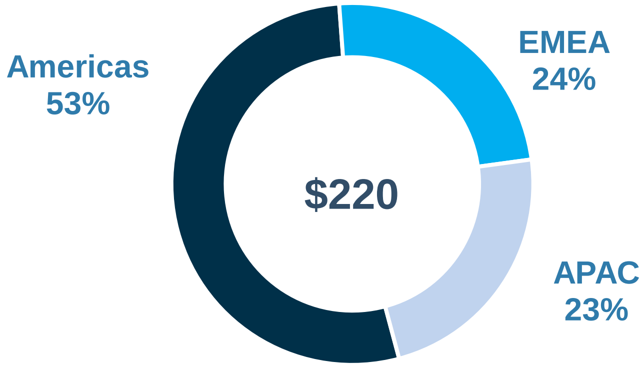
Direction	Market*
↔	Industrial
↔	Mobile
↓	Agriculture
↓	Recreational
↑	Health & Wellness
↑	Other

Direction	Region
↑	Americas
↔	EMEA
↑	APAC

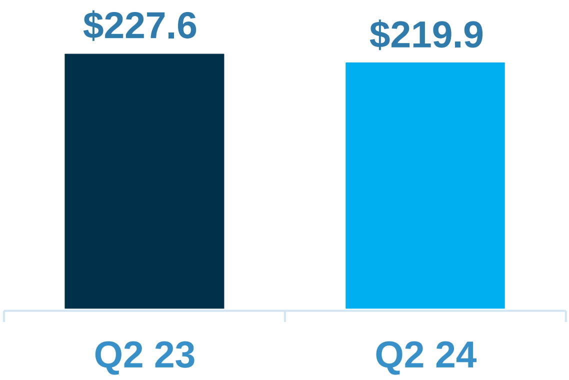
SALES BY SEGMENT



SALES BY REGION



YoY



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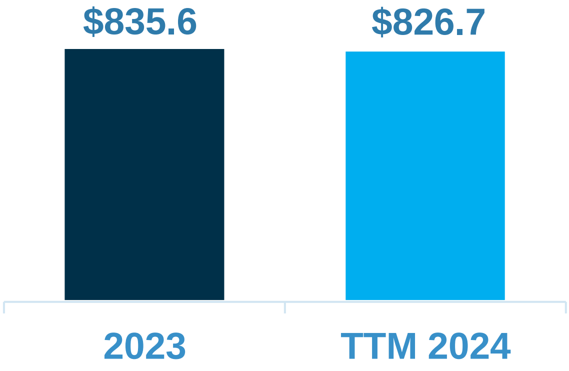


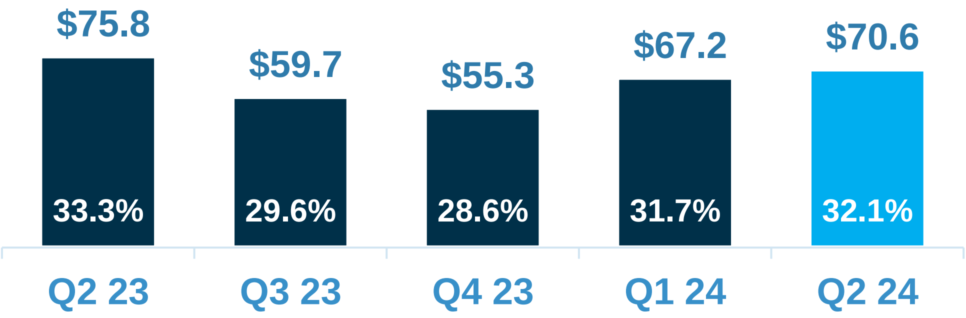
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter TTM = trailing twelve months
* Market trends meant to be a combination of both quarterly results and our best current approximation of leading activity.

Q2 2024 – GROSS PROFIT AND MARGIN

Improved volume drives sequential margin expansion in the second quarter

($ in millions)

QUARTER



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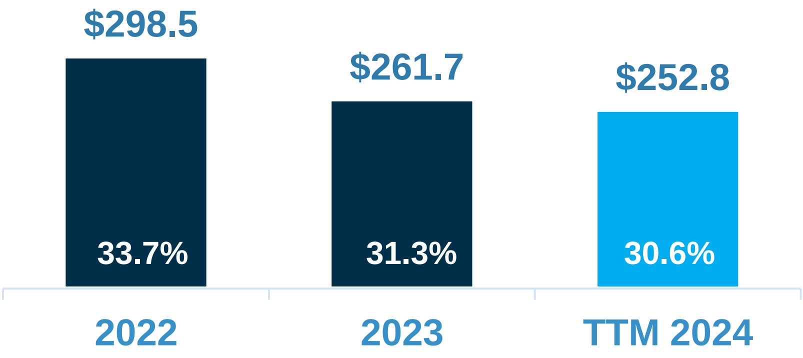


- **QoQ**: gross profit up 5% while gross margin expanded 40 bps driven by higher sales volume.
- **YoY**: decline in gross profit driven by lower volume, higher labor costs, and unfavorable foreign exchange impacts of $0.2 million. Gross margin declined 120 bps driven by lower fixed cost leverage on lower volume and sales mix.

