

STAYING THE PATH

EXECUTING THE VISION

2019 *AT A GLANCE*

\$555M

REVENUE
UP 9% OVER 2018

\$112.6M

ADJUSTED OPERATING
INCOME*
20.3% OF SALES

\$101.2M

ADJUSTED CASH
FROM OPERATIONS*
18.2% OF SALES

\$131.1M

ADJUSTED EBITDA*
23.6% OF SALES

222%

10-YEAR TSR

87

OF COUNTRIES
SOLD INTO

1,960

OF EMPLOYEES

13%

ENGINEERS AS A PERCENT
OF TOTAL EMPLOYEES

* Refer to pages 7 and 8 for non-GAAP reconciliations and disclaimers regarding the use of non-GAAP financial information.

SHAREHOLDER LETTER



Dear Fellow Shareholders,

It is with great pleasure that I address you as the Helios Technologies CEO and President, as well as a member of the Helios Board of Directors, upon joining the Company on June 1, 2020. While very new to the organization, I know that Helios has a rich history of industry leadership and I am excited to lead the team on our path to expand market positions for all of our winning brands, driving achievement of Vision 2025 while we strive to exceed the expectations of our global stakeholders. I believe that the combination of our strong portfolio, talented and experienced management team, and the Vision 2025 strategy serve as a solid foundation for ongoing success.

2019 was a record-setting year by many financial measures, reflecting growth over 2018:

- Full year sales of \$555 million, up 9%
- GAAP net income of \$60.3 million, up 29%
- GAAP EPS of \$1.88, up 26%
- Non-GAAP cash EPS of \$2.43, up 6%

We also realized very strong cash flow, allowing us to exceed our adjusted free cash flow goal for the year, coming in at nearly 14% of sales.

“

In addition to our financial performance, we continued to make tremendous operational progress toward our Vision 2025 goals.

”

Josef Matosevic
CEO and President

This, in turn, contributed to \$52 million of debt reduction in 2019, closing the year with 2.1x net debt-to-adjusted EBITDA as we approach our goal of less than 2x.

In addition to our financial performance, we continued to make tremendous operational progress toward our Vision 2025 goals. Key accomplishments during 2019 include the following:

Hydraulics Segment

- Completed our Cartridge Valve Technology (CVT) manufacturing consolidation project in the first quarter, resulting in additional capacity while improving productivity as we progressed through the year.
- Accelerated our ‘in the region, for the region’ initiative by:
 - Starting production of CVT components in Italy to serve the EMEA market. Our next goal with this initiative is to establish full cartridge valve production capability for EMEA.
 - Approving site expansion plans in Italy to serve both Quick Release Couplings (QRC) and CVT, including full cartridge valve production capability.

2019 REVENUE

\$555M

UP 9% OVER 2018

- Opened our new facility in China in the second quarter, ahead of schedule. Shipments ramped up as we progressed through the year, in support of growing demand from the China market which has resumed after a COVID-19 government-mandated shutdown.
- Progressed with our CVT engineering center of excellence project in the U.S., scheduled to open in 2020. This state-of-the-art facility will be the foundation for new, innovative product development.
- Began E-Volved product initiative, our electro-hydraulic QRC product range.
- Expanded launch of new valves in the FLeX series CVT electro-hydraulic product line. This portfolio allows us to compete in new applications, facilitating a critical path to more systems business.

Electronics Segment

- Expanded our ability to offer our products and solutions to a broader, global and more diverse customer base.
- Made the final earnout payment to the sellers of Enovation Controls, representing full payout of the contingent purchase price and reflecting the strong performance of the business in 2017 and 2018.
- Successful cost management and productivity improvements drove 160 basis point improvement in gross margin.

Additionally, our Board appointed two new corporate officers during 2019, bringing further diversity to the corporate officer team and aligning the leadership structure with our global businesses. Our current officer team now includes the leaders of each of our businesses, residing in the locale of their respective business's headquarters. Further, we appreciate the benefits that diversity brings to our organization. We are proud to now

have 50% of our corporate officer positions filled by experienced and talented women.

