

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 28, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-40935

**HELIOS TECHNOLOGIES, INC.**

(Exact Name of Registration as Specified in its Charter)

FLORIDA  
(State or Other Jurisdiction of  
Incorporation or Organization)

7456 16th St E  
SARASOTA, FLORIDA  
(Address of Principal Executive Offices)

59-2754337  
(I.R.S. Employer  
Identification No.)

34243  
(Zip Code)

(941)362-1200  
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
Common Stock \$.001 Par Value

Trading  
Symbol(s)  
HLIO

Name of each exchange on which registered  
The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  
Non-accelerated filer

☒ Accelerated filer  
☐ Smaller Reporting Company  
Emerging growth company

☐  
☐  
☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 33,153,838 shares of common stock, par value \$.001, outstanding as of July 25, 2025.

---

Helios Technologies, Inc.  
INDEX  
For the quarter ended  
June 28, 2025

	Page
<a href="#">PART I. FINANCIAL INFORMATION</a>	3
Item 1. <a href="#">Financial Statements</a>	3
<a href="#">Consolidated Balance Sheets as of June 28, 2025 (unaudited) and December 28, 2024</a>	3
<a href="#">Consolidated Statements of Operations (unaudited) for the Three Months Ended June 28, 2025 and June 29, 2024</a>	4
<a href="#">Consolidated Statements of Operations (unaudited) for the Six Months Ended June 28, 2025 and June 29, 2024</a>	5
<a href="#">Consolidated Statements of Comprehensive Income (unaudited) for the Three and Six Months Ended June 28, 2025 and June 29, 2024</a>	6
<a href="#">Consolidated Statements of Shareholders' Equity (unaudited) for the Three Months Ended June 28, 2025 and June 29, 2024</a>	7
<a href="#">Consolidated Statements of Shareholders' Equity (unaudited) for the Six Months Ended June 28, 2025 and June 29, 2024</a>	8
<a href="#">Consolidated Statements of Cash Flows (unaudited) for the Six Months Ended June 28, 2025 and June 29, 2024</a>	9
<a href="#">Condensed Notes to the Consolidated, Unaudited Financial Statements</a>	10
Item 2. <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	27
Item 3. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	38
Item 4. <a href="#">Controls and Procedures</a>	38
<a href="#">PART II. OTHER INFORMATION</a>	39
Item 1. <a href="#">Legal Proceedings</a>	39
Item 1A. <a href="#">Risk Factors</a>	39
Item 2. <a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	39
Item 3. <a href="#">Defaults Upon Senior Securities</a>	39
Item 4. <a href="#">Mine Safety Disclosures</a>	39
Item 5. <a href="#">Other Information</a>	39
Item 6. <a href="#">Exhibits</a>	40

## PART I: FINANCIAL INFORMATION

**Item 1. FINANCIAL STATEMENTS.**  
**Helios Technologies, Inc.**  
**Consolidated Balance Sheets**  
(in millions, except per share data)

	June 28, 2025 (unaudited)	December 28, 2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 53.0	\$ 44.1
Accounts receivable, net of allowance for credit losses of \$2.0 and \$2.4	123.7	104.6
Inventories, net	187.2	190.1
Income taxes receivable	9.2	15.1
Other current assets	24.2	30.3
Assets of business held for sale	41.8	-
Total current assets	439.1	384.2
Property, plant and equipment, net	208.2	216.4
Deferred income taxes	2.3	2.1
Goodwill	523.9	498.9
Other intangible assets, net	385.4	384.0
Other assets	22.8	19.8
<b>Total assets</b>	<b>\$ 1,581.7</b>	<b>\$ 1,505.4</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 74.9	\$ 56.7
Accrued compensation and benefits	21.2	24.6
Other accrued expenses and current liabilities	31.2	25.8
Current portion of long-term non-revolving debt, net	24.5	16.0
Dividends payable	3.0	3.0
Income taxes payable	10.6	12.5
Liabilities of business held for sale	13.6	-
Total current liabilities	179.0	138.6
Revolving lines of credit	141.4	147.3
Long-term non-revolving debt, net	267.4	283.2
Deferred income taxes	56.8	41.1
Other noncurrent liabilities	25.4	30.8
Total liabilities	670.0	641.0
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, par value \$0.001, 2.0 shares authorized, no shares issued or outstanding	—	—
Common stock, par value \$0.001, 100.0 shares authorized, 33.3 and 33.3 shares issued and outstanding	—	—
Capital in excess of par value	440.7	437.4
Treasury stock, at cost, 0.2 and 0 shares, respectively	(6.5)	-
Accumulated other comprehensive loss	(37.7)	(75.6)
Retained Earnings	515.2	502.6
Total shareholders' equity	911.7	864.4
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,581.7</b>	<b>\$ 1,505.4</b>

The accompanying Condensed Notes to the Consolidated, Unaudited Financial Statements are an integral part of these financial statements.

Helios Technologies, Inc.  
**Consolidated Statements of Operations (unaudited)**  
(in millions, except per share data)

	Three Months Ended	
	June 28, 2025 (unaudited)	June 29, 2024 (unaudited)
<b>Net sales</b>	<b>\$ 212.5</b>	<b>\$ 219.9</b>
Cost of sales	145.0	149.3
<b>Gross profit</b>	<b>67.5</b>	<b>70.6</b>
Selling, engineering and administrative expenses	37.3	36.7
Amortization of intangible assets	8.3	7.9
<b>Operating income</b>	<b>21.9</b>	<b>26.0</b>
Interest expense, net	7.0	8.5
Foreign currency transaction loss, net	0.5	0.2
Other non-operating income, net	(0.5)	(0.3)
<b>Income before income taxes</b>	<b>14.9</b>	<b>17.6</b>
Income tax provision	3.5	4.0
<b>Net income</b>	<b>\$ 11.4</b>	<b>\$ 13.6</b>
<b>Net income per share:</b>		
<b>Basic</b>	<b>\$ 0.34</b>	<b>\$ 0.41</b>
<b>Diluted</b>	<b>\$ 0.34</b>	<b>\$ 0.41</b>
Weighted average shares outstanding:		
Basic	33.3	33.2
Diluted	33.3	33.3
<b>Dividends declared per share</b>	<b>\$ 0.09</b>	<b>\$ 0.09</b>

The accompanying Condensed Notes to the Consolidated, Unaudited Financial Statements are an integral part of these financial statements.

Helios Technologies, Inc.  
**Consolidated Statements of Operations (unaudited)**  
(in millions, except per share data)

	Six Months Ended	
	June 28, 2025 (unaudited)	June 29, 2024 (unaudited)
<b>Net sales</b>	<b>\$ 408.0</b>	<b>\$ 431.9</b>
Cost of sales	280.6	294.1
<b>Gross profit</b>	<b>127.4</b>	<b>137.8</b>
Selling, engineering and administrative expenses	71.9	75.7
Amortization of intangible assets	16.5	15.7
<b>Operating income</b>	<b>39.0</b>	<b>46.4</b>
Interest expense, net	14.4	16.7
Foreign currency transaction loss, net	0.6	0.5
Other non-operating income, net	(0.4)	(0.3)
<b>Income before income taxes</b>	<b>24.4</b>	<b>29.5</b>
Income tax provision	5.8	6.8
<b>Net income</b>	<b>\$ 18.6</b>	<b>\$ 22.7</b>
<b>Net income per share:</b>		
<b>Basic</b>	<b>\$ 0.56</b>	<b>\$ 0.69</b>
<b>Diluted</b>	<b>\$ 0.56</b>	<b>\$ 0.68</b>
Weighted average shares outstanding:		
Basic	33.3	33.2
Diluted	33.4	33.3
<b>Dividends declared per share</b>	<b>\$ 0.18</b>	<b>\$ 0.18</b>

The accompanying Condensed Notes to the Consolidated, Unaudited Financial Statements are an integral part of these financial statements.

**Helios Technologies, Inc.**  
**Consolidated Statements of Comprehensive Income (Loss) (unaudited)**  
(in millions)

	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
<b>Net income</b>	<b>\$ 11.4</b>	<b>\$ 13.6</b>	<b>\$ 18.6</b>	<b>\$ 22.7</b>
Other comprehensive income (loss)				
Foreign currency translation adjustments, net of tax	26.8	(2.3)	37.9	(10.6)
Unrealized gain on interest rate swaps, net of tax	—	(0.8)	—	0.4
Total other comprehensive income (loss)	26.8	(3.1)	37.9	(10.2)
<b>Comprehensive income</b>	<b>\$ 38.2</b>	<b>\$ 10.5</b>	<b>\$ 56.5</b>	<b>\$ 12.5</b>

The accompanying Condensed Notes to the Consolidated, Unaudited Financial Statements are an integral part of these financial statements.

**Helios Technologies, Inc.**  
**Consolidated Statements of Shareholders' Equity (unaudited)**  
**Three Months Ended**  
**(in millions)**

	Preferred shares	Preferred stock	Common shares	Common stock	Capital in excess of par value	Retained earnings	Accumulated other comprehensive loss	Treasury Shares	Treasury Stocks	Total
<b>Balance at March 29, 2025</b>	—	\$ —	33.3	\$ —	\$ 438.8	\$ 506.9	\$ (64.5)	—	\$ —	\$ 881.2
Shares issued, restricted stock										\$ —
Shares issued, ESPP					0.4					\$ 0.4
Stock-based compensation					1.4					\$ 1.4
Cancellation of shares for payment of employee tax withholding					0.1					\$ 0.1
Shares repurchased								0.2	(6.5)	\$ (6.5)
Dividends declared						(3.0)				\$ (3.0)
Net income						11.4				\$ 11.4
Other comprehensive income							26.8			\$ 26.8
<b>Balance at June 28, 2025</b>	<u>—</u>	<u>\$ —</u>	<u>33.3</u>	<u>\$ —</u>	<u>\$ 440.7</u>	<u>\$ 515.2</u>	<u>\$ (37.7)</u>	<u>0.2</u>	<u>\$ (6.5)</u>	<u>\$ 911.7</u>
<b>Balance at March 30, 2024</b>	—	\$ —	33.2	\$ —	\$ 437.3	\$ 481.8	\$ (62.5)	—	\$ —	\$ 856.6
Shares issued, restricted stock										\$ —
Shares issued, ESPP					0.5					\$ 0.5
Stock-based compensation					2.5					\$ 2.5
Cancellation of shares for payment of employee tax withholding					(0.6)					\$ (0.6)
Shares repurchased										\$ —
Dividends declared						(3.0)				\$ (3.0)
Net income						13.6				\$ 13.6
Other comprehensive loss							(3.1)			\$ (3.1)
<b>Balance at June 29, 2024</b>	<u>—</u>	<u>\$ —</u>	<u>33.2</u>	<u>\$ —</u>	<u>\$ 439.7</u>	<u>\$ 492.4</u>	<u>\$ (65.6)</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 866.5</u>

The accompanying Condensed Notes to the Consolidated, Unaudited Financial Statements are an integral part of these financial statements.