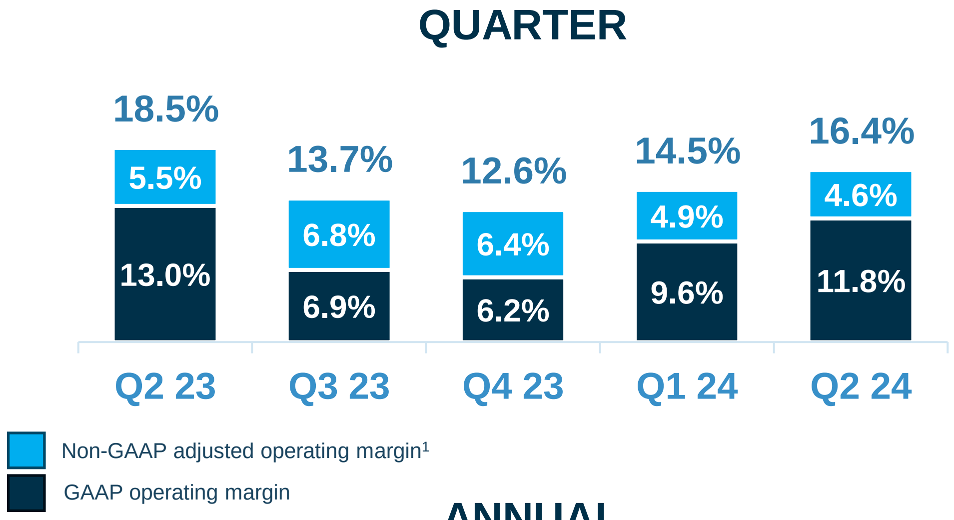
- **TTM**: compared with FY23 gross profit decline relatively in line with change in sales; gross margin contracted 70 bps on mix.

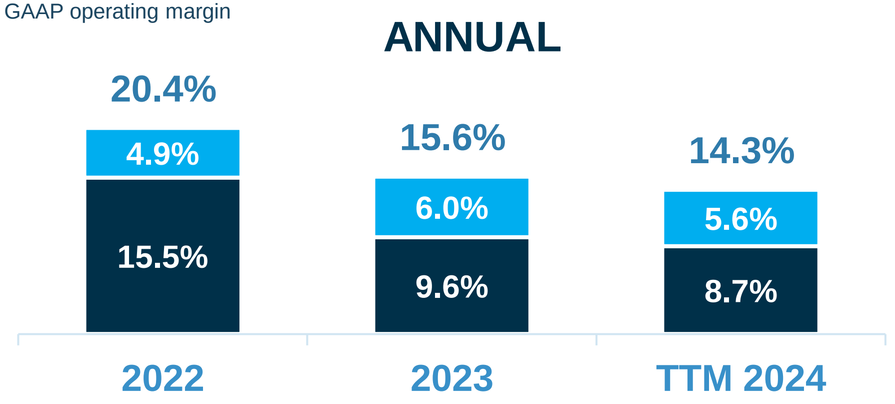
VOLUME DRIVEN SEQUENTIAL INCREASES MORE THAN OFFSET MIX IMPACT

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

Q2 2024 – OPERATING / ADJUSTED OPERATING MARGIN

Sequential volume increase was key lever in driving margin expansion coupled with cost control discipline





- **QoQ**: GAAP operating income expanded 28% while GAAP operating margin expanded 220 bps driven by increasing volume
- **YoY**: GAAP operating income declined 12% with margin contracting 120 bps driven by gross margin changes as SEA expenses as a percentage of revenue were relatively flat.

- **TTM**: Compared to FY23, GAAP operating income declined 10% with margin contracting 90 basis points driven by gross margin decline and a result of incremental acquisition costs. Non-GAAP operating income declined 9% with margin contracting 130 bps.

PROTECT THE BUSINESS BY DRIVING OPERATING LEVERAGE WITH COST MANAGEMENT

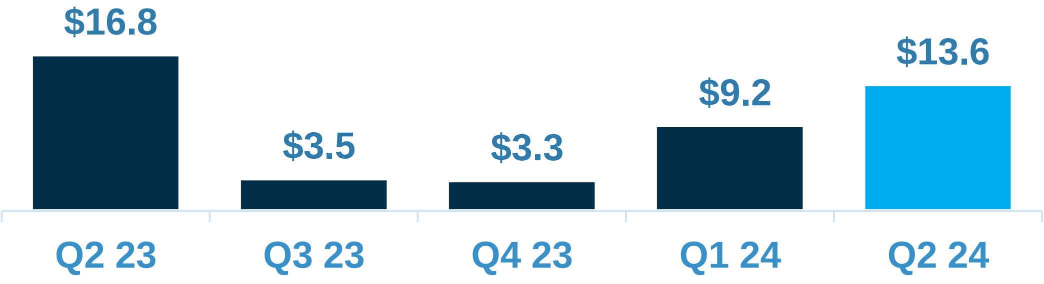
(1) See Supplemental Information for definition of Non-GAAP adjusted operating margin, reconciliation from GAAP, and other disclaimers regarding Non-GAAP information.
Note: YoY = year-over-year QoQ = sequential quarter-over-quarter TTM = trailing twelve months

Q2 2024 – NET INCOME & ADJUSTED EBITDA MARGIN

Both volume and operational efficiencies drove sequential profitability expansion in the quarter

($ in millions, except per share data)

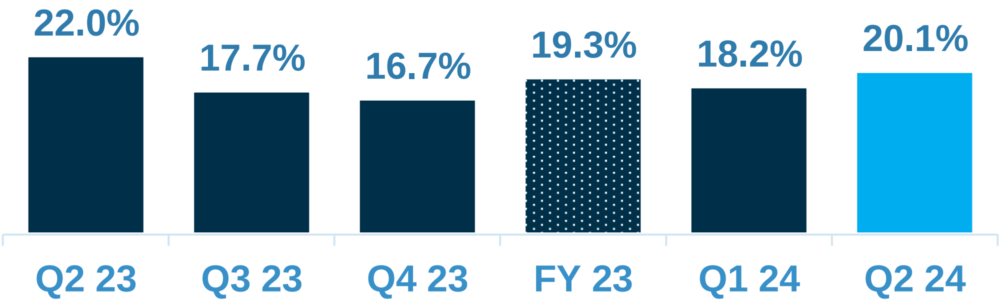
NET INCOME



	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24
Diluted GAAP EPS	$0.51	$0.11	$0.10	$0.28	$0.41
Diluted Non-GAAP EPS[1]	$0.81	$0.44	$0.38	$0.53	$0.64