Corporate responsibility and sustainability are reflected in our business strategy. In addition to diversity and safety initiatives, we are committed to reducing emissions, recycling, and minimizing our environmental footprint. We have implemented several strategies to achieve these goals and they are evolving.

As we progress in 2020, in light of the economic impact of the COVID-19 pandemic, a significant amount of uncertainty exists for all companies. We instituted cost containment steps to mitigate the effects of the economic downturn and we have identified additional potential actions in our scenario planning. We at Helios believe that we are well positioned when the recovery does occur. In the meantime, all of our operations are running near full capacity and we implemented substantial procedures to limit the spread of COVID-19. The safety and health of our employees is of utmost importance, while we respond to the needs of our customers.

In closing, I wish to thank all of our stakeholders who contribute to our success, including our employees, customers, and suppliers around the globe, as well as our Board of Directors. The Board expresses its deep appreciation for the sage contributions over the years from Chris Koski, who will retire effective with our 2020 annual meeting, and Dave Grzelak, who retired from our Board in December 2019. Additionally, we welcome Laura Dempsey Brown, Cary Chenanda and Gregory Yadley who were newly appointed to our Board in April 2020.

Finally, I wish to thank all of our shareholders for their confidence in the Helios organization as we continuously strive to reach our Vision 2025 goals and expand shareholder value.

With best regards,



Josef Matosevic
CEO and President
June 8, 2020

STRATEGIC *PROGRESS*

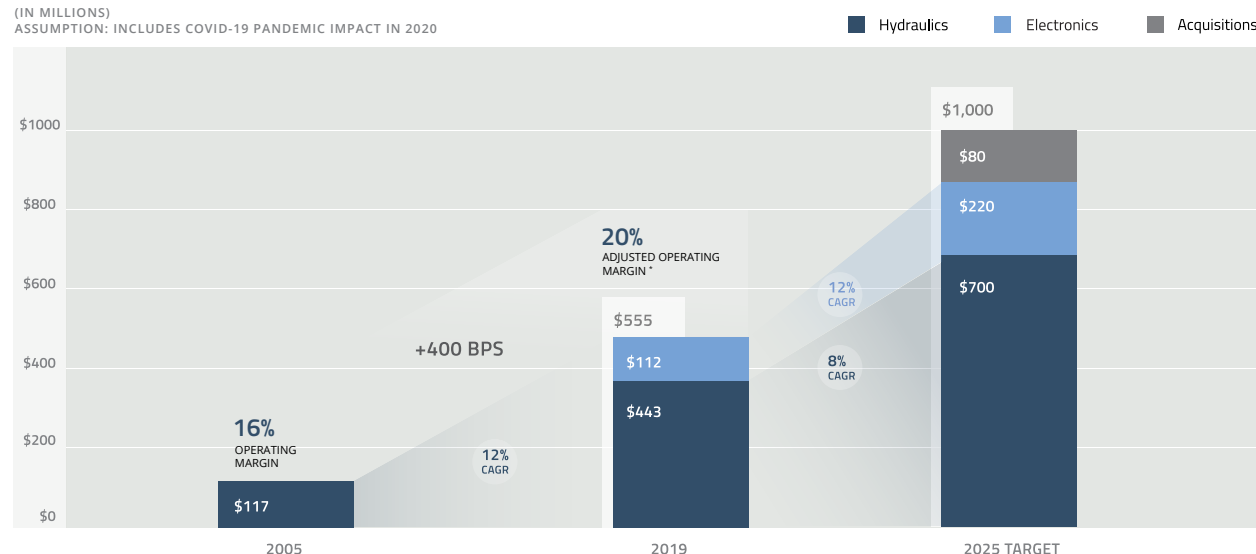
Vision 2025

ACHIEVE GLOBAL technology leadership IN THE INDUSTRIAL GOODS SECTOR by 2025 WITH CRITICAL MASS EXCEEDING \$1B in sales WHILE MAINTAINING superior profitability and financial strength.