**Helios Technologies, Inc.**  
**Consolidated Statements of Shareholders' Equity (unaudited)**  
**Six Months Ended**  
**(in millions)**

	Preferred shares	Preferred stock	Common shares	Common stock	Capital in excess of par value	Retained earnings	Accumulated other comprehensive loss	Treasury Shares	Treasury Stocks	Total
<b>Balance at December 28, 2024</b>	—	\$ —	33.3	\$ —	\$ 437.4	\$ 502.6	\$ (75.6)	—	\$ —	\$ 864.4
Shares issued, restricted stock										\$ —
Shares issued, ESPP					0.9					\$ 0.9
Stock-based compensation					2.9					\$ 2.9
Cancellation of shares for payment of employee tax withholding					(0.5)					\$ (0.5)
Shares repurchased								0.2	(6.5)	\$ (6.5)
Dividends declared						(6.0)				\$ (6.0)
Net income						18.6				\$ 18.6
Other comprehensive income							37.9			\$ 37.9
<b>Balance at June 28, 2025</b>	<u>—</u>	<u>\$ —</u>	<u>33.3</u>	<u>\$ —</u>	<u>\$ 440.7</u>	<u>\$ 515.2</u>	<u>\$ (37.7)</u>	<u>0.2</u>	<u>\$ (6.5)</u>	<u>\$ 911.7</u>
<b>Balance at December 30, 2023</b>	—	\$ —	33.1	\$ —	\$ 434.4	\$ 475.6	\$ (55.4)	—	\$ —	\$ 854.6
Shares issued, restricted stock			0.1							\$ —
Shares issued, ESPP					1.0					\$ 1.0
Stock-based compensation					6.7					\$ 6.7
Cancellation of shares for payment of employee tax withholding					(2.4)					\$ (2.4)
Shares repurchased										\$ —
Dividends declared						(5.9)				\$ (5.9)
Net income						22.7				\$ 22.7
Other comprehensive loss							(10.2)			\$ (10.2)
<b>Balance at June 29, 2024</b>	<u>—</u>	<u>\$ —</u>	<u>33.2</u>	<u>\$ —</u>	<u>\$ 439.7</u>	<u>\$ 492.4</u>	<u>\$ (65.6)</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 866.5</u>

The accompanying Condensed Notes to the Consolidated, Unaudited Financial Statements are an integral part of these financial statements.

**Helios Technologies, Inc.**  
**Consolidated Statements of Cash Flows (unaudited)**  
**Six Months Ended**  
**(in millions)**

	<b>Six Months Ended</b>	
	<b>June 28, 2025</b>	<b>June 29, 2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 18.6	\$ 22.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	31.9	31.7
Loss on disposal of assets	0.1	—
Stock-based compensation expense	2.9	6.7
Amortization of debt issuance costs	0.4	0.7
Benefit for deferred income taxes	(1.4)	(1.3)
Other, net	0.5	0.8
(Increase) decrease in:		
Accounts receivable	(23.4)	(19.5)
Inventories	(1.7)	6.3
Income taxes receivable	6.5	1.2
Other current assets	2.1	(6.0)
Other assets	(1.3)	3.9
Increase (decrease) in:		
Accounts payable	21.4	(1.9)
Accrued expenses and other liabilities	4.2	5.2
Income taxes payable	(2.8)	4.0
Other noncurrent liabilities	(2.0)	(2.9)
<b>Net cash provided by operating activities</b>	<b>56.0</b>	<b>51.6</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(11.5)	(13.6)
Proceeds from dispositions of property, plant and equipment	0.2	—
Software development costs	(1.9)	(1.8)
<b>Net cash used in investing activities</b>	<b>(13.2)</b>	<b>(15.4)</b>
<b>Cash flows from financing activities:</b>		
Borrowings on revolving credit facilities	20.6	37.1
Repayment of borrowings on revolving credit facilities	(38.4)	(43.6)
Borrowings on long-term non-revolving debt	—	126.8
Repayment of borrowings on long-term non-revolving debt	(7.8)	(138.5)
Proceeds from stock issued	0.9	1.0
Purchase of Treasury stock	(6.5)	—
Dividends to shareholders	(6.0)	(6.0)
Payment of employee tax withholding on equity award vestings	(0.5)	(2.4)
Proceeds received upon termination of Cash Flow Hedge instruments	—	7.1
Other financing activities	(0.8)	(4.1)
<b>Net cash used in financing activities</b>	<b>(38.5)</b>	<b>(22.6)</b>
Effect of exchange rate changes on cash and cash equivalents	4.6	(1.0)
<b>Net increase in cash and cash equivalents</b>	<b>8.9</b>	<b>12.6</b>
Cash and cash equivalents, beginning of period	44.1	32.4
<b>Cash and cash equivalents, end of period</b>	<b>\$ 53.0</b>	<b>\$ 45.0</b>

The accompanying Condensed Notes to the Consolidated, Unaudited Financial Statements are an integral part of these financial statements.

HELIOS TECHNOLOGIES, INC.  
CONDENSED NOTES TO THE CONSOLIDATED, UNAUDITED FINANCIAL STATEMENTS  
(Currencies in millions, except per share data)

## 1. COMPANY BACKGROUND

Helios Technologies, Inc. ("Helios," the "Company", "we", "us" or "our") and its wholly-owned subsidiaries, is a global leader in highly engineered motion control and electronic controls technology for diverse end markets, including construction, material handling, agriculture, industrial, mobile, energy, recreational vehicles, marine, health and wellness. Helios sells its products to customers in over 90 countries around the world. The Company's strategy for growth is to be the leading provider in niche markets, with premier products and solutions through innovative product development and acquisitions.

The Company operates in two business segments: Hydraulics and Electronics. There are two key technologies within the Hydraulics segment: motion control technology ("MCT") and fluid conveyance technology ("FCT"). Our MCT products provide simultaneous control of acceleration, velocity and position. MCT includes our cartridge valve technology where we pioneered a fundamentally different design platform employing a floating nose construction that results in a self-alignment characteristic. This design provides better performance and reliability advantages compared with most competitors' product offerings. Our cartridge valves are offered in several size ranges and include both electrically actuated and hydro-mechanical products. They are designed to be able to operate reliably at higher pressures than most competitors, making them suitable for both industrial and mobile applications. Our FCT products transfer hydraulic fluid from one point to another. FCT includes our quick release couplings products, which allow users to connect and disconnect quickly from any hydraulic circuit without leakage and ensures high-performance under high temperature and pressure using one or multiple couplers. The Electronics segment provides complete, fully-tailored display and control solutions for engines, engine-driven equipment, specialty vehicles, therapy baths and traditional and swim spas. This broad range of products is complemented by extensive application expertise and unparalleled depth of software, embedded programming, hardware, and sustaining engineering teams.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Our summary of significant accounting policies is included in Note 2 of our Annual Report on Form 10-K for the fiscal year ended December 28, 2024 ("Form 10-K"), filed by Helios with the Securities and Exchange Commission on February 25, 2025. There have been no significant changes to our significant accounting policies since December 28, 2024.

### *Basis of Presentation*

The accompanying unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for reporting on Form 10-Q. Accordingly, certain information and footnotes required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements are not included herein. The financial statements are prepared on a consistent basis (including normal recurring adjustments) and should be read in conjunction with the consolidated financial statements and related notes contained in the Form 10-K. In management's opinion, all adjustments necessary for a fair statement of the Company's financial position are reflected in the interim periods presented. Operating results for the six months ended June 28, 2025, are not necessarily indicative of the results that may be expected for the fiscal year ended January 3, 2026.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain conditions may result in a loss, which will only be resolved by future events. We, along with our legal counsel, evaluate such contingent liabilities, which inherently involves judgment. If it is probable that a loss has been incurred and can be reasonably estimated, we accrue for such contingent losses. If a potentially material loss contingency is not probable but reasonably possible, or is probable but cannot be estimated, we disclose the nature of the contingent liability and an estimate of the range of possible loss if determinable and material.

The Company records a contingent gain when the following conditions are met: (a) the amount to be received is known, (b) there is no potential for appeal or reversal, and (c) collectability is reasonably assured.

#### *Assets and Liabilities Held for Sale*

Assets and liabilities are classified as held for sale when management commits to a plan to sell a disposal group in its present condition and the sale is probable and expected to close within 12 months, in accordance with ASC 360-10-45-9. Upon classification, the disposal group is measured at the lower of its carrying amount or fair value less costs to sell, and depreciation and amortization are suspended. Held for sale assets and liabilities are separately presented in current assets and current liabilities in the Condensed Consolidated Balance Sheets. Any loss upon initial classification or subsequent measurement is recognized in the statement of operations. Please refer to Note 7 - Assets Held For Sale, for further information about assets held for sale.

#### *Capitalized Software Development Costs*

The Company sells certain products that contain embedded software that is integral to the functionality of the products. Internal and external costs incurred for developing this software are charged to expense until technological feasibility has been established, at which point the development costs are capitalized. Capitalized software development costs primarily include payroll, benefits and other headcount related expenses. Once the products are available for general release to customers, no additional costs are capitalized. Capitalized software development costs, net of accumulated amortization, were \$12.4 and \$11.1 at June 28, 2025, and December 28, 2024, respectively, and are included in Other assets in the Consolidated Balance Sheets. For the six months ended June 28, 2025 and June 29, 2024 amortization expense of Capitalized software development costs were \$0.7 and \$0.6, respectively, and are included in Cost of goods sold in the Consolidated Statements of Operations.

#### *Earnings Per Share*

The following table presents the computation of basic and diluted earnings per common share (in millions, except per share data):

	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Net income	\$ 11.4	\$ 13.6	\$ 18.6	\$ 22.7
Weighted average shares outstanding - Basic	33.3	33.2	33.3	33.2
Net effect of dilutive securities - Stock based compensation	—	0.1	0.1	0.1
Weighted average shares outstanding - Diluted	33.3	33.3	33.4	33.3
<b>Net income per share:</b>				
<b>Basic</b>	<b>\$ 0.34</b>	<b>\$ 0.41</b>	<b>\$ 0.56</b>	<b>\$ 0.69</b>
<b>Diluted</b>	<b>\$ 0.34</b>	<b>\$ 0.41</b>	<b>\$ 0.56</b>	<b>\$ 0.68</b>

Basic and diluted earnings per share is calculated by dividing net earnings by the coinciding weighted average number of shares outstanding. Our calculation of diluted earnings per share includes the impact of the assumed vesting of outstanding restricted stock units and dilutive stock options, based on the treasury stock method. At June 28, 2025, there were 164,244 stock options that were excluded from the diluted earnings per share calculation as they would have been anti-dilutive.

### Recently Adopted Accounting Standard

Beginning in 2024 annual reporting, we adopted Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (ASU 2023-07) that was issued by the Financial Accounting Standards Board ("FASB"). This new standard requires an enhanced disclosure of significant segment expenses on an annual and interim basis. Upon adoption, the guidance was applied retrospectively to all prior periods presented in the financial statements, which resulted in the disclosure of selling, engineering and administrative expenses, research and development costs, indirect expenses, and amortization of intangible assets for each reportable segment. For additional information, see Note 13 — Segment Reporting.