- **QoQ**: net income up 48% and diluted GAAP EPS up $0.13
- **YoY**: net income down 19% and diluted GAAP EPS down $0.10

ADJ. EBITDA MARGIN (1)



- **QoQ**: up 15% with margin up 190 bps; seeing benefits of higher sales volume and operational efficiencies from regional Center of Excellence
- **YoY**: down 12% with margin down 190 bps; positioned to realize leverage as new capacity is utilized with volume over time

EXPECT YEAR-OVER-YEAR EXPANSION IN SECOND HALF 2024 ON VOLUME AND EFFICIENCIES

(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.

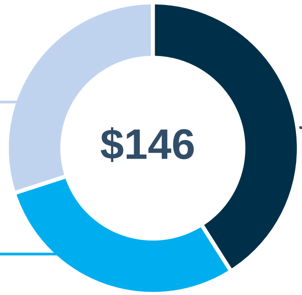
Q2 2024 – HYDRAULICS SEGMENT

Sequential improvements in both America and APAC; YoY APAC growth for two quarters in a row

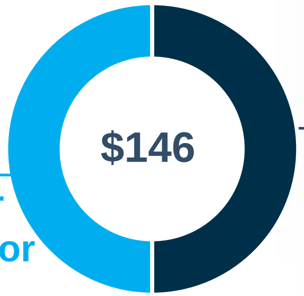
($ in millions)

		QoQ	YoY
Sales:	**$145.7**	↑ **2%**	↓ **4%**
Gross Profit:	**$44.9**	↑ **1%**	↓ **10%**
Operating Income:	**$23.9**	↑ **10%**	↓ **11%**

Q2 SALES BY REGION



Q2 SALES BY CHANNEL



TRADITIONAL MARKETS SEEING MACRO PRESSURE; GREEN SHOOTS SHOWING IN APAC

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

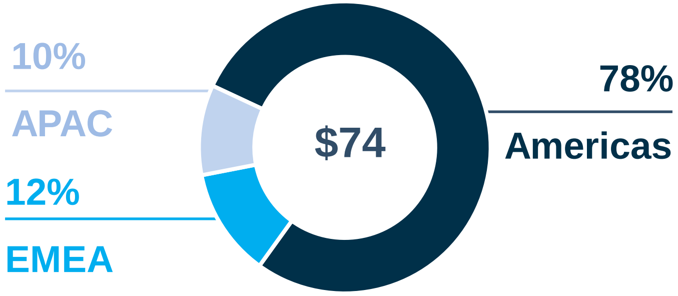
Q2 2024 – ELECTRONICS SEGMENT

Strong sequential performance reflecting the leverage dropping through as volume from health & wellness improved

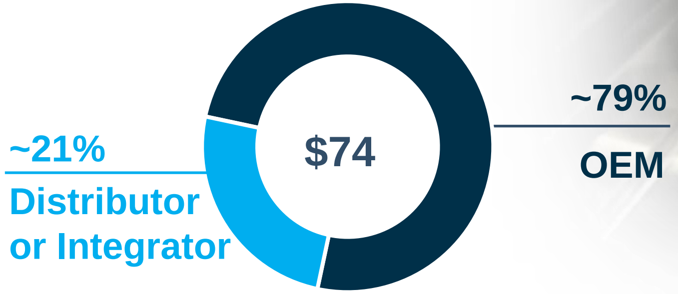
($ in millions)

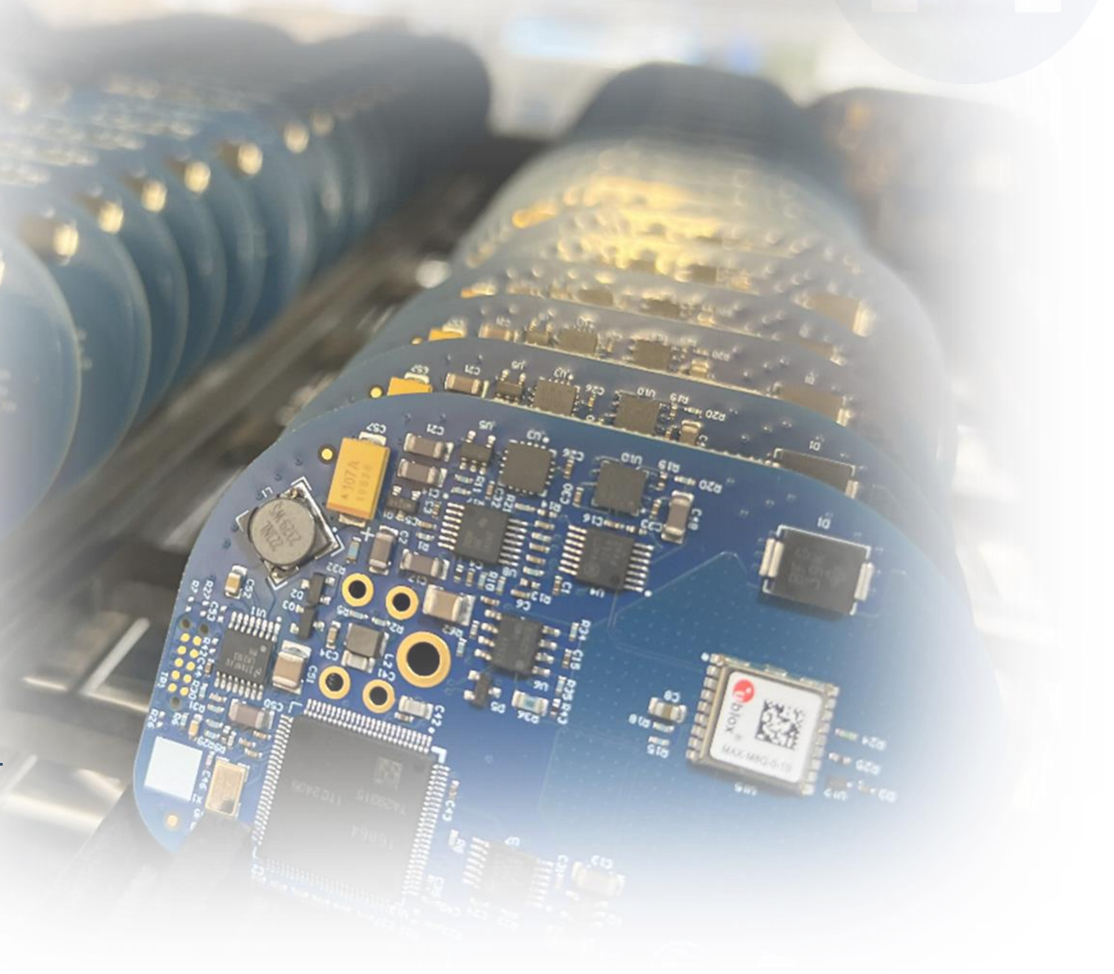
		QoQ	YoY
Sales:	**$74.2**	↑ 7%	↓ 1%
Gross Profit:	**$25.7**	↑ 13%	↓ 2%
Operating Income:	**$10.3**	↑ 45%	↓ 14%