REVENUE AND ADJUSTED OPERATING MARGIN

(IN MILLIONS)

ASSUMPTION: INCLUDES COVID-19 PANDEMIC IMPACT IN 2020



VISION 2025
METRIC FLOORS:

\$1B

REVENUE

>20%

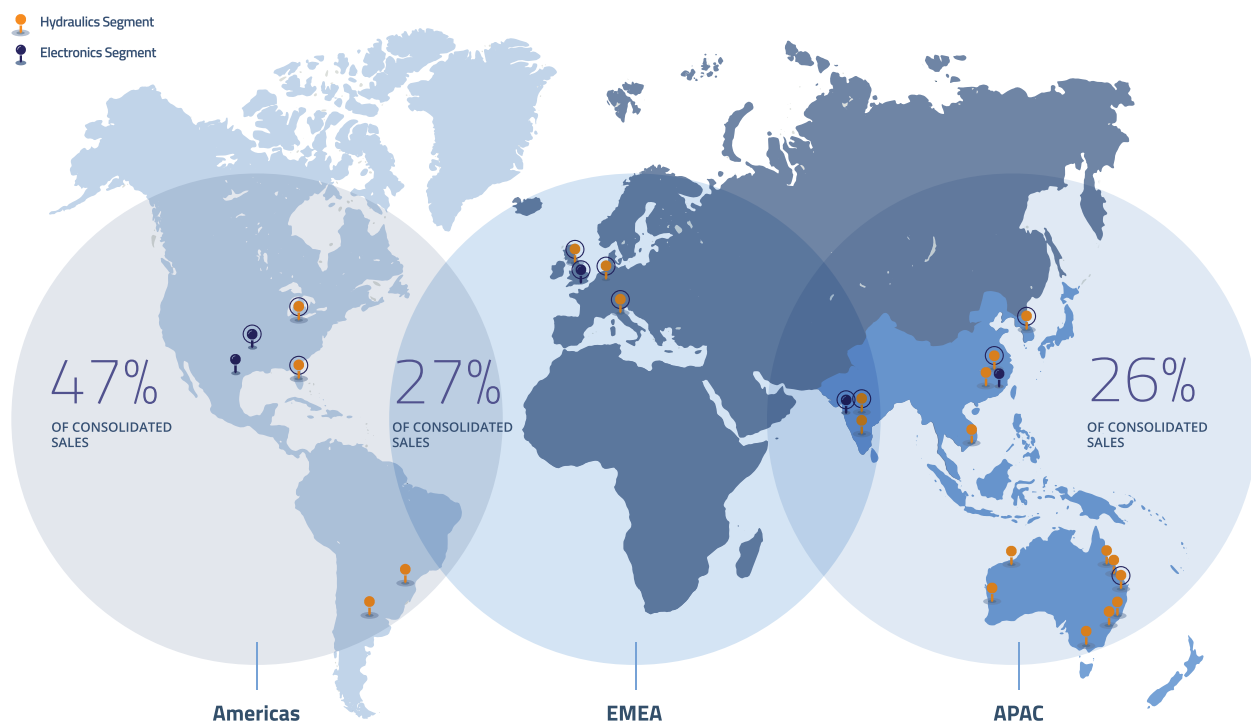
ADJUSTED OPERATING MARGIN

>24%

ADJUSTED EBITDA MARGIN

* Refer to pages 7 and 8 for non-GAAP reconciliations and disclaimers regarding the use of non-GAAP financial information.