### Recently Issued Accounting Standards

The FASB issued Accounting Standards Update 2023-09 Income Taxes (Topic 740) - *Improvements to Income Tax Disclosures*. The amendments in this update focus on improving the transparency, effectiveness and comparability of income tax disclosures primarily related to the pretax income (or loss), income tax expense (or benefit), rate reconciliation and income taxes paid for public business entities. The amendments in this update are effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments in this update should be applied on a prospective basis. Retrospective application is permitted. The Company does not expect the additional income tax disclosures to have a material impact on the consolidated financial statements and does not plan to early adopt the standard.

In November 2024, the FASB issued Accounting Standard Update (ASU) No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40). This ASU requires enhanced disclosures about types of expenses, including purchases of inventory, employee compensation, depreciation, and amortization, in commonly presented expense captions. The amendments are effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. Entities may apply the amendments prospectively or retrospectively to any or all prior periods presented in the financial statements. We are currently evaluating the impact that this guidance will have on the disclosures within our consolidated financial statements. While this ASU will impact only our disclosures and not our financial condition and results of operations, we are assessing when we will adopt the ASU.

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables provide information regarding the Company's assets and liabilities measured at fair value on a recurring basis at June 28, 2025, and December 28, 2024. As of June 28, 2025, the Company had no fair value instruments outstanding, see Note 8 of the Notes to the Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for additional information.

		June 28, 2025		
	Total	Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
Interest rate swap contracts	\$ —	\$ —	\$ —	\$ —
Forward foreign exchange contracts	—	—	—	—
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Liabilities</b>				
Forward foreign exchange contracts	\$ —	\$ —	\$ —	\$ —
Contingent consideration	0.4	—	—	0.4
Total	<u>\$ 0.4</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.4</u>

	December 28, 2024			
	Total	Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
Interest rate swap contracts	\$ —	\$ —	\$ —	\$ —
Forward foreign exchange contracts	—	—	—	—
Total	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Liabilities</b>				
Forward foreign exchange contracts	\$ —	\$ —	\$ —	\$ —
Contingent consideration	0.4	—	—	0.4
Total	<u>\$ 0.4</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.4</u>

The table below summarizes the changes in the estimated fair value of the contingent consideration liability related to the Company's acquisition of Balboa Water Group as of June 28, 2025. The contractual contingent payment is payable in 2025.

Balance at December 28, 2024	\$ 0.4
Change in estimated fair value	-
Payment on liability	-
Accretion in value	-
Balance at June 28, 2025	<u>\$ 0.4</u>

#### 4. INVENTORIES, NET

At June 28, 2025, and December 28, 2024, inventory consisted of the following:

	June 28, 2025	December 28, 2024
Raw materials	\$ 107.8	\$ 105.3
Work in process	51.1	48.7
Finished goods	39.6	46.7
Provision for obsolete and slow-moving inventory	(11.3)	(10.6)
Total	<u>\$ 187.2</u>	<u>\$ 190.1</u>

#### 5. OPERATING LEASES

The Company leases machinery, equipment, vehicles, buildings and office space, throughout its locations, which are classified as operating leases. Remaining terms on these leases range from less than one year to nine years. For the six months ended June 28, 2025, and June 29, 2024, operating lease costs totaled \$3.9 and \$3.7, respectively.

Supplemental balance sheet information related to operating leases is as follows:

	June 28, 2025	December 28, 2024
Right-of-use assets	\$ 17.6	\$ 22.9
Lease liabilities:		
Current lease liabilities	\$ 4.7	\$ 4.4
Non-current lease liabilities	14.5	20.3
Total lease liabilities	<u>\$ 19.2</u>	<u>\$ 24.7</u>

Weighted average remaining lease term (in years):	2.5
Weighted average discount rate:	3.5 %

Supplemental cash flow information related to leases is as follows:

	Six Months Ended	
	June 28, 2025	June 29, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 3.3	\$ 4.0
Non-cash impact of new leases and lease modifications	\$ 1.7	\$ 1.5

Maturities of lease liabilities are as follows:

2025 Remaining	\$ 3.4
2026	4.5
2027	3.4
2028	3.1
2029	2.9
2030	2.6
Thereafter	3.8
Total lease payments	23.6
Less: Imputed interest	(4.4)
Total lease obligations	19.2
Less: Current lease liabilities	(4.7)
Non-current lease liabilities	<u>\$ 14.5</u>

## 6. GOODWILL AND INTANGIBLE ASSETS

### Goodwill

A summary of changes in goodwill by segment for the six months ended June 28, 2025, is as follows:

	Hydraulics	Electronics	Total
Balance at December 28, 2024	\$ 287.1	\$ 211.8	\$ 498.9
Assets held for sale	(5.6)	—	(5.6)
Currency translation	30.5	0.1	30.6
Balance at June 28, 2025	<u>\$ 312.0</u>	<u>\$ 211.9</u>	<u>\$ 523.9</u>

### Acquired Intangible Assets

At June 28, 2025, and December 28, 2024, acquired intangible assets consisted of the following:

	Gross Carrying Amount	June 28, 2025 Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	December 28, 2024 Accumulated Amortization	Net Carrying Amount
Definite-lived intangibles:						
Trade names and brands	\$ 95.8	\$ (31.8)	\$ 64.0	\$ 94.1	\$ (28.6)	\$ 65.5
Non-compete agreements	2.0	(1.9)	0.1	2.0	(1.6)	0.4
Technology	54.6	(34.1)	20.5	53.4	(31.3)	22.1
Supply agreement	21.0	(18.0)	3.0	21.0	(17.0)	4.0
Customer relationships	400.2	(102.5)	297.7	380.1	(89.6)	290.5
Workforce	6.1	(6.1)	—	6.2	(4.7)	1.5
	<u>\$ 579.7</u>	<u>\$ (194.3)</u>	<u>\$ 385.4</u>	<u>\$ 556.8</u>	<u>\$ (172.8)</u>	<u>\$ 384.0</u>

Amortization expense on acquired intangible assets for the six months ended June 28, 2025, and June 29, 2024, was \$16.5 and \$15.7, respectively, reflected in amortization of intangible assets in the Consolidated Statements of Operations. Additionally, \$0.2 and \$0.4 of acquired amortization expense for the three and six months ended June 28, 2025, respectively, was reflected in cost of sales in the Consolidated Statement of Operations. Future estimated total amortization expense is presented below.

Year:	
2025 Remaining	\$ 15.5
2026	30.5
2027	27.4
2028	27.1
2029	25.2
2030	24.4
Thereafter	235.4
Total	<u>\$ 385.4</u>

In January 2025, the Company began the early phases of restructuring the Helios Center of Engineering Excellence (“HCEE”). Consistent with the Company’s previously announced restructuring plan, during the end of the second quarter 2025, management ceased operations at the San Antonio office and reassigned resources to the operations at our other major facilities across the business, and eliminated certain positions. As a result of this change in the HCEE business operations, the workforce intangible asset associated with the HCEE acquisition was reviewed by management and it was determined that the remaining net book value of the asset should be amortized over a useful life ending during the second quarter of 2025. This resulted in increases of \$0.3 and \$0.8 amortization expense for the three and six months ending June 28, 2025, respectively, associated with this intangible asset.



## 7. ASSETS AND LIABILITIES HELD FOR SALE

In the second quarter of 2025, the Company committed to a plan to sell all of the outstanding equity interest in Guwing Holdings Pty. Ltd. ("Guwing"), and Guwing's 100% ownership of the share capital of Custom Fluidpower Pty. Ltd. ("CFP"). On August 4, 2025, the Company executed a definitive agreement to sell CFP to Questas Group ("Questas") and entered into an exclusive agreement with Questas for the Company to continue its relationship with CFP as a customer of its Sun Hydraulics' business for cartridge valve and manifold products. The commitment was made as a result of the Company's assessment of its go-to-market approach and operations footprint in the APAC region. We expect to close the sale within 60 to 90 days, subject to regulatory approvals and other customary closing conditions.

CFP was acquired in August 2018 and expanded the Company's hydraulics operations and footprint in APAC. Since acquiring CFP, we have further invested in the APAC region as part of our "in the region for the region" strategy and have expanded manufacturing and design engineering capabilities. In evaluating our current portfolio and footprint, we believe CFP is better suited within our value-adding distribution customer base.

The assets and liabilities of Guwing and CFP met the criteria for classification as held for sale as of June 28, 2025. In connection with the classification of these assets and liabilities as held for sale, the Company evaluated the fair value of the disposal group, including goodwill, less estimated costs to sell. The fair value was determined using significant unobservable inputs (Level 3) based on expected proceeds to be received upon the sale of the business. As a result of this evaluation, it was determined that the fair value of the disposal group, less costs to sell, was higher than its carrying value.

The carrying amounts of the assets and liabilities of the disposal group classified as held for sale in our Consolidated Balance Sheet as of June 28, 2025 were as follows:

	June 28, 2025
Accounts receivable, net	\$ 8.9
Inventories, net	10.9
Other current assets	4.6
Property, plant and equipment, net	9.6
Goodwill	5.6
Other intangible assets, net	2.2
Total assets held for sale	<u>\$ 41.8</u>
Accounts payable	\$ 4.6
Accrued compensation and benefits	2.6
Other accrued expense and current liabilities	2.1
Other noncurrent liabilities	4.3
Total liabilities held for sale	<u>\$ 13.6</u>

This disposition is not accounted for as discontinued operations as it does not represent a strategic shift in the Company's operations. The net income of the disposal group is included in the Company's Consolidated Statements of Operations and is reflected in the Hydraulics segment results as disclosed in Note 13 - Segment Reporting. The pre-tax income of the disposal group for the three months ended June 28, 2025 and June 29, 2024 was \$0.8 and \$0.9 respectively. For the six months ended June 28, 2025 and June 29, 2024, pre-tax profit of the disposal group was \$1.6 and \$1.4 respectively.

## 8. DERIVATIVE INSTRUMENTS & HEDGING ACTIVITIES

The Company addresses certain financial exposures through a controlled program of risk management that includes the use of derivative financial instruments and hedging activities. The Company had previously entered into foreign currency forward contracts to reduce the effects of fluctuating foreign currency exchange rates. In addition, the Company had previously entered into interest rate derivatives to manage the effects of interest rate movements on the Company's credit facilities. As of June 28, 2025 and June 29, 2024, the Company had no active foreign currency forward contracts, as further described below. As of June 28, 2025 and December 28, 2024, the Company had no active interest rate swap agreements, as further described below.

The amount of gains and losses related to the Company's derivative financial instruments for the six months ended June 28, 2025, and June 29, 2024, are presented as follows:

Amount of Gain or (Loss) Recognized in Other Comprehensive Income on Derivatives (Effective Portion)		Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Earnings (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Earnings (Effective Portion)		
June 28, 2025	June 29, 2024		June 28, 2025	June 29, 2024	
Derivatives in cash flow hedging relationships:					
Interest rate swap contracts	\$ -	\$ 0.5	Interest expense, net	\$ -	\$ 3.6

Interest expense presented in the Consolidated Statements of Operations, in which the effects of cash flow hedges are recorded, totaled \$14.4 and \$16.7 for the six months ended June 28, 2025, and June 29, 2024, respectively.

### *Interest Rate Swap Contracts*

The Company primarily utilizes variable-rate debt, which exposes the Company to variability in interest payments. The Company enters into various types of derivative instruments to manage fluctuations in cash flows resulting from interest rate risk attributable to changes in the benchmark interest rates.