Q2 SALES BY REGION



Q2 SALES BY CHANNEL





SEQUENTIAL GROWTH IN BOTH APAC AND EMEA IN THE QUARTER

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

Q2 2024 – CASH FLOW

Disciplined working capital management and strong cash conversion

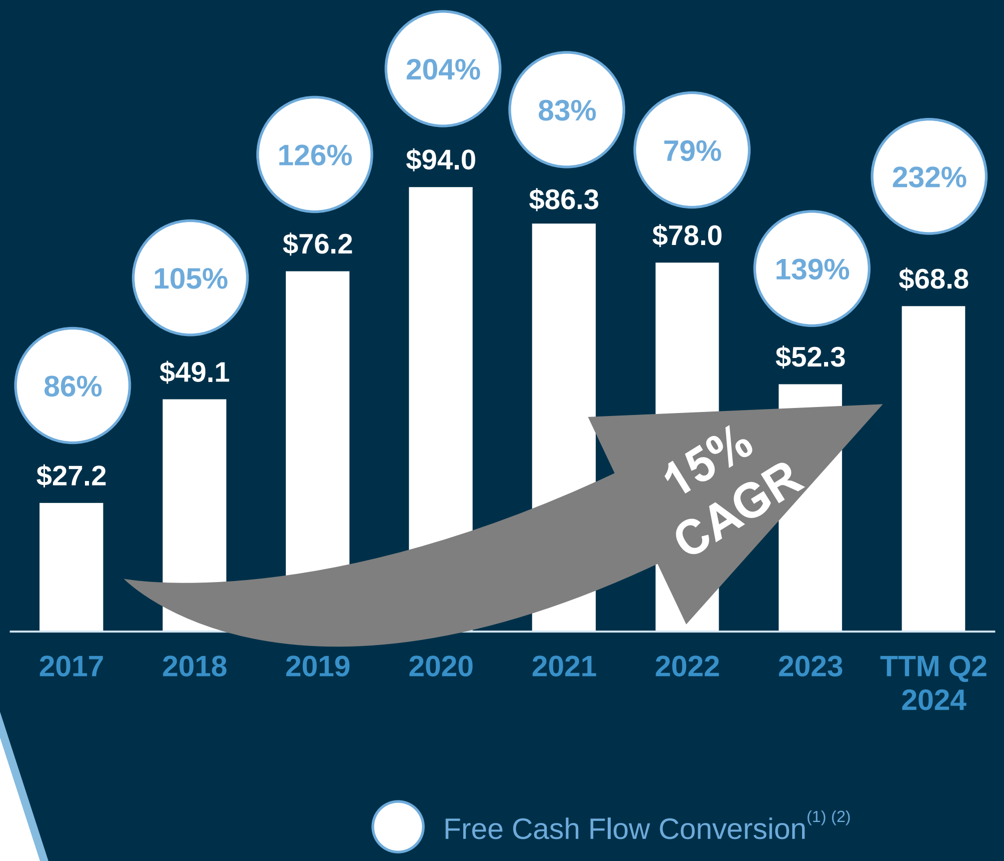
($ in millions)

	Three Months Ended	
	6/29/24	7/1/23
Adjusted Net Cash Provided by Operating Activities	$33.8	$28.8
Capital Expenditures (CapEx)	(8.1)	(10.5)
Free Cash Flow (FCF) (1)	**$25.7**	**$18.3**

CASH GENERATION AND FREE CASH FLOW

- 2Q24 CapEx of $8.1M (3.7% of sales) to support strategic investments
- FY24 CapEx outlook: 3.5% to 4.0% of sales
- Cash and cash equivalents at 6/29/24 of $45.0
- TTM 2024 FCF conversion[2] was 232% compared with 139% in FY 2023, showing improving quality of cash management

Free Cash Flow[1]