Consolidated Overview



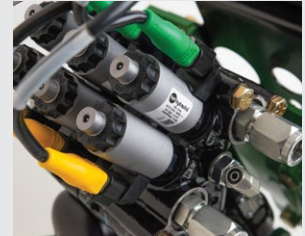
Note: As of December 31, 2019
 ○ Denotes manufacturing & customizing locations



Hydraulics Segment

While maintaining superiority in hydraulic couplings and load-holding technologies, our Hydraulics segment continued to invest aggressively in strategic initiatives. In 2019, we made substantial gains in operational efficiencies while investing in innovation and product development:

- Consolidated our manufacturing operations by applying LEAN enterprise principles at our U.S. cartridge valve technology (CVT) facilities to improve efficiency and expand capacity
- Opened a new manufacturing facility in China, ahead of schedule, to serve the Asia-Pacific market, with production volume ramping as we progressed through the year
- Began production of hydraulic cartridge components at our facility in Italy, to serve the European market, with plans to further expand this campus
- Introduced E-Volved initiative to drive innovation in electro-hydraulic coupling solutions
- Continued expansion of the FLeX Series of electro-hydraulic valves, responding to the growing digitalization of the cartridge valve market
- Invested in our new U.S. CVT engineering center of excellence, scheduled to open in 2020



Electronics Segment

Our Electronics segment is a global leader in electronic control system solutions. With our vertically integrated manufacturing capabilities, we are able to quickly prototype and build fully-tailored solutions for engines, engine-driven equipment and specialty vehicles using our broad range of display, control and instrumentation platforms. During 2019, we advanced several key initiatives, including the following:

- Invested in new product development and designed new platforms that leverage our in-depth engineering design knowledge
- Expanded our global network of channel partners with new distributors capable of delivering deep electronics integration to smaller OEMs around the world
- Worked directly with large OEM customers and our channel partners, focusing on creating customized systems that solve complex problems for a specific application or machine
- Worked closely with the Hydraulics segment to develop the new MCx controller platform launching in 2020 capable of intelligently delivering simple and effective fluid power control
- Launched new products to drive opportunities to reach into targeted growth markets and compete for additional share in existing target markets

Corporate

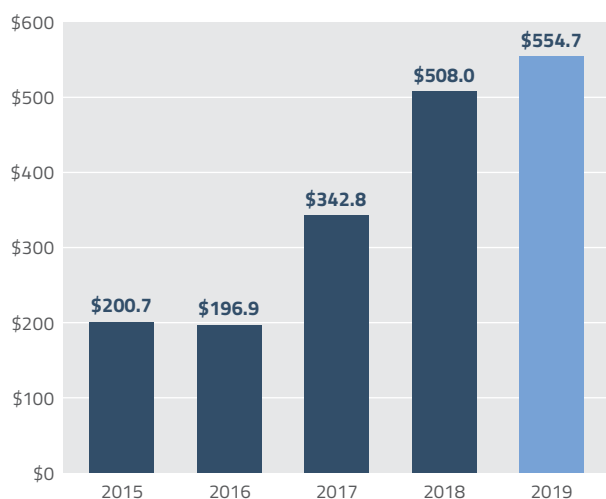
Our corporate entity is evolving to support our operational growth. During 2019, we completed several key initiatives, including the following:

- At our 2019 annual meeting, our shareholders approved an amendment to our articles of incorporation to change our legal name to Helios Technologies, Inc.
- To align with our new legal name, we changed our Nasdaq ticker symbol to "HLIO" effective June 17, 2019
- Our Board of Directors appointed two new corporate officers, bringing further diversity to the corporate officer team and aligning the leadership structure with the global business
- We revised our compensation practices for executive officers to tie compensation more closely to Company performance; the new philosophy includes specific, performance-based short-term and long-term compensation that is more fully aligned with the Company's strategy and its shareholders