The Company assesses interest rate cash flow risk by continually identifying and monitoring changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities.

The Company maintains risk management control systems to monitor interest rate cash flow risk attributable to both the Company's outstanding and forecasted debt obligations as well as the Company's offsetting hedge positions. The risk management control systems involve the use of analytical techniques to estimate the expected impact of changes in interest rates on the Company's future cash flows.

Previously, the Company had entered into interest rate swap transactions to hedge the variable interest rate payments on its credit facilities. In connection with these transactions, the Company paid interest based upon a fixed rate as agreed upon with the respective counterparties and received variable rate interest payments. The interest rate swaps were designated as hedging instruments and were accounted for as cash flow hedges. The interest rate swap contracts were terminated on June 25, 2024, and at June 28, 2025, the Company had no active interest rate swap contracts.

### Foreign Currency Forward Contracts

The Company from time to time has entered into forward contracts to economically hedge translational and transactional exposure associated with various business units whose local currency differs from the Company's reporting currency. The Company's forward contracts are not designated as hedging instruments for accounting purposes.

At June 28, 2025, the Company had no active foreign currency forward contracts.

### Net Investment Hedge

The Company utilizes foreign currency denominated debt to hedge currency exposure in foreign operations. The Company has designated €90.0 of borrowings on the revolving credit facility as a net investment hedge of a portion of the Company's European operations. The carrying value of the euro denominated debt totaled \$105.4 as of June 28, 2025, and is included in the Revolving lines of credit line item in the Consolidated Balance Sheets. The loss on the net investment hedge recorded in accumulated other comprehensive income as part of the currency translation adjustment was \$8.6, net of tax, for the six months ended June 28, 2025.

## 9. CREDIT FACILITIES

Total non-revolving debt consists of the following:

	Maturity Date	June 28, 2025		December 28, 2024	
Long-term non-revolving debt:					
Term loans with PNC Bank	June 2029	\$	285.0	\$	292.5
Term loans with Citibank	June 2026		7.9		7.8
Total long-term non-revolving debt			292.9		300.3
Less: current portion of long-term non-revolving debt			24.5		16.0
Less: unamortized debt issuance costs			1.0		1.1
Total long-term non-revolving debt, net		\$	267.4	\$	283.2

Information on the Company's revolving credit facilities is as follows:

	Maturity Date		Balance		Available Credit	
			June 28, 2025	December 28, 2024	June 28, 2025	December 28, 2024
Revolving line of credit with PNC Bank	June 2029	\$	141.4	\$ 147.3	\$ 357.6	\$ 351.7
Revolving line of credit with Citibank	June 2026		2.9	3.0	1.0	0.7

Future maturities of total debt are as follows:

Year:		
2025 Remaining	\$	11.4
2026		27.5
2027		22.5
2028		28.1
2029		347.7
Total	\$	437.2

### *Term Loans and Line of Credit with PNC Bank*

On June 25, 2024, the Company amended and restated its credit agreement (the "Third Amended and Restated Credit Agreement") with PNC Bank, National Association, as administrative agent, and the lenders party thereto. The amendment extended the debt maturity for five years and increased the Company's revolving credit facility (the "Revolving Credit Facility") to \$500.0, with the aggregate principal amount of the term loan credit facility (the "Term Loan Facility") remaining at \$300.0. The amendment also revised the accordion feature to permit an increase of up to an additional \$400.0. Borrowings under the line of credit bear interest at defined rates plus an applicable margin based on the Company's leverage ratio. The total commitments under the Third Amended and Restated Credit Agreement are not to exceed \$1.2 billion.

The Third Amended and Restated Credit Agreement states that borrowings under the Revolving Credit Facility that are U.S. dollar denominated and the Term Loan Facility can accrue interest at a variable rate equal to (i) the term secured overnight financing rate ("Term SOFR") or (ii) the greater of (a) the overnight bank funding rate, plus 0.5%; (b) the prime rate, and (c) the daily simple SOFR rate plus 1.00% (the greatest of clauses (a) through (c), the "Base Rate"), plus a margin of between 1.25% and 2.25% for the term SOFR rate and between 0.25% and 1.25% for the Base Rate depending, in each case, on Helios's net leverage ratio. Borrowings under the Revolving Credit Facility denominated in other currencies can accrue interest at the reference rate specified in the Third Amended and Restated Credit Agreement for such currency for each applicable interest period plus a margin of between 1.25% and 2.25% depending on Helios's net leverage ratio. Swingline loans bear interest at the daily simple SOFR rate plus a margin of between 1.25% and 2.25% depending on Helios's net leverage ratio.

The obligations under the Third Amended and Restated Credit Agreement are guaranteed by each of the Company's domestic subsidiaries. The obligations under the Third Amended and Restated Credit Agreement are secured by substantially all of the assets of the Company and the guarantors.

Scheduled principal payments under the Term Loan Facility are payable in quarterly installments beginning on September 28, 2024 and continuing on the last day of each following fiscal quarter, beginning at \$3.75 before increasing to \$5.6 in June 2026 and \$7.5 in June 2028. All remaining principal and unpaid accrued interest are due on the Term Loan Facility maturity date, which is June 25, 2029.

The revolving line of credit allows for borrowings up to an aggregate maximum principal amount of \$500.0. To hedge currency exposure in foreign operations, €90.0 of the borrowings on the line of credit are denominated in euros. The borrowings have been designated as a net investment hedge, see additional information in Note 8 of the Notes to the Consolidated Financial Statements included in this Quarterly Report on Form 10-Q. Borrowings under the line of credit bear interest at defined rates plus an applicable margin based on the Company's leverage ratio.

The Third Amended and Restated Credit Agreement requires the Company to comply with a number of restrictive covenants, including but not limited to limitations on the Company's ability to incur indebtedness; create or maintain liens on its property or assets; make investments, loans and advances; repurchase shares of its common stock; engage in acquisitions, mergers, joint ventures, consolidation and asset sales; and pay dividends and distributions. The Third Amended and Restated Credit Agreement requires the Company to maintain a consolidated total net leverage ratio not to exceed 3.75 to 1.00, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended. The maximum permitted total net leverage ratio is temporarily increased by 0.50 to 1.00 at the closing of a material permitted acquisition and for the following twelve months. The Third Amended and Restated Credit Agreement also requires the Company to maintain a minimum interest coverage ratio of no less than 3.00 to 1.00, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended.

As of June 28, 2025, the Company was in compliance with all debt covenants related to the Third Amended and Restated Credit Agreement.

### *Term Loans and Line of Credit with Citibank*

The Company has a term loan facility agreement (the "Sydney Branch Term Loan Facility") with Citibank, N.A., Sydney Branch, as lender. Under the Sydney Branch Term Loan Facility, the Company borrowed on a secured basis AUD 7.5. The proceeds were used to repay other existing debt. Outstanding borrowings under the facility accrued interest at a rate equal to the Australian Bank Bill Swap ("ABBS") reference rate plus 2.0%, to be repaid throughout the term of the loan with a final payment due date in December 2024.

In June 2023, the Sydney Branch Term Loan Facility was amended. The Company borrowed on a secured basis AUD 15.0 and used a portion of the proceeds to repay the remaining balance of the original term loan. Outstanding borrowings under the amended Sydney Branch Term Loan Facility accrue interest at a rate equal to the ABBS reference rate plus 2.8%, to be repaid throughout the term of the loan with a final payment due date in June 2026.

Concurrent with the amendment to the Sydney Branch Term Loan Facility, the Company entered into a revolving line of credit agreement with Citibank, N.A., Sydney Branch, as lender (the "Sydney Branch RC Facility"). The Sydney Branch RC Facility allows for borrowings up to an aggregate maximum principal amount of AUD 6.0 and matures in June 2026, with no mandatory repayments prior to such maturity date. The facility accrues interest at a rate equal to the ABBS reference rate plus 2.3%.

As of June 28, 2025, the Company was in compliance with all debt covenants related to the term loans and line of credit with Citibank. Additionally, the secured loans with Citibank are secured by a parent guarantee.

The consolidated effective interest rate on the Company's credit agreements at June 28, 2025, was 5.7%. Interest expense recognized, excluding interest rate swap activity, during the six months ended June 28, 2025, and June 29, 2024, totaled \$14.4 and \$20.1, respectively.

## 10. INCOME TAXES

The provision for income taxes for the three months ended June 28, 2025 and June 29, 2024, was 23.8% and 23.0% of pretax income, respectively. The provision for income taxes for the six months ended June 28, 2025, and June 29, 2024, was 23.7% and 23.1% of pretax income, respectively. These effective rates fluctuate relative to the levels of income and different tax rates in effect among the countries in which the Company sells products.

At June 28, 2025, the Company had unrecognized tax benefits of \$6.0 including accrued interest. If recognized, \$0.4 of unrecognized tax benefits would reduce the effective tax rate in future periods. The Company recognizes interest and penalties related to income tax matters in income tax expense. Interest accrued as of June 28, 2025 is not considered material to the Company's Consolidated Financial Statements.

The Company is currently under audit by certain foreign tax authorities and remains subject to income tax examinations in various foreign jurisdictions. The Company believes it has adequately reserved for potential income tax exposures that could result from audit adjustments.

## 11. STOCK-BASED COMPENSATION AND EQUITY

### *Equity Incentive Plan*

The Company's 2023 Equity Incentive Plan ("2023 Plan") provides for the grant of up to an aggregate of 1,000,000 shares of restricted stock, restricted share units, stock options, stock appreciation rights, dividend or dividend equivalent rights, stock awards and other awards valued in whole or in part by reference to or otherwise based on the Company's common stock, to officers, employees and directors of the Company. The 2023 Plan replaced the prior 2019 Equity Incentive Plan and was approved by the Company's shareholders at the 2023 Annual Meeting of Shareholders.

### Restricted Stock Units

The Company grants restricted stock units ("RSUs") to employees in connection with a long-term incentive plan and from time to time for special recognition. Awards with time-based vesting requirements primarily vest ratably over a three-year period. Awards with performance-based vesting requirements cliff vest after a three-year performance cycle and only after the achievement of certain performance criteria over that cycle. The number of shares ultimately issued for the performance-based units may vary from 0% to 200% of their target amount based on the achievement of defined performance targets. Compensation expense recognized for RSUs granted to employees totaled \$2.2 and \$5.9, respectively, for the six months ended June 28, 2025, and June 29, 2024.

The Helios Technologies, Inc. Non-Employee Director Compensation Policy compensates Non-Employee Directors for their board service with cash awards and equity-based compensation through grants of RSUs, issued pursuant to the 2019 Plan or 2023 Plan, which vest over a one-year period. Directors were granted 15,182 and 11,989 RSUs during the six months ended June 28, 2025, and June 29, 2024, respectively. The Company recognized director stock compensation expense on the RSUs of \$0.5 and \$0.6 for the six months ended June 28, 2025, and June 29, 2024, respectively.

The following table summarizes RSU activity for the six months ended June 28, 2025:

	Number of Units (in thousands)	Weighted Average Grant-Date Fair Value per Share
Nonvested balance at December 28, 2024	224	\$ 49.13
Granted	114	38.06
Vested	(74)	55.38
Forfeited	(18)	43.64
Nonvested balance at June 28, 2025	246	\$ 42.52

Included in the nonvested balance at June 28, 2025, are 58,041 nonvested performance-based RSUs.