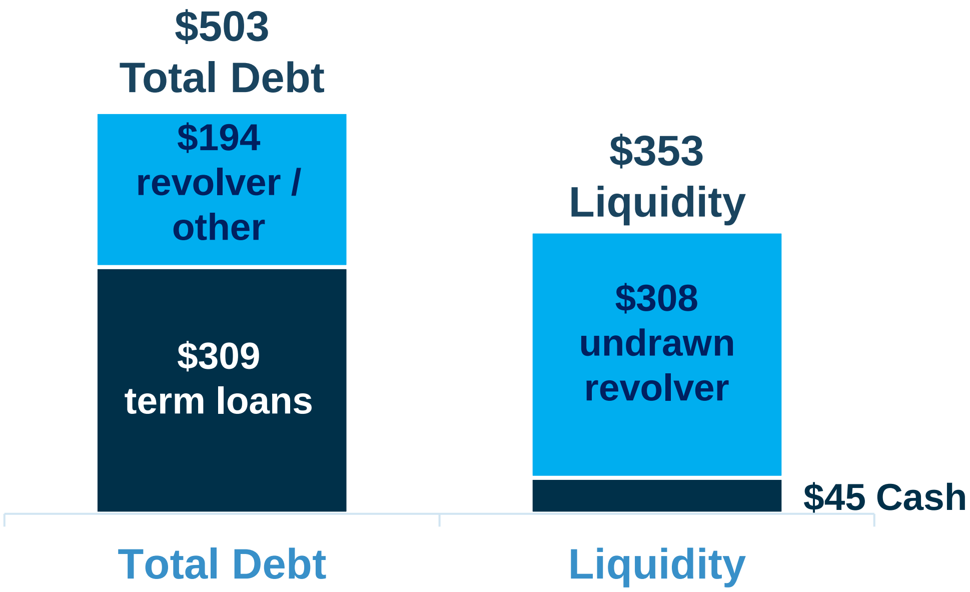
(1) Free cash flow and free cash flow conversion are Non-GAAP financial measures; see supplemental slide for a reconciliation to the most comparable GAAP measure.
(2) Free cash flow conversion is a Non-GAAP financial measure and defined as free cash flow divided by net income.
Note: TTM = trailing twelve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

Q2 2024 – CAPITAL STRUCTURE

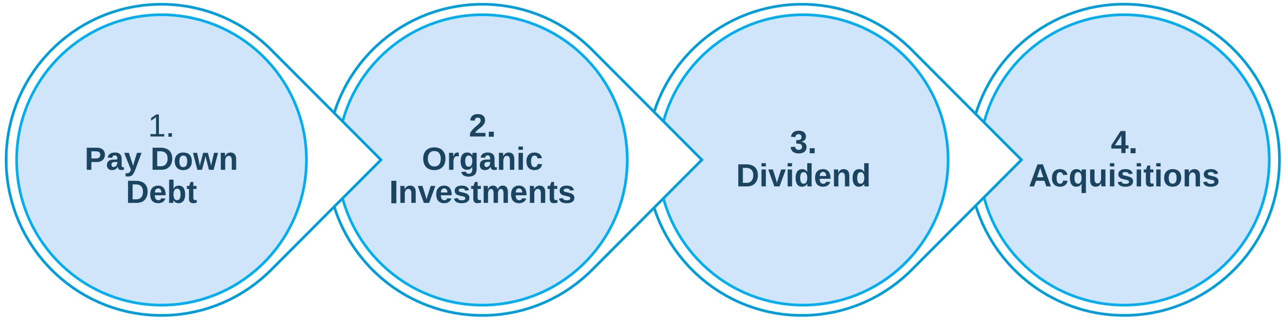
Utilizing cash generated to reduce debt and fund organic growth initiatives

($ in millions)

DEBT PROFILE



CAPITAL ALLOCATION PRIORITIES



Additional Details

- Net debt / TTM adjusted EBITDA of 3.0x ending 2Q24
- Credit facility debt maturity June 2029
- Near-term objective: continue to use cash to pay down debt
- Paid dividends for 110 sequential quarters, or 27 years!

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

(1) See Supplemental Information for definition of net debt and Net debt-to-Adjusted EBITDA, reconciliation from GAAP, and other disclaimers Non-GAAP information.

MODERATING FULL YEAR 2024 OUTLOOK

Total Net Sales	$825M	to	$840M
Adjusted EBITDA Margin[2]	19.5%	to	21.0%
Diluted Non-GAAP EPS [1, 2]	$2.25	to	$2.45

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.

PROTECT MARGINS, DRIVE OPERATING LEVERAGE, GENERATE CASH, AND REDUCE DEBT

2024 SEGMENT OUTLOOK

	HYDRAULICS	ELECTRONICS
Regional Trends	AMER ↔ EMEA ↓ APAC ↑	AMER ↑ EMEA ↔ APAC ↑
Positive Catalysts	Ramping Centers of Excellence	Health & Wellness
Stable / Moderate Lift	Mobile	Commercial Food Service Recurring Software (starting in 2024)
Flat / No Signs Yet of Bounce		Construction
Starting / In a Down Cycle	Agriculture, Industrial	Marine, Recreational
2024 Revenue Outlook	**$550 - $560M** *-3% to -1% vs. 2023*	**$275 - $280M** *+2% to +4% vs. 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