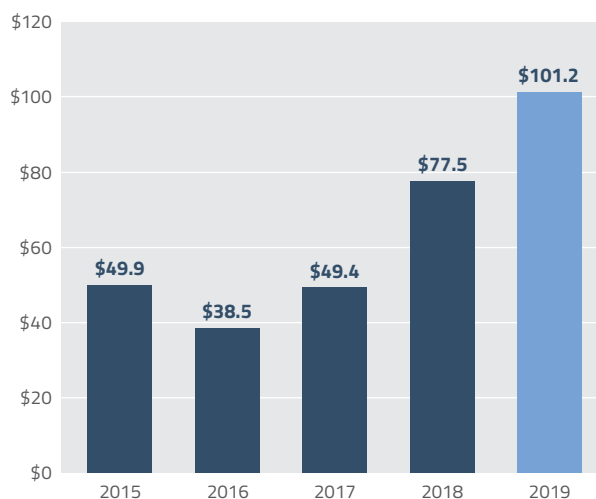


FINANCIAL HIGHLIGHTS

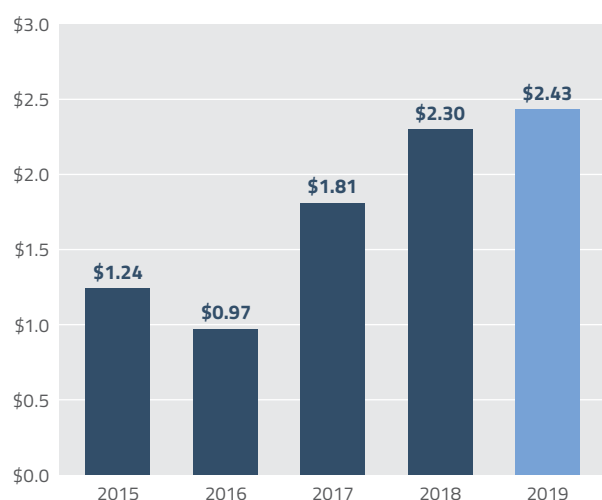
NET SALES
(IN MILLIONS)



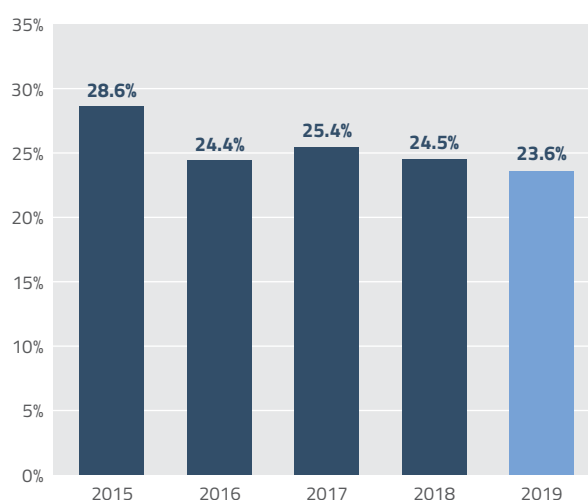
ADJUSTED CASH FROM OPERATIONS*
(IN MILLIONS)



NON-GAAP CASH EPS*



ADJUSTED EBITDA MARGIN*
(AS A PERCENT OF SALES)



* Refer to pages 7 and 8 for non-GAAP reconciliations and disclaimers regarding the use of non-GAAP financial information.

FINANCIAL HIGHLIGHTS (CONTINUED)

(IN THOUSANDS EXCEPT PER SHARE DATA)	YEAR ENDED				
	DEC 28, 2019	DEC 29, 2018	DEC 30, 2017	DEC 31, 2016	JAN 2, 2016
Statement of Operations					
Net Sales	\$554,665	\$508,045	\$342,839	\$196,934	\$200,727
Gross Profit	212,282	192,683	136,525	71,349	77,093
Operating Income	90,115	75,554	61,491	34,459	46,891
Adjusted Operating Income*	112,614	108,871	77,076	38,562	46,891
Net Income	60,268	46,730	31,558	23,304	33,138
Non-GAAP Cash Net Income*	77,737	72,135	48,811	26,068	33,138
Basic and Diluted Net Income per Common Share	1.88	1.49	1.17	0.87	1.24
Basic and Diluted Non-GAAP Cash Net Income per Common Share*	2.43	2.30	1.81	0.97	1.24
Dividends per Common Share	0.36	0.36	0.38	0.40	0.45
Other Financial Data					
Depreciation and Amortization	\$35,215	\$39,714	\$19,190	\$11,318	\$9,557
Capital Expenditures	25,025	28,380	22,205	6,187	6,106
Balance Sheet Data					
Cash and Cash Equivalents	\$22,123	\$23,477	\$63,882	\$74,221	\$81,932
Working Capital	116,136	103,866	100,913	110,192	145,336
Total Assets	1,021,751	1,042,165	459,766	444,777	241,540
Total Debt	300,393	352,685	116,000	140,000	—
Shareholders' Equity	577,636	530,768	272,673	236,397	222,187
MD&A Results of Operations					
Gross Margin	38.3%	37.9%	39.8%	36.2%	38.4%
Adjusted Operating Margin*	20.3%	21.4%	22.5%	19.6%	23.4%
Adjusted EBITDA Margin*	23.6%	24.5%	25.4%	24.4%	28.6%
Adjusted Net Income Margin*	14.0%	14.2%	14.2%	13.2%	16.5%
Adjusted Cash from Operations as a Percent of Sales*	18.2%	15.2%	14.4%	19.6%	24.9%