The Company had \$6.6 of total unrecognized compensation cost related to the RSU awards as of June 28, 2025. That cost is expected to be recognized over a weighted average period of 1.9 years.

### Stock Options

In February 2025, the Company granted additional stock options with time and performance vesting conditions to its officers and employees. Performance-based vesting requirements cliff vest after a three-year performance cycle and only after the achievement of certain performance criteria over that cycle. The number of options ultimately issued for the performance-based units may vary from 0% to 200% of their target amount based on the achievement of defined performance targets. These options have an exercise price per share of \$39.80 which is equal to the market price of Helios stock on the grant date. The options have a 10-year expiration. The grant date fair value of the options totaled \$2.5 and was estimated using a Black Scholes valuation model. As of June 28, 2025, there are 131,933 unvested options.

At June 28, 2025, the Company had \$2.4 of unrecognized compensation cost related to the options, which is expected to be recognized over a weighted average period of 2.6 years.

	Number of Shares (not rounded)	Weighted Average Exercise Price
Outstanding at December 28, 2024	46,529	\$ 42.29
Granted	131,933	39.80
Forfeited/Expired	(14,218)	39.92
Outstanding at June 28, 2025	164,244	40.50
Exercisable at June 28, 2025 <sup>(A)</sup>	4,693	49.67

<sup>(A)</sup> Options expire between the years 2030-2032 with strike prices between \$39.75 - \$55.03.

### Share Repurchase Plan

On February 20, 2025, the Board approved a multi-year share repurchase program (the "Share Repurchase Program"), authorizing the Company to repurchase up to \$100.0 of our outstanding common stock. The Company may purchase shares at management's discretion from time to time in the open market, through privately negotiated transactions, through investment banking institutions or through other means in accordance with applicable federal securities laws, including Rule 10b5-1 trading plans. To the extent that the Company repurchases its shares, the amount and timing of any repurchases are subject to a variety of factors including, but not limited to, general business and market conditions, share price, regulatory and legal requirements and capital availability. The program does not obligate the Company to acquire a minimum number of shares. The share repurchase program will be funded with cash on hand and cash generated from operations. As of June 28, 2025, the Company has repurchased 200,000 shares under the Share Repurchase Program. As of June 28, 2025, the Company has \$93.5 million of remaining availability to repurchase outstanding common stock under its Share Repurchase Program.

### Employee Stock Purchase Plans

The Company maintains an Employee Stock Purchase Plan ("ESPP") in which U.S. employees are eligible to participate. Employees who choose to participate are granted an opportunity to purchase common stock at 85 percent of market value on the first or last day of the quarterly purchase period, whichever is lower. Employees in the United Kingdom ("UK"), under a separate plan, are granted an opportunity to purchase the Company's common stock at market value, on the first or last day of the quarterly purchase period, whichever is lower, with the Company issuing one additional free share of common stock for each six shares purchased by the employee under the plan.

Employees purchased 33,506 shares at a weighted average price of \$27.03 and 25,494 shares at a weighted average price of \$37.79, under the ESPP and UK plans during the six months ended June 28, 2025, and June 29, 2024, respectively. The Company recognized \$0.2 and \$0.2 compensation expense during the six months ended June 28, 2025, and June 29, 2024, respectively.

## 12. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables present changes in accumulated other comprehensive loss by component:

	Unrealized Gains and (Losses) on Derivative Instruments	Foreign Currency Items	Total
Balance at December 28, 2024	\$ 5.3	\$ (80.9)	\$ (75.6)
Other comprehensive loss before reclassifications	—	50.4	50.4
Tax effect	—	(12.5)	(12.5)
Net current period other comprehensive loss	—	37.9	37.9
Balance at June 28, 2025	\$ 5.3	\$ (43.0)	\$ (37.7)

	Unrealized Gains and (Losses) on Derivative Instruments	Foreign Currency Items	Total
Balance at December 30, 2023	\$ 4.9	\$ (60.3)	\$ (55.4)
Other comprehensive loss before reclassifications	(2.3)	(13.6)	(15.9)
Amounts reclassified from accumulated other comprehensive loss, net of tax	2.8	—	2.8
Tax effect	(0.1)	3.0	2.9
Net current period other comprehensive income (loss)	0.4	(10.6)	(10.2)
Balance at June 29, 2024	\$ 5.3	\$ (70.9)	\$ (65.6)

### 13. SEGMENT REPORTING

The Company has two reportable segments: Hydraulics and Electronics. These segments are organized primarily based on the similar nature of products offered for sale, the types of customers served and the methods of distribution and are consistent with how the segments are managed, how resources are allocated and how information is used by the Chief Operating Decision Maker ("CODM"). Our Chief Executive Officer ("CEO") serves as our CODM and is responsible for reviewing segment performance and making decisions regarding resource allocation. Our CODM evaluates each segment's performance based on metrics such as net sales, segment gross profit and operating income, and other key financial indicators presented in the tables below in this section, as well as guides strategic decisions to align with company-wide goals. On a monthly basis, the CODM considers budget-to-actual variances for key measures when making decisions about allocating capital to the segments.

The Hydraulics segment designs and manufactures hydraulic components and systems used to transmit power and control force, speed and motion. There are two categories based on Hydraulic system architecture: MCT and FCT. MCT includes components used to control the flow and pressure of fluids in a system including valves, pumps, actuators, sensors, and filters. FCT includes components used to convey fluids and fluid power through a system and are designed to grant maximum flexibility of design and reliability. MCT includes manifold and cartridge valve technology and FCT includes quick release coupling solutions. CVT products provide functions important to a hydraulic system: to control rates and direction of fluid flow and to regulate and control pressures. QRC products allow users to connect and disconnect quickly from any hydraulic circuit without leakage and ensures high-performance under high temperature and pressure using one or multiple couplers. Engineered solutions that incorporate CVT and QRC technologies are also provided to machine users, manufacturers or designers to fulfill complete system design requirements including electro-hydraulic, remote control, electronic control and programmable logic controller systems.

The Electronics segment provides complete, fully-tailored display and control solutions for engines, engine-driven equipment, specialty vehicles, therapy baths and traditional and swim spas. This broad range of products is complemented by extensive application expertise and unparalleled depth of software, embedded programming, hardware and sustaining engineering teams. Product categories include traditional mechanical and electronic gauge instrumentation, plug and go CAN-based instruments, robust environmentally sealed controllers, pumps and jets, hydraulic controllers, engineered panels, process monitoring instrumentation, proprietary hardware and software, printed circuit board assemblies and wiring harnesses. Support services include design and manufacturing and after-market support through global distribution.

The Company evaluates performance and allocates resources based primarily on segment operating income. Certain costs were not allocated to the business segments as they are not used in evaluating the results of, or in allocating resources to the Company's segments. These costs are presented in the Corporate and other line item. For the six months ended June 28, 2025, the unallocated costs totaled \$17.4 and included certain corporate costs not deemed to be allocable to either business segment of \$0.9 and amortization of acquisition-related intangible assets of \$16.5. The accounting policies of the Company's operating segments are the same as those used to prepare the accompanying Consolidated, Unaudited Financial Statements.

Net sales and operating profit of our business segments exclude intersegment sales and the related cost of sales and profit as these activities are eliminated in consolidation and thus are not included in management's evaluation of performance of each segment.

Beginning in our 2024 annual reporting, we adopted ASU 2023-07 retrospectively. The following tables set forth our segment information of revenue, significant segment expenses, and operating income from operations for the periods ended June 28, 2025 and June 29, 2024:



**Three Months Ended Jun 28, 2025**

	<b>Hydraulics</b>	<b>Electronics</b>	<b>Unallocated expenses</b>	<b>Total</b>
Net sales from external customers	\$ 140.9	\$ 71.6	\$ -	\$ 212.5
Reportable segment total cost of sales	94.4	50.6	-	145.0
<b>Reportable segment gross profit</b>	<b>\$ 46.5</b>	<b>\$ 21.0</b>	<b>\$ -</b>	<b>\$ 67.5</b>
Selling, engineering and administrative expenses <sup>(a)</sup>	\$ 15.9	\$ 10.8	\$ -	\$ 26.7
Research and development <sup>(b)</sup>	2.3	2.6	-	4.9
Indirect expenses <sup>(c)</sup>	3.3	1.7	0.7	5.7
Amortization of intangible assets <sup>(d)</sup>	-	-	8.3	8.3
<b>Operating income</b>	<b>\$ 25.0</b>	<b>\$ 5.9</b>	<b>\$ (9.0)</b>	<b>\$ 21.9</b>

<sup>(a)</sup> Selling, engineering, and administrative expenses primarily include selling, general, and administrative costs, information technology, professional services, and facility-related expenses directly incurred by the segments.

<sup>(b)</sup> Research and development primarily includes engineering-related costs to create new products and to make improvements to products currently in use.

<sup>(c)</sup> Indirect expenses represent corporate costs and shared expenses allocated to businesses.

<sup>(d)</sup> Amortization of intangible assets includes those resulting from the acquisition of new businesses.

**Three Months Ended June 29, 2024**

	<b>Hydraulics</b>	<b>Electronics</b>	<b>Unallocated expenses</b>	<b>Total</b>
Net sales from external customers	\$ 145.7	\$ 74.2	\$ -	\$ 219.9
Reportable segment total cost of sales	100.8	48.5	-	149.3
<b>Reportable segment gross profit</b>	<b>\$ 44.9</b>	<b>\$ 25.7</b>	<b>\$ -</b>	<b>\$ 70.6</b>
Selling, engineering and administrative expenses (a)	\$ 14.9	\$ 10.5	\$ -	\$ 25.4
Research and development (b)	2.1	3.0	-	5.1
Indirect expenses (c)	4.0	1.9	0.3	6.2
Amortization of intangible assets (d)	-	-	7.9	7.9
<b>Operating income</b>	<b>\$ 23.9</b>	<b>\$ 10.3</b>	<b>\$ (8.2)</b>	<b>\$ 26.0</b>

<sup>(a)</sup> Selling, engineering, and administrative expenses primarily include selling, general, and administrative costs, information technology, professional services, and facility-related expenses directly incurred by the segments.

<sup>(b)</sup> Research and development primarily includes engineering-related costs to create new products and to make improvements to products currently in use.

<sup>(c)</sup> Indirect expenses represent corporate costs and shared expenses allocated to businesses.

<sup>(d)</sup> Amortization of intangible assets includes those resulting from the acquisition of new businesses.