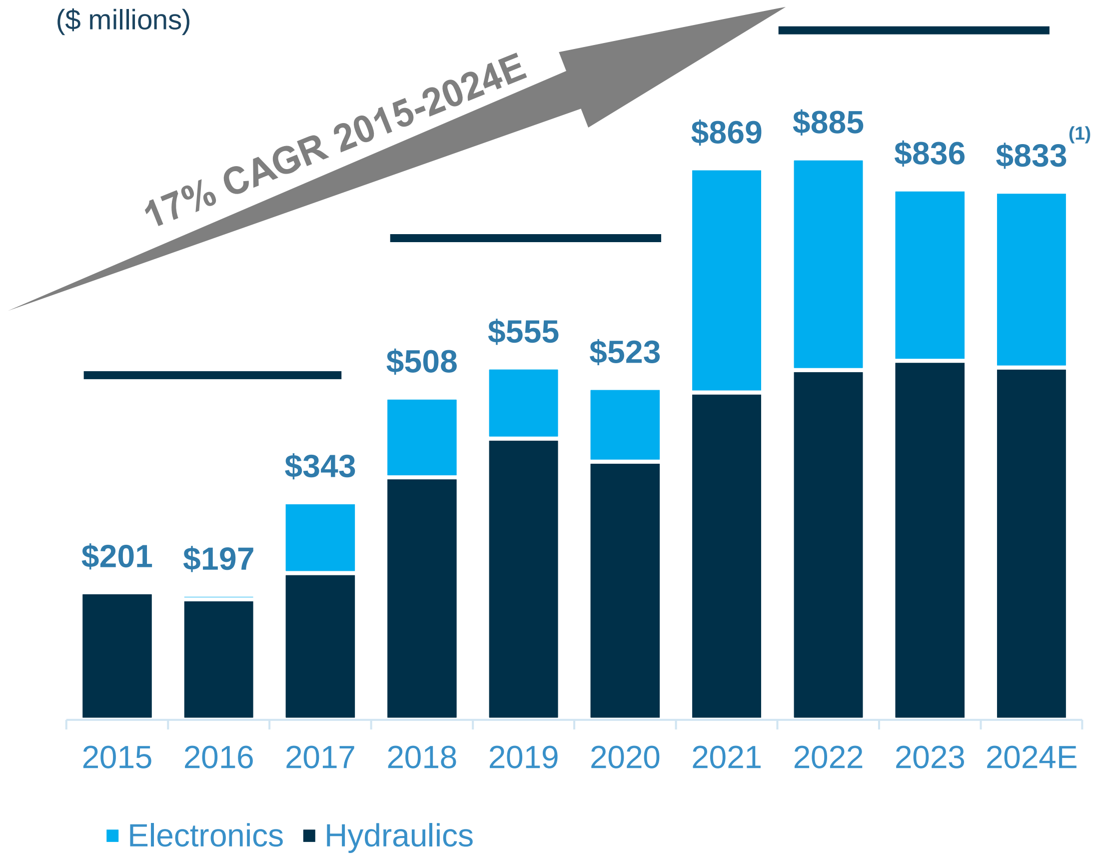
5 Leverage Strong Foundation

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 August 5, 2024

OTHER MODELING ITEMS

($ in millions, except per share data)

2024 OUTLOOK ASSUMPTIONS

- 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 expansion to be completed in 2025
- Effective tax rate reduction opportunity through geographic mix of income
- Foreign exchange rates assumed at constant currency levels from ending Q2 2024

OTHER KEY METRICS

	2023 Actual	2024 Outlook
Net Income	$37.5	$45 - $52
Adjusted EBITDA	$161.4	$161 - $176
Interest Expense	$31.2	$33.5 - $34.5
Effective Tax Rate	24%	21% - 23%
Depreciation	$30.2	$31.5 - $32.5
Amortization	$33.6	$32.5 - $33.5
CapEx % Net Sales	4%	3.5% - 4.0%
Diluted EPS	$1.14	$1.35 - $1.55

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

SEGMENT DATA

(Unaudited)

($ in millions)

	For the Three Months Ended		For the Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net Sales:				
Hydraulics	$ 145.7	$ 152.4	$ 288.1	$ 300.1
Electronics	74.2	75.2	143.8	140.7
Consolidated	$ 219.9	$ 227.6	$ 431.9	$ 440.8
Gross profit and margin:				
Hydraulics	$ 44.9	$ 49.7	$ 89.5	$ 99.6
	30.8%	*32.6%*	*31.1%*	*33.2%*
Electronics	25.7	26.1	48.3	47.2
	34.6%	*34.7%*	*33.6%*	*33.5%*
Consolidated	$ 70.6	$ 75.8	$ 137.8	$ 146.8
	32.1%	*33.3%*	*31.9%*	*33.3%*
Operating income (loss) and margin:				
Hydraulics	$ 23.9	$ 27.0	$ 45.7	$ 55.0
	16.4%	*17.7%*	*15.9%*	*18.3%*
Electronics	10.3	12.0	17.4	19.5
	13.9%	*16.0%*	*12.1%*	*13.9%*
Corporate and other	(8.2)	(9.5)	(16.7)	(20.2)
Consolidated	$ 26.0	$ 29.5	$ 46.4	$ 54.3
	11.8%	*13.0%*	*10.7%*	*12.3%*

ORGANIC AND ACQUIRED NET SALES

(Unaudited)

($ in millions)

	For the Three Months Ended				For the Year Ended	For the Three Months Ended		For the Six Months Ended
	April 1, 2023	July 1, 2023	September 30, 2023	December 30, 2023	December 30, 2023	March 30, 2024	June 29, 2024	June 29, 2024
Hydraulics								
Organic	$ 134.0	$ 137.2	$ 121.0	$ 126.6	$ 518.8	$ 140.5	$ 145.7	$ 286.2
Acquisition	13.7	15.2	11.0	7.1	47.0	1.9	-	1.9
Total	$ 147.7	$ 152.4	$ 132.0	$ 133.7	$ 565.8	$ 142.4	$ 145.7	$ 288.1
Electronics								
Organic	$ 65.5	$ 74.0	$ 67.1	$ 57.4	$ 264.0	$ 67.6	$ 73.0	$ 140.7
Acquisition	-	1.2	2.3	2.3	5.8	2.0	1.2	3.1
Total	$ 65.5	$ 75.2	$ 69.4	$ 59.7	$ 269.8	$ 69.6	$ 74.2	$ 143.8
Consolidated								
Organic	$ 199.5	$ 211.2	$ 188.1	$ 184.0	$ 782.8	$ 208.1	$ 218.7	$ 426.8
Acquisition	13.7	16.4	13.3	9.4	52.8	3.9	1.2	5.0
Total	$ 213.2	$ 227.6	$ 201.4	$ 193.4	$ 835.6	$ 212.0	$ 219.9	$ 431.9