* Adjusted operating income, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, cash net income, cash net income per diluted share, cash net income margin, adjusted net cash provided by operating activities and adjusted cash from operations as a percent of sales 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, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, cash net income, cash net income per diluted share, cash net income margin, adjusted net cash provided by operating activities and adjusted cash from operations as a percent of sales are important for investors and other readers of Helios's financial statements, as they are used as analytical indicators by Helios's management to better understand operating performance. Because adjusted operating income, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, cash net income, cash net income per diluted share, cash net income margin, adjusted net cash provided by operating activities and adjusted cash from operations as a percent of sales are non-GAAP measures and are thus susceptible to varying calculations, adjusted operating income, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, cash net income, cash net income per diluted share, cash net income margin, adjusted net cash provided by operating activities and adjusted cash from operations as a percent of sales, as presented, may not be directly comparable to other similarly titled measures used by other companies.

Refer to page 8 for non-GAAP reconciliations.

FINANCIAL HIGHLIGHTS (CONTINUED)

(IN THOUSANDS EXCEPT PER SHARE DATA)	YEAR ENDED				
	DEC 28, 2019	DEC 29, 2018	DEC 30, 2017	DEC 31, 2016	JAN 2, 2016
Non-GAAP Adjusted Operating Income Reconciliation					
GAAP Operating Income	\$90,115	\$75,554	\$61,491	\$34,459	\$46,891
Acquisition-related Amortization of Inventory Step-up	–	4,441	1,774	1,021	–
Acquisition and Financing-related Expenses	11	5,685	1,019	1,537	–
Restructuring Charges	1,724	170	1,462	–	–
One-time Operational Items	–	–	2,907	–	–
Loss on Disposal of Intangible Asset	2,713	–	–	–	–
Acquisition-related Amortization of Intangible Assets	17,924	23,021	8,423	1,545	–
Other	127	–	–	–	–
Non-GAAP Adjusted Operating Income*	\$112,614	\$108,871	\$77,076	\$38,562	\$46,891
Adjusted Operating Margin*	20.3%	21.4%	22.5%	19.6%	23.4%
Adjusted EBITDA Reconciliation					
Net Income	\$60,268	\$46,730	\$31,558	\$23,304	\$33,138
Interest Expense (Income), Net	15,387	13,876	3,781	(790)	(1,422)
Income Tax Provision	15,039	9,665	15,986	11,597	16,092
Depreciation and Amortization	35,215	39,714	19,190	11,318	9,557
Acquisition-related Amortization of Inventory Step-up	–	4,441	1,774	1,021	–
Acquisition and Financing-related Expenses	11	5,685	1,019	1,537	–
Restructuring Charges	1,724	170	1,462	–	–
One-time Operational Items	–	–	2,907	–	–
Loss on Disposal of Intangible Asset	2,713	–	–	–	–
Foreign Currency Forward Contract Loss	–	2,535	–	–	–