**Six Months Ended Jun 28, 2025**

	<b>Hydraulics</b>	<b>Electronics</b>	<b>Unallocated expenses</b>	<b>Total</b>
Net sales from external customers	\$ 267.3	\$ 140.7	\$ -	\$ 408.0
Reportable segment total cost of sales	183.4	97.2	-	280.6
<b>Reportable segment gross profit</b>	<b>\$ 83.9</b>	<b>\$ 43.5</b>	<b>\$ -</b>	<b>\$ 127.4</b>
Selling, engineering and administrative expenses <sup>(a)</sup>	\$ 30.7	\$ 20.9	\$ -	\$ 51.6
Research and development <sup>(b)</sup>	4.4	5.4	-	9.8
Indirect expenses <sup>(c)</sup>	6.3	3.3	0.9	10.5
Amortization of intangible assets <sup>(d)</sup>	-	-	16.5	16.5
<b>Operating income</b>	<b>\$ 42.5</b>	<b>\$ 13.9</b>	<b>\$ (17.4)</b>	<b>\$ 39.0</b>

<sup>(a)</sup> Selling, engineering, and administrative expenses primarily include selling, general, and administrative costs, information technology, professional services, and facility-related expenses directly incurred by the segments.

<sup>(b)</sup> Research and development primarily includes engineering-related costs to create new products and to make improvements to products currently in use.

<sup>(c)</sup> Indirect expenses represent corporate costs and shared expenses allocated to businesses.

<sup>(d)</sup> Amortization of intangible assets includes those resulting from the acquisition of new businesses.

Six Months Ended June 29, 2024				
	Hydraulics	Electronics	Unallocated expenses	Total
Net sales from external customers	\$ 288.1	\$ 143.8	\$ -	\$ 431.9
Reportable segment total cost of sales	198.6	95.5	-	294.1
<b>Reportable segment gross profit</b>	<b>\$ 89.5</b>	<b>\$ 48.3</b>	<b>\$ -</b>	<b>\$ 137.8</b>
Selling, engineering and administrative expenses (a)	\$ 30.2	\$ 20.5	\$ -	\$ 50.7
Research and development (b)	4.2	6.1	-	10.3
Indirect expenses (c)	9.4	4.3	1.0	14.7
Amortization of intangible assets (d)	-	-	15.7	15.7
<b>Operating income</b>	<b>\$ 45.7</b>	<b>\$ 17.4</b>	<b>\$ (16.7)</b>	<b>\$ 46.4</b>

<sup>(a)</sup> Selling, engineering, and administrative expenses primarily include selling, general, and administrative costs, information technology, professional services, and facility-related expenses directly incurred by the segments.

<sup>(b)</sup> Research and development primarily includes engineering-related costs to create new products and to make improvements to products currently in use.

<sup>(c)</sup> Indirect expenses represent corporate costs and shared expenses allocated to businesses.

<sup>(d)</sup> Amortization of intangible assets includes those resulting from the acquisition of new businesses.

	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
<b>Capital expenditures</b>				
Hydraulics	\$ 4.9	\$ 6.5	\$ 9.4	\$ 9.8
Electronics	0.5	1.5	2.1	3.8
<b>Total</b>	<b>\$ 5.4</b>	<b>\$ 8.0</b>	<b>\$ 11.5</b>	<b>\$ 13.6</b>
<b>Depreciation and amortization</b>				
Hydraulics	\$ 5.3	\$ 5.8	\$ 10.7	\$ 11.4
Electronics	2.3	2.3	4.6	4.4
Corporate and Other	8.3	8.0	16.6	15.9
<b>Total</b>	<b>\$ 15.9</b>	<b>\$ 16.1</b>	<b>\$ 31.9</b>	<b>\$ 31.7</b>

	June 28, 2025	December 28, 2024
<b>Goodwill</b>		
Hydraulics	\$ 312.0	\$ 287.1
Electronics	211.9	211.8
<b>Total</b>	<b>\$ 523.9</b>	<b>\$ 498.9</b>
<b>Total assets</b>		
Hydraulics	\$ 1,001.0	\$ 926.6
Electronics	574.5	572.4
Corporate and Other	6.2	6.4
<b>Total</b>	<b>\$ 1,581.7</b>	<b>\$ 1,505.4</b>

### Geographic Region Information

Net sales are measured based on the geographic destination of sales. For the six months ended June 28, 2025, sales to the U.S. represented approximately 45% of total net sales. Other countries with net sales concentration included China, 10%, Australia, 8%, and Germany, 6%, approximately. All other countries individually represented less than 5% of total net sales. Tangible long-lived assets are shown based on the physical location of the assets and primarily include net property, plant and equipment and exclude right of use assets. The following table presents financial information by region:

	Three Months Ended		Six Months Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
<b>Net sales</b>				
Americas	\$ 107.9	\$ 117.3	\$ 214.5	\$ 231.2
EMEA	54.6	51.8	98.7	103.8
APAC	50.0	50.8	94.8	96.9
<b>Total</b>	<u>\$ 212.5</u>	<u>\$ 219.9</u>	<u>\$ 408.0</u>	<u>\$ 431.9</u>

	June 28, 2025	December 28, 2024
<b>Tangible long-lived assets</b>		
Americas	\$ 128.7	\$ 139.1
EMEA	42.5	36.5
APAC	19.4	17.9
<b>Total</b>	<u>\$ 190.6</u>	<u>\$ 193.5</u>

### 14. RELATED PARTY TRANSACTIONS

The Company has in the past purchased from, and sold inventory to, entities partially owned or managed by Directors of Helios ("related party entities"). For the six months ended June 28, 2025, and June 29, 2024, sales to related party entities totaled \$0.0 and \$2.3, respectively. At June 28, 2025, and December 28, 2024, amounts due from the related party entities totaled \$0.0 and \$0.0, respectively.

### 15. COMMITMENTS AND CONTINGENCIES

#### Legal Proceedings

The Company is not a party to any legal proceedings other than routine litigation incidental to its business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the results of operations, financial position or cash flows of the Company.

### 16. SUBSEQUENT EVENTS

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring business tax provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. We will continue to monitor federal and state level guidance, including state conformity to these federal tax changes, as further legislative and administrative updates become available. We are currently assessing its impact on our consolidated financial statements.

## **Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

This report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. The words "expects," "anticipates," "believes," "intends," "plans," "will" and similar expressions identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. We undertake no obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this Form 10-Q with the Securities and Exchange Commission. These forward-looking statements are subject to risks and uncertainties, including, without limitation, those discussed in this report and those identified in Part I, Item 1A, "Risk Factors" included in our Form 10-K. In addition, new risks emerge from time to time, and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. Accordingly, our future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

### **OVERVIEW**

We are a global leader in highly engineered motion control and electronic controls technology for diverse end markets, including construction, material handling, agriculture, industrial, mobile, energy, recreational vehicles, marine and health and wellness.

We operate under two business segments: Hydraulics and Electronics. The Hydraulics segment designs and manufactures hydraulic motion control and fluid conveyance technology products, including cartridge valves, manifolds, quick release couplings as well as engineers hydraulic solutions and in some cases complete systems. Our Hydraulics segment includes products sold under the Sun Hydraulics, Faster, Custom Fluidpower, NEM, Taimi, Daman and Schultes brands. The Electronics segment designs and manufactures customized electronic controls systems, displays, wire harnesses and software solutions for a variety of end markets including industrial and mobile, recreational and health and wellness. The Electronics segment includes products sold under the Enovation Controls, Murphy, Zero Off, HCT, Balboa Water Group and Joyonway brands.

#### ***Restructuring Activities***

Our previously announced restructuring activities within our Hydraulics segment related to the creation of our two new Regional Operational Centers of Excellence ("CoE") are complete. The Hydraulic Manifold Solutions CoE, located in Mishawaka, Indiana, is now doing the manifold machining and integrated package assembly for Sun Hydraulics, Faster Inc., and Daman. The Hydraulic Valve and Coupling Solutions CoE, located in Sarasota, Florida, is manufacturing and assembling cartridge valve technology and quick release couplings. We also continue to add capabilities and activities to our recently expanded Tijuana, Mexico facility to support our Electronics segment. Initial efforts have focused on circuit board assembly and wire harness production. We paused activities as a result of the changing tariff landscape but continue to evaluate plans to move additional production activities to Tijuana in the second half of 2025.

The initial phase of the restructuring activities to better optimize our European regional operations are complete. This included transitioning some manufacturing of manifolds and integrated package assembly to our Roncolo, Italy location. To create capacity in Roncolo, we moved some turning and lathing operations from Roncolo to our Rivolta, Italy location. These activities included transferring equipment and operations between facilities. Additional phases of this project are currently paused, we continue to evaluate plans for restructuring activities to optimizing operations in the European Region.

In January 2025, the Company began the early phases of restructuring the Helios Center of Engineering Excellence ("HCEE"). Consistent with the Company's previously announced restructuring plan, during the end of the second quarter 2025, management ceased operations at the San Antonio office and reassigned resources to the operations at our other major facilities across the business, and eliminated certain positions. As a result of this planned change in the HCEE business operations, the workforce intangible asset associated with the HCEE acquisition was reviewed by management and it was determined that the remaining net book value of the asset should be accelerated and amortized over a useful

life ending June 2025. This resulted in an increase \$0.3 and \$0.8 of amortization expense in the three and six months ending June 28, 2025, respectively.

Restructuring costs totaled \$1.2 and \$3.2, for the three months ended June 28, 2025 and June 29, 2024.

### ***Global Economic and Geopolitical Conditions***

We expect the challenging macroeconomic conditions to continue, characterized by economic uncertainty and market disruption driven inflationary pressures, political uncertainty, potential changes to current global trade policies and modifications of existing trade agreements, the potential negotiation of new trade agreements and imposition of new (and retaliatory) tariffs, and the ongoing geopolitical conflicts in Ukraine and the Middle East. We are continuously monitoring these economic and geopolitical conditions and remain focused on liquidity management, pricing discipline, cost savings initiatives and production efficiency as ways to mitigate the risks associated with the uncertainty.

Refer to Item 1A "Risk Factors" of our Form 10-K for additional discussion of risks related to global economic conditions.

### ***Tariffs***

During the first half of 2025, additional tariffs were imposed on goods imported into the U.S. from China, Mexico and Canada, tariffs on steel and aluminum were increased and various reciprocal tariffs were also imposed. These costs are reflected in the cost of sales on our Consolidated Statement of Operations.

We import goods into the U.S. primarily from Mexico, Italy and China. Based on the tariffs in effect as of the date of this Form 10-Q, many of these goods are exempt from the recent tariffs imposed. Due to the dynamic tariff environment, it is not possible to predict if these exemptions will remain in place, or if tariff rates imposed will change. Tariffs on product we import from China represent the greatest exposure, as some of those products imported are subject to tariffs of up to 55% under the current structure.

We export products from our U.S. locations to more than 40 countries. Our total U.S. exports were approximately \$29.5 or 13.9% of total sales in the three months ended June 28, 2025, of which exports to China were \$3.4 or 1.6% of total sales in the period. For the six months ended June 28, 2025, our total U.S. exports were approximately \$57.8 or 14.2% of total sales, of which exports to China were \$10.3 or 2.5% of total sales. Based on the tariffs in effect as of the date of this Form 10-Q, products we export to China from the U.S. are subject to tariffs up to 10%. Trade relations between the U.S. and other countries are fluid and we are unable to predict if tariffs (including retaliatory tariffs) imposed by other countries on our U.S. exports will change in the future.