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	2023	% 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%)***

	2024					
	Q1	% Change y/y	Q2	% Change y/y	YTD 2024	% Change y/y
Americas:						
Hydraulics	$ 55.8	*(4%)*	$ 59.5	*(2%)*	$ 115.3	*(3%)*
Electronics	58.1	*5%*	$ 57.8	*(9%)*	115.9	*(2%)*
Consol. Americas	**113.9**	***1%***	**117.3**	***(5%)***	**231.2**	***(2%)***
% of total	*54%*		*53%*		*54%*	
EMEA:						
Hydraulics	$ 45.5	*(8%)*	$ 42.8	*(17%)*	$ 88.3	*(12%)*
Electronics	6.5	*(3%)*	9.0	*29%*	15.5	*13%*
Consol. EMEA	**52.0**	***(7%)***	**51.8**	***(11%)***	**103.8**	***(9%)***
% of total	*25%*		*24%*		*24%*	
APAC:						
Hydraulics	$ 41.1	*2%*	$ 43.4	*7%*	$ 84.5	*4%*
Electronics	5.0	*35%*	7.4	*48%*	12.4	*43%*
Consol. APAC	**46.1**	***5%***	**50.8**	***12%***	**96.9**	***8%***
% of total	*22%*		*23%*		*22%*	
Total	**$ 212.0**	***(1%)***	**$ 219.9**	***(3%)***	**$ 431.9**	***(2%)***

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

(Unaudited)

($ in millions)

	Three Months Ended				Twelve Months Ended			
	July 1, 2023	Margin	June 29, 2024	Margin	December 30, 2023	Margin	June 29, 2024	Margin
GAAP operating income	$ 29.5	13.0%	$ 26.0	11.8%	$ 79.9	9.6%	72.0	8.7%
Acquisition-related amortization of intangible assets	8.3	3.6%	7.9	3.6%	32.9	3.9%	32.2	3.9%
Acquisition and financing-related expenses(A)	1.1	0.5%	0.1	0.0%	4.0	0.5%	1.8	0.2%
Restructuring charges(B)	3.1	1.4%	1.7	0.8%	12.1	1.4%	10.9	1.3%
Officer transition costs	-	0.0%	0.3	0.1%	1.2	0.1%	1.0	0.1%
Acquisition integration costs (C)	0.1	0.0%	-	0.0%	0.3	0.0%	0.4	0.0%
Other	-	0.0%	-	0.0%	0.3	0.0%	0.3	0.0%
Non-GAAP adjusted operating income	$ 42.1	18.5%	$ 36.0	16.4%	$ 130.7	15.6%	$ 118.6	14.3%
GAAP operating margin	*13.0%*		*11.8%*		*9.6%*		*8.7%*	
Non-GAAP adjusted operating margin	*18.5%*		*16.4%*		*15.6%*		*14.3%*	
Net sales	$ 227.6		$ 219.9		$ 835.6		$ 826.7	

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				For the Six Months Ended			
	June 29, 2024	Per Diluted Share	July 1, 2023	Per Diluted Share	June 29, 2024	Per Diluted Share*	July 1, 2023	Per Diluted Share
GAAP net income	$ 13.6	$ 0.41	$ 16.8	$ 0.51	$ 22.7	$ 0.68	$ 30.6	$ 0.93
Amortization of intangible assets[(D)]	8.2	0.25	8.4	0.26	16.3	0.49	16.8	0.51
Acquisition and financing-related expenses[(A)]	0.1	-	1.1	0.03	0.6	0.02	2.8	0.09
Restructuring charges[(B)]	1.7	0.05	3.1	0.09	3.2	0.10	4.3	0.13
Officer transition costs	0.3	0.01	-	-	0.5	0.01	0.8	0.02
Acquisition integration costs [(C)]	-	-	0.1	-	0.3	0.01	0.2	0.01
Change in fair value of contingent consideration	-	-	0.6	0.02	-	-	0.7	0.02
Other	-	-	(0.5)	(0.02)	0.2	0.01	(0.5)	(0.02)
Tax effect of above	(2.4)	(0.07)	(2.8)	(0.09)	(4.7)	(0.14)	(5.5)	(0.17)
Non-GAAP Adjusted net income	$ 21.5	$ 0.64	$ 26.8	$ 0.81	$ 39.1	$ 1.17	$ 50.2	$ 1.53
GAAP net income per diluted share	*$ 0.41*		*$ 0.51*		*$ 0.68*		*$ 0.93*	
Non-GAAP Adjusted net income per diluted share	*$ 0.64*		*$ 0.81*		*$ 1.17*		*$ 1.53*	

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.