Change in Fair Value of Contingent Consideration	652	1,482	9,476	–	–
Other	127	–	–	–	–
Adjusted EBITDA*	\$131,136	\$124,298	\$87,153	\$47,987	\$57,365
Adjusted EBITDA Margin*	23.6%	24.5%	25.4%	24.4%	28.6%
Non-GAAP Cash Net Income Reconciliation					
Net Income	\$60,268	\$46,730	\$31,558	\$23,304	\$33,138
Acquisition-related Amortization of Inventory Step-up	–	4,441	1,774	1,021	–
Acquisition and Financing-related Expenses	11	5,685	1,019	1,537	–
Restructuring Charges	1,724	170	1,462	–	–
One-time Operational Items	–	–	2,907	–	–
Loss on Disposal of Intangible Asset	2,713	–	–	–	–
Foreign Currency Forward Contract Loss	–	2,535	–	–	–
Change in Fair Value of Contingent Consideration	652	1,482	9,476	–	–
Amortization of Intangible Assets	18,065	23,262	8,423	1,545	–
Other	127	–	–	–	–
Impact of Tax Reform	–	(1,400)	463	–	–
Other One-time Tax Related Items	–	(1,920)	–	–	–
Tax Effect of Above	(5,823)	(8,850)	(8,271)	(1,339)	–
Non-GAAP Cash Net Income*	\$77,737	\$72,135	\$48,811	\$26,068	\$33,138
Non-GAAP Cash Net Income per Diluted Share*	\$2.43	\$2.30	\$1.81	\$0.97	\$1.24
Non-GAAP Cash Net Income Margin*	14.0%	14.2%	14.2%	13.2%	16.5%
Non-GAAP Adjusted Cash from Operations					
Net Cash Provided by Operating Activities	\$90,480	\$77,450	\$49,382	\$38,506	\$49,902
Contingent Consideration Payment in Excess of Acquisition Date Fair Value	10,731	–	–	–	–
Adjusted Net Cash Provided by Operating Activities*	\$101,211	\$77,450	\$49,382	\$38,506	\$49,902
Non-GAAP Adjusted Cash from Operations as a Percent of Sales*	18.2%	15.2%	14.4%	19.6%	24.9%

* Refer to page 7 for disclaimers regarding the use of non-GAAP financial information.

CORPORATE INFORMATION

Directors

Philippe Lemaitre

Chairman of the Board
Helios Technologies
Chairman, President, CEO retired
Woodhead Industries, Inc.

Marc Bertoneche, PhD

Emeritus Professor,
Business Administration
University of Bordeaux

Douglas M. Britt

President, Chief Executive Officer
Boyd Corporation

Laura Dempsey Brown¹

Senior VP, Communications and
Investor Relations retired
W.W. Grainger, Inc.

Cariappa (Cary) Chenanda¹

Vice President
Cummins, Inc.

David W. Grzelak²

Chairman, CEO retired
Komatsu America Corporation

Kennon H. Guglielmo, PhD

Chief Executive Officer
Genisys Controls, LLC

Christine L. Koski³

President, Chief Executive Officer
nMetric, LLC

Josef Matosevic⁴

President, Chief Executive Officer
Helios Technologies

Alexander Schuetz, PhD

Chief Executive Officer
Knauf Engineering GmbH

Gregory C. Yadley¹

Partner
Shumaker, Loop & Kendrick, LLP

Corporate Officers

Josef Matosevic⁴

President, Chief Executive Officer

Tricia L. Fulton

Chief Financial Officer

Matteo Arduini

President of QRC
(Quick-Release Couplings)

Jinger J. McPeak

President of EC (Electronic Controls)

Rajasekhar ("Raj") Menon

President of CVT
(Cartridge Valve Technology)

Melanie M. Nealis, Esq.