Due to the fluidity of the tariff environment and potential subsequent changes to effective dates, amounts of announced tariffs, and various exemptions for imports into the U.S., we are unable to fully quantify the impact the tariffs will have on our results of operations when and if enacted. Our current expectation, however, is to leverage our regional production capabilities, source components from local suppliers, and raise our prices, which we believe may mitigate the impact of higher tariff costs, though we are not able to provide assurances that we will be able to offset any or all tariff-related costs. Additionally, increased prices could impact demand for our products, including our ability to attract new customers or cause increases in existing customer attrition. If our attempts to mitigate tariff-related costs are not sufficient to offset our increased tariff-related costs adequately or in a timely manner, our business, results of operations, and our financial and/or operating costs may be adversely affected.

### ***Industry Conditions***

The capital goods industries in general, and the Hydraulics and Electronics segments specifically, are subject to economic cycles. We utilize industry trend reports from various sources, as well as feedback from customers and distributors, to evaluate economic trends. We also rely on global government statistics such as Gross Domestic Product and Purchasing Managers Index to understand macroeconomic conditions.

### *Hydraulics*

According to the National Fluid Power Association (the fluid power industry's trade association in the U.S.), the U.S. index of shipments of hydraulic products decreased 9% during the first six months of 2025 compared to the first six months of the prior year while the U.S. index of orders of hydraulic products declined 3% during the same period. In Europe, the CEMA (European Agricultural Machinery Association) Business Barometer reported in June 2025 that the general business climate index for the European agricultural machinery industry has dropped slightly after continuous rises over the last months. Both the current business sentiment and expectations for turnover in the next six months, however, trended upward in the second quarter. The report also indicated that the confidence index remains low for France and Germany, especially when broken into the larger segments of tractors, arable and harvesting equipment, while improvement was reflected for other important markets with Poland, Spain and UK leading the European market ranking. The CECE (Committee for European Construction Equipment) June report noted that the business climate went down for the month as future expectations suffered a setback but remain positive on average across European markets for the next six months. Expectations for India and China went down while North America was a bit more optimistic. The report also indicated European sales grew in June over the prior year period, the first month of growth in the past twenty-three months. The order intake continued to trend upward in European markets but international markets seem to be losing momentum despite just having entered into growth territory.

### *Electronics*

The Federal Reserve's Industrial Production Index, which measures the real output of all relevant establishments located in the U.S., reports second quarter 2025 output of semiconductors and other electronics components increased from the fourth quarter 2024, the fifth sequential quarterly increase. The Institute of Printed Circuits Association ("IPC") reported that total North American printed circuit board ("PCB") shipments were down 8.6% in June after being up 21.4% in May and down 6.8% in April compared with the same months last year. PCB bookings in 2025 were up 4.9% in June compared to the prior year, with bookings for the first six months of the year higher by 16.2%. The book to bill ratio, calculated as the value of orders booked over the past three months divided by the value of sales in the same period, was above 1.1 for each month, indicating the stronger demand environment that started the year continues. The IPC also reported that North American electronics manufacturing services ("EMS") shipments were up 3.0% in June compared to the prior year. EMS bookings decreased 8.9% in June year over year after being up 5.0% in May and down 10.0% in April, highlighting the sector's chopiness in the quarter.

### *Executive Officer and Board Transitions*

On January 6, 2025, the Company announced that the Board of Directors ("Board") promoted Sean Bagan to President and Chief Executive Officer of the Company, effective January 6, 2025. The Board subsequently nominated Mr. Bagan for election to the Board at the 2025 Annual Meeting of Shareholders. Mr. Bagan also continues to serve as Chief Financial Officer while the Company conducts a search process, which will include internal and external candidates, to identify a permanent Chief Financial Officer to backfill his previous role. In connection with Mr. Bagan's appointment, Chairman Philippe Lemaitre, serving as Executive Chairman, resumed his role as Non-Executive Chairman.

On March 13, 2025, Mr. Lemaitre notified the Company of his decision to retire and not seek re-nomination at the 2025 Annual Meeting of Shareholders. He had served on Helios' Board since 2007 and as Chair since 2013. On March 13, 2025, the Board of the Company elected Laura Dempsey Brown to serve as the new Non-Executive Chair of the Company, effective March 13, 2025.

On June 5, 2025, the Board appointed Ian Walsh to serve as a member of the Board effective June 5, 2025. Mr. Walsh was also appointed to serve on the Board's Audit Committee and Governance Committee. He serves as a member of the class of directors whose term will expire at the 2026 Annual Meeting of Shareholders.

## 2025 Second Quarter Results and Comparison of the Three Months Ended June 28, 2025, and June 29, 2024

(In millions, except per share data)

The following is a discussion of our second quarter of 2025 results of operations and liquidity and capital resources. Comparisons are with the corresponding reporting period of 2024, unless otherwise noted.

The following table presents our consolidated results of operations:

	Three Months Ended				\$ Change	% Change
	June 28, 2025		June 29, 2024			
Net sales	\$	212.5	\$	219.9	\$ (7.4)	(3.4)%
Gross profit	\$	67.5	\$	70.6	\$ (3.1)	(4.4)%
Gross profit %		31.8%		32.1%		
Operating income	\$	21.9	\$	26.0	\$ (4.1)	(15.8)%
Operating income %		10.3%		11.8%		
Net income	\$	11.4	\$	13.6	\$ (2.2)	(16.2)%
Diluted net income per share	\$	0.34	\$	0.41	\$ (0.07)	(17.1)%

	Six Months Ended				\$ Change	% Change
	June 28, 2025		June 29, 2024			
Net sales	\$	408.0	\$	431.9	\$ (23.9)	(5.5)%
Gross profit	\$	127.4	\$	137.8	\$ (10.4)	(7.5)%
Gross profit %		31.2%		31.9%		
Operating income	\$	39.0	\$	46.4	\$ (7.4)	(15.9)%
Operating income %		9.6%		10.7%		
Net income	\$	18.6	\$	22.7	\$ (4.1)	(18.1)%
Diluted net income per share	\$	0.56	\$	0.68	\$ (0.12)	(17.6)%

Second quarter consolidated net sales declined \$7.4, 3.4%, below the prior-year second quarter. Changes in foreign currency exchange rates had a favorable impact to our second quarter sales of \$1.6, 0.8%.

Consolidated net sales for the year-to-date period were lower by \$23.9, 5.5%. Changes in foreign currency exchange rates had an unfavorable impact to our year-to-date quarter sales of \$0.7, 0.2%.

Second quarter sales were negatively impacted by reduced demand in our recreational, industrial and mobile end markets. Sales in the agriculture end market were flat compared to the prior year period, an improvement from year over year declines in the prior five quarters. Sales for the year-to-date period were negatively impacted by reduced demand for products in our mobile, industrial, agriculture and recreational end markets, offset partially by an increase in the health and wellness end market. Sales were up in the EMEA region driven by stronger demand for our QRC products, while sales were down in the Americas and APAC regions during the second quarter compared to the prior year period. Sales in all regions were down in the year-to-date period compared to the prior year.

Second quarter gross profit decreased \$3.1, 4.4%, below the prior year second quarter primarily from the impact of lower volume, higher material costs as a percentage of sales, and net tariff impacts partially offset by lower labor and overhead costs. Gross margin decreased by 30 basis points as the impact of lower fixed costs leverage on lower volume and higher material costs more than offset reductions in labor and overhead.

Year-to-date gross profit decreased \$10.4, 7.5%, primarily from the impact of lower volume and higher material costs as a percentage of sales, partially offset by lower labor and overhead costs. Gross margin decreased by 70 basis points as the

impact of lower fixed costs leverage on lower volume and higher material costs more than offset reductions in labor and overhead.

Second quarter operating income as a percentage of sales decreased 150 basis points to 10.3%. The decrease is due to the gross margin level changes and higher operating expenses as a percentage of revenue, primarily from higher SEA expense and higher amortization related to the HCEE accelerated intangible amortization as a result of restructuring activities, compared with the prior year period. SEA expenses were \$0.6 higher than the year ago period, mainly due to higher wages and benefit costs associated with the leadership change within the Electronics segment.

Year-to-date operating income as a percentage of sales decreased 110 basis points to 9.6%. The decrease is due to the gross margin level changes and higher operating expenses as a percentage of revenue, primarily from higher amortization related to the HCEE accelerated intangible amortization as a result of restructuring activities, compared with the prior year period.

Net interest expense decreased by \$1.5 to \$7.0 in the second quarter of 2025 primarily due to lower debt outstanding compared to the prior year period. Average net debt decreased to \$391.4 during the second quarter of 2025 compared with \$470.9 during the second quarter of 2024. The reduction in average net debt is due to the paying down of debt incurred from prior year acquisitions. Year to date interest expense totaled \$14.4, a decrease of \$2.3. The prior year period interest expense benefited \$1.8 from a recognized gain on an interest rate swap agreement. Excluding the impact of the interest rate swap agreement, interest expense was lower by \$4.1 due to carrying a lower debt balance throughout the period and lower average interest rates. Average net debt for the year-to-date period decreased to \$394.3 compared with \$484.6 during the prior-year period.

The provision for income taxes for the second quarter of 2025 was 23.8% of pretax income compared to 23.0% for the prior-year second quarter. The year-to-date provision was 23.7% and 23.1% of pretax income for 2025 and 2024, respectively. These effective rates fluctuate relative to the levels of income and different tax rates in effect among the countries in which we sell our products.

On December 20, 2022, the Organisation for Economic Co-operation and Development ("OECD") published Pillar Two guidance on safe harbors and penalty relief (the "Safe Harbor Guidance"). The Safe Harbor Guidance includes a Transitional Country-by-Country Report ("CbCR") Safe Harbor, which would deem a multinational enterprise's ("MNE's") top-up tax for a jurisdiction to be zero and would allow the MNE to avoid undertaking detailed Global Anti-Base Erosion ("GloBE") calculations in respect of that jurisdiction during the Transition Period if it can demonstrate one of the three transitional tests.

The Company continues to evaluate the impact of Pillar Two legislation and application of safe harbors. Based on its current assessment, the Company does not expect the implementation of Pillar Two to have a material impact on its consolidated effective tax rate for 2025.

As of June 28, 2025, the Company classified certain assets and liabilities of Guwing and CFP as held for sale in accordance with ASC 360. The related assets and liabilities are presented separately on the consolidated balance sheet as "Assets Held for Sale" and "Liabilities Held for Sale," respectively. The component remains reported in continuing operations as the planned sale does not represent a strategic shift under ASC 205-20. The Company evaluated the temporary differences between the book and tax basis of the disposal group and determined that the bases were substantially equal at the time of classification. Accordingly, no deferred tax asset or liability was recorded in connection with the held-for-sale classification.