**General note: items may not foot or recalculate due to rounding*

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

(Unaudited)

($ in millions)

	For the Three Months Ended				For the Six Months Ended				Twelve Months Ended	
	June 29, 2024	Margin	July 1, 2023	Margin	June 29, 2024	Margin	July 1, 2023	Margin	June 29, 2024	Margin
Net income	$ 13.6	6.2%	$ 16.8	7.4%	$ 22.7	5.3%	$ 30.6	6.9%	$ 29.6	3.6%
Interest expense, net	8.5	3.9%	7.8	3.4%	16.7	3.9%	14.0	3.2%	34.0	4.1%
Income tax provision	4.0	1.8%	5.0	2.2%	6.8	1.6%	9.2	2.1%	9.3	1.1%
Depreciation and amortization	16.0	7.3%	16.1	7.1%	31.7	7.3%	31.3	7.1%	64.2	7.8%
EBITDA	42.1	19.1%	45.7	20.1%	77.9	18.0%	85.1	19.3%	137.1	16.6%
Acquisition and financing-related expenses (A)	0.1	0.0%	1.1	0.5%	0.6	0.1%	2.8	0.6%	1.8	0.2%
Restructuring charges (B)	1.7	0.8%	3.1	1.4%	3.2	0.7%	4.3	1.0%	10.9	1.3%
Officer transition costs	0.3	0.1%	-	0.0%	0.5	0.1%	0.8	0.2%	1.0	0.1%
Acquisition integration costs (C)	-	0.0%	0.1	0.0%	0.3	0.1%	0.2	0.0%	0.4	0.0%
Change in fair value of contingent consideration	-	0.0%	0.6	0.3%	-	0.0%	0.7	0.2%	(0.9)	-0.1%
Other	-	0.0%	(0.5)	-0.2%	0.2	0.0%	(0.5)	-0.1%	0.4	0.0%
Adjusted EBITDA	$ 44.2	20.1%	$ 50.1	22.0%	$ 82.7	19.1%	$ 93.4	21.2%	$ 150.7	18.2%
GAAP net income margin	*6.2%*		*7.4%*		*5.3%*		*6.9%*		*3.6%*	
EBITDA margin	*19.1%*		*20.1%*		*18.0%*		*19.3%*		*16.6%*	
Adjusted EBITDA margin	*20.1%*		*22.0%*		*19.1%*		*21.2%*		*18.2%*	
Net sales	$ 219.9		$ 227.6		$ 431.9		$ 440.8		$ 826.8	

(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 six months ended June 29, 2024, the charges include $0.1 and $0.6 of other miscellaneous M&A costs, respectively.

(B) Restructuring activities include activities within our Hydraulics segment related to the creation of our two new Regional Operational Centers of Excellence ("CoE") which are now substantially complete. We have also initiated some restructuring activities to better optimize our European regional operations. We are transitioning some manufacturing of manifolds and integrated package assembly to our Roncolo, Italy location. These activities include transferring equipment and operations between facilities. 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 six months ended June 29, 2024, the charges include non-recurring labor costs of $0.7 and $1.6 million and manufacturing relocation and other costs of $1.0 and $1.6 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 ended and six months ended June 29, 2024, the costs totaled $0.0 and $0.3 million, respectively.

(D) Amortization of intangible assets presented here includes $0.3 and $0.6 million for capitalized software development costs included within cost of sales in the income statement for the three and six months ended June 29, 2024, respectively.

General note: items may not foot or recalculate due to rounding

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	June 29, 2024
Net cash provided by operating activities	$ 49.4	$ 77.5	$ 90.5	$ 108.6	$ 113.1	109.9	83.9	97.1
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	97.1
Capital expenditures	22.2	28.4	25.0	14.6	26.8	31.9	34.3	28.3
Adjusted Free cash flow	$ 27.2	$ 49.1	$ 76.2	$ 94.0	$ 86.3	78.0	52.3	68.8
Net income	31.6	46.7	60.3	14.2	104.6	98.4	37.5	29.6
Goodwill impairment	-	-	-	31.9	-	-	-	-
Net income, less goodwill impairment	$ 31.6	$ 46.7	$ 60.3	$ 46.1	$ 104.6	98.4	37.5	29.6
Free cash flow conversion	86%	105%	126%	204%	83%	79%	139%	232%

	Three Months Ended	
	June 29, 2024	July 1, 2023
Net cash provided by operating activities	33.8	26.1
Contingent consideration payment in excess of acquisition date fair value	-	2.7
Adjusted net cash provided by operating activities	33.8	28.8
Capital expenditures	8.1	10.5
Adjusted Free cash flow	25.7	18.3
Net income	13.6	16.8
Goodwill impairment	-	-
Net income, less goodwill impairment	13.6	16.8
Free cash flow conversion	189%	109%

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 Six Months Ended		
	Hydraulics	Electronics	Consolidated	Hydraulics	Electronics	Consolidated
Q2 2024 Net Sales	$ 145.7	$ 74.2	$ 219.9	$ 288.1	$ 143.8	$ 431.9
Impact of foreign currency translation[E]	0.8	0.1	0.9	1.1	0.2	1.3
Net Sales in constant currency	146.5	74.3	220.8	289.2	144.0	433.2
Less: Acquisition related sales	-	(1.2)	(1.2)	(1.9)	(3.1)	(5.0)
Organic sales in constant currency	$ 146.5	$ 73.1	$ 219.6	$ 287.3	$ 140.9	$ 428.2
Q2 2023 Net Sales	$ 152.4	$ 75.2	$ 227.6	$ 300.1	$ 140.7	$ 440.8
Net sales growth	-4%	-1%	-3%	-4%	2%	-2%
Net sales growth in constant currency	-4%	-1%	-3%	-4%	2%	-2%
Organic net sales growth in constant currency	-4%	-3%	-4%	-4%	0%	-3%

[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 June 29, 2024
Current portion of long-term non-revolving debt, net	17.2
Revolving lines of credit	193.8
Long-term non-revolving debt, net	291.7
Total debt	502.7
Less: Cash and cash equivalents	45.0
Net debt	457.7
TTM adjusted EBITDA	150.7
Ratio of net debt to TTM adjusted EBITDA	3.0

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.

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