Chief Legal & Compliance Officer
and Secretary

Corporate Headquarters

Helios Technologies

1500 West University Parkway
Sarasota, FL 34243
941.362.1200
www.heliostechnologies.com

Common Stock Information

NASDAQ Global Select Market Symbol:
HLIO

Registered shareholders of record at
June 1, 2020: 202

Beneficial owners of record at June 1,
2020: 9,900

Closing stock price at June 1, 2020:
\$35.49

Annual Meeting

Thursday, August 6, 2020

10:00 AM EDT

Jones Day
901 Lakeside Ave. E
Cleveland, OH 44114

Independent Auditors

Grant Thornton, LLP

Tampa, Florida

Transfer Agent

Computershare

Canton, Massachusetts

Investor Relations

KEI Advisors LLC

Christopher M. Gordon
cgordon@keiadvisors.com

Deborah K. Pawlowski
dpawlowski@keiadvisors.com

A copy of the Company's Form 10-K,
filed with the Securities and Exchange
Commission, will be furnished free of
charge on written request to:

KEI Advisors LLC

7606 Transit Road, Suite 300
Buffalo, NY 14221

1 Appointed effective April 20, 2020

2 Retired effective December 12, 2019

3 Retiring effective August 6, 2020

4 Appointed effective June 1, 2020

Forward-Looking Information

This annual report contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve risks and uncertainties, and actual results may differ materially from those expressed or implied by such statements. They include statements regarding current expectations, estimates, forecasts, projections, our beliefs, and assumptions made by Helios Technologies, Inc. ("Helios" or the "Company"), its directors or its officers about the Company and the industry in which it operates, and assumptions made by management, and include among other items, (i) the Company's strategies regarding growth, including its intention to develop new products and make acquisitions; (ii) the Company's financing plans; (iii) trends affecting the Company's financial condition or results of operations; (iv) the Company's ability to continue to control costs and to meet its liquidity and other financing needs; (v) the declaration and payment of dividends; and (vi) the Company's ability to respond to changes in customer demand domestically and internationally, including as a result of standardization. In addition, we may make other written or oral statements, which constitute forward-looking statements, from time to time. Words such as "may," "expects," "projects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words, and similar expressions are intended to identify such forward-looking statements. Similarly, statements that describe our future plans, objectives or goals also are forward-looking statements. These statements are not guaranteeing future performance and are subject to a number of risks and uncertainties. Our actual results may differ materially from what is expressed or forecasted in such forward-looking statements, and undue reliance should not be placed on such statements. All forward-looking statements are made as of the date hereof, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Factors that could cause the actual results to differ materially from what is expressed or forecasted in such forward-looking statements include, but are not limited to, (i) conditions in the capital markets, including the interest rate environment and the availability of capital; (ii) changes in the competitive marketplace that could affect the Company's revenue and/or cost bases, such as increased competition, lack of qualified engineering, marketing, management or other personnel, and increased labor and raw materials costs; and (iii) new product introductions, product sales mix and the geographic mix of sales nationally and internationally. Further information relating to factors that could cause actual results to differ from those anticipated is included but not limited to information under the heading Item 1. "Business" and Item 1A. "Risk Factors" in the Company's Form 10-K for the year ended December 28, 2019 and under the heading Item 1A. "Risk Factors" in the Company's Form 10-Q for the quarter ended March 28, 2020.

Helios has presented forward-looking statements regarding non-GAAP cash EPS and Adjusted EBITDA margin. These non-GAAP financial measures are derived by excluding certain amounts, expenses or income from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts that are excluded from these non-GAAP measures is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income recognized in a given period. Helios is unable to present a quantitative reconciliation of forward-looking non-GAAP cash EPS and Adjusted EBITDA margin to their most directly comparable forward-looking GAAP financial measures because such information is not available, and management cannot reliably predict all the necessary components of such GAAP measures without unreasonable effort or expense. In addition, the Company believes that such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on Helios's full year 2020 financial results. These non-GAAP financial measures are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with quarter-end and year-end adjustments. Any variation between Helios's actual results and preliminary financial data set forth above may be material.

This annual report will discuss some historical non-GAAP financial measures, which the Company believes are useful in evaluating its performance. You should not consider the inclusion of this additional information in isolation or as a substitute for results prepared in accordance with GAAP.



HELIOS
TECHNOLOGIES

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