## SEGMENT RESULTS

### Hydraulics

The following table presents the results of operations for the Hydraulics segment:

	Three Months Ended				\$ Change	% Change
	June 28, 2025		June 29, 2024			
Net sales	\$	140.9	\$	145.7	\$ (4.8)	(3.3)%
Gross profit	\$	46.5	\$	44.9	\$ 1.6	3.6%
<i>Gross profit %</i>		33.0%		30.8%		
Operating income	\$	25.0	\$	23.9	\$ 1.1	4.6%
<i>Operating income %</i>		17.7%		16.4%		

  

	Six Months Ended				\$ Change	% Change
	June 28, 2025		June 29, 2024			
Net sales	\$	267.3	\$	288.1	\$ (20.8)	(7.2)%
Gross profit	\$	83.9	\$	89.5	\$ (5.6)	(6.3)%
<i>Gross profit %</i>		31.4%		31.1%		
Operating income	\$	42.5	\$	45.7	\$ (3.2)	(7.0)%
<i>Operating income %</i>		15.9%		15.9%		

Second quarter net sales for the Hydraulics segment decreased by \$4.8, 3.3%, compared with the prior year second quarter. The decline in sales in the second quarter was driven by softness across all end markets, most predominantly in the industrial and mobile end markets. Sales to the agriculture market was relatively flat with the prior year period. Changes in foreign currency exchange rates had a favorable impact of \$1.5, 1.0%.

Year-to-date net sales for the Hydraulics segment decreased by \$20.8, 7.2%, compared with the prior year period. The decline in sales was driven by softness across all end markets, most predominantly in the agriculture, mobile and industrial end markets. Changes in foreign currency exchange rates had an unfavorable impact of \$0.6, 0.2%.

The following table presents net sales based on the geographic region of the sale for the Hydraulics segment:

	Three Months Ended				\$ Change	% Change
	June 28, 2025		June 29, 2024			
Americas	\$	54.2	\$	59.5	\$ (5.3)	(8.9)%
EMEA		46.1		42.8	3.3	7.7%
APAC		40.6		43.4	(2.8)	(6.5)%
<b>Total</b>	<u>\$</u>	<u>140.9</u>	<u>\$</u>	<u>145.7</u>		

  

	Six Months Ended				\$ Change	% Change
	June 28, 2025		June 29, 2024			
Americas	\$	104.1	\$	115.3	\$ (11.2)	(9.7)%
EMEA		84.0		88.3	(4.3)	(4.9)%
APAC		79.2		84.5	(5.3)	(6.3)%
<b>Total</b>	<u>\$</u>	<u>267.3</u>	<u>\$</u>	<u>288.1</u>		

Regional sales performance in the second quarter compared to the prior year quarter was driven by:

Americas - sales declined \$5.3, 8.9%, primarily from generally softer demand in the region.

EMEA - excluding favorable changes in foreign currency rates of \$2.0, sales increase \$1.3, 3.0%, driven by stronger demand for our QRC products.

APAC - excluding unfavorable changes in foreign currency rates of \$0.5, sales decreased \$2.3, 5.4%, with decreased demand in China, Australia, India and Korea.

Regional sales performance in the year-to-date quarter compared to the prior year quarter was driven by:

Americas - sales declined \$11.2, 9.7%, primarily from generally softer demand in the region.

EMEA - excluding favorable changes in foreign currency rates of \$1.0, sales decreased \$5.3, 6.0%, primarily driven by softness in the agriculture end market.

APAC - excluding unfavorable changes in foreign currency rates of \$1.4, sales decreased \$3.9, 4.6%, with decreased demand in China, Korea and India.

Second quarter gross profit increased \$1.6, 3.6%, or 220 basis points, primarily due to lower material and direct labor costs partially offset by lost leverage on lower volume and net tariff impacts.

Year-to-date gross profit decreased \$5.6, 6.3%, primarily due to lower volume. Gross margin increased 30 basis points as lower material and direct labor costs as a percentage of sales more than offset the impact of lower fixed costs leverage on lower volume and net tariff impacts.

Operating income as a percentage of sales increased 130 basis points to 17.7% in the second quarter of 2025 due to the gross margin increase partially offset by higher operating expenses. SEA expenses went up by \$0.5, mainly due to higher labor and benefit costs. R&D expenses went up by \$0.1.

Operating income as a percentage of sales was 15.9% in the year-to-date period, flat compared to the prior year as the gross margin increase was offset by higher operating expenses as a percentage of sales. SEA expenses went down by \$2.4, mainly due to lower labor and benefit costs, but increased 30 basis points as a percentage of sales.

## Electronics

The following table presents the results of operations for the Electronics segment:

	Three Months Ended				\$ Change	% Change
	June 28, 2025		June 29, 2024			
Net sales	\$	71.6	\$	74.2	\$ (2.6)	(3.5)%
Gross profit	\$	21.0	\$	25.7	\$ (4.7)	(18.3)%
Gross profit %		29.3%		34.6%		
Operating income	\$	5.9	\$	10.3	\$ (4.4)	(42.7)%
Operating income %		%		%		
		8.2		13.9		

  

	Six Months Ended				\$ Change	% Change
	June 28, 2025		June 29, 2024			
Net sales	\$	140.7	\$	143.8	\$ (3.1)	(2.2)%
Gross profit	\$	43.5	\$	48.3	\$ (4.8)	(9.9)%
Gross profit %		30.9%		33.6%		
Operating income	\$	13.9	\$	17.4	\$ (3.5)	(20.1)%
Operating income %		9.9%		12.1%		

Second quarter net sales for the Electronics segment decreased \$2.6, 3.5%, compared with the prior year second quarter. Compared to the prior year period, second quarter sales in the industrial end market increased slightly, while sales to the recreational and agriculture end markets decreased. Sales to the mobile end market were relatively flat. Changes in foreign currency exchange rates had minimal impact.

Year-to-date net sales for the Electronics segment decreased \$3.1, 2.2%, compared with the prior year period. Strength in the health and wellness end market was offset by declines in the recreational, industrial and mobile end markets.

Changes in foreign currency exchange rates had minimal impact.

The following table presents net sales based on the geographic region of the sale for the Electronics segment:

	Three Months Ended		\$ Change	% Change
	June 28, 2025	June 29, 2024		
Americas	\$ 53.7	\$ 57.8	\$ (4.1)	(7.1)%
EMEA	8.5	9.0	(0.5)	(5.6)%
APAC	9.4	7.4	2.0	27.0%
<b>Total</b>	<u>\$ 71.6</u>	<u>\$ 74.2</u>		

	Six Months Ended		\$ Change	% Change
	June 28, 2025	June 29, 2024		
Americas	\$ 110.4	\$ 115.9	\$ (5.5)	(4.7)%
EMEA	14.7	15.5	(0.8)	(5.2)%
APAC	15.6	12.4	3.2	25.8%
<b>Total</b>	<u>\$ 140.7</u>	<u>\$ 143.8</u>		

Sales decreased across most end markets in the Americas region, while higher sales in health and wellness were offset by year over year declines in other end markets in the EMEA region in the second quarter and year-to-date period. APAC sales increased over the comparable second quarter and year-to-date period in APAC driven by the health and wellness end market.

Second quarter gross profit decreased \$4.7, 18.3% compared to the prior year second quarter, primarily due to lower volume, higher material costs, and higher freight and duties. Freight and duties included a \$2.4 expense related to a product import classification change. Gross margin declined 530 basis points, 195 basis points excluding the freight and duties expense related to the product import classification change, primarily due to the impact of lower fixed costs leverage on lower volume, higher material costs and an unfavorable product mix.

Year-to-date gross profit decreased \$4.8, 9.9%, primarily due to lower volume, higher material costs and higher freight and duties. Freight and duties included a \$2.4 expense related to a product import classification change. Gross margin declined 270 basis points over the same period to 30.9%. Excluding the freight and duties expense related to the product import classification change, gross margin was 32.6%, a decline of 100 basis points of the prior year.

Operating income as a percentage of sales decreased 570 basis points to 8.2% in the second quarter of 2025 compared to the prior year period due to the lower gross margin and higher amortization expense related to the HCEE accelerated intangible amortization as a result of restructuring activities. SEA expenses were flat and R&D expenses decreased \$0.4 year over year.

Year-to-date operating income as a percentage of sales decreased 220 basis points to 9.9% compared to the prior year period. This is primarily due to lower SEA and R&D expenses as a percentage of sales partially offsetting the gross margin decline. SEA expenses increased by \$0.4 while R&D expenses decreased by \$0.7 year over year.

## Corporate and Other

Certain costs are excluded from business segment results as they are not used in evaluating the results of, or in allocating resources to, our operating segments. For the second quarter of 2025, these costs totaled \$9.0 for amortization of acquisition-related intangible assets of \$8.3, \$0.4 for officer transition costs and \$0.3 for activities related to the plan to sell CFP. Compared to the first quarter of 2024, these costs increased by \$0.8, primary due to higher amortization related to the HCEE accelerated intangible amortization as a result of restructuring activities and officer transition costs. Year-to-date, corporate and other costs totaled \$17.4 for amortization of acquisition related intangible assets of \$16.5, \$0.5 related to officer transition costs and \$0.4 for activities related to the sale of CFP. This compared to \$16.7 in the 2024 year-to-date period that included amortization of acquisition related intangible assets of \$15.7, \$0.5 related to our acquisition and integration activities and \$0.5 for officer transition costs.

## LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary source of capital has been cash generated from operations. We also use borrowings on our credit facilities to fund acquisitions. During the first six months of 2025, cash provided by operating activities totaled \$56.0. At the end of the second quarter, we had \$53.0 of available cash and cash equivalents on hand and \$358.6 of available credit on our revolving credit facilities. We also have a \$400.0 accordion feature available under our Third Amended and Restated Credit Agreement, subject to certain pro forma compliance requirements, intended to support potential future acquisitions.

Our principal uses of cash are operating expenses, capital expenditures, servicing debt, acquisition-related payments, dividends to shareholders, and share repurchases.

We believe that cash generated from operations and our borrowing availability under our credit facilities will be sufficient to satisfy our operating expenses for the foreseeable future. In the event that economic conditions were to severely worsen for a protracted period of time, we would have several options available to ensure liquidity in addition to increased borrowings. Capital expenditures could be postponed since they primarily pertain to long-term improvements in operations, operating expense reductions could be made, acquisition activity could be delayed and finally, the dividend to shareholders as well as share repurchases could be reduced or suspended.

### Cash Flows

The following table summarizes our cash flows for the periods:

	Six Months Ended				\$ Change
	June 28, 2025		June 29, 2024		
Net cash provided by operating activities	\$	56.0	\$	51.6	\$ 4.4
Net cash used in investing activities		(13.2)		(15.4)	2.2
Net cash used in financing activities		(38.5)		(22.6)	(15.9)
Effect of exchange rate changes on cash and cash equivalents		4.6		(1.0)	5.6
Net increase in cash and cash equivalents	\$	<u>8.9</u>	\$	<u>12.6</u>	<u>\$ (3.7)</u>

Cash on hand increased \$8.9 in the first two quarters of 2025 to \$53.0 as of June 28, 2025. Changes in exchange rates during the six months ended June 28, 2025, positively impacted cash and cash equivalents \$4.6. Cash balances on hand are a result of our cash management strategy, which focuses on maintaining sufficient cash to fund operations while reinvesting cash in the Company and paying down borrowings on our credit facilities.

### *Operating activities*

Year-to-date cash from operations increased by \$4.4 to \$56.0. Cash earnings (calculated as net income plus adjustments to reconcile net income to net cash provided by operating activities, excluding changes in net operating assets and liabilities) decreased by \$8.3 in the first two quarters of 2025 compared to the same period in 2024. Changes in net operating assets and liabilities improved cash flow by \$12.7 in the second quarter, compared to the prior year period, primarily from days payable outstanding optimization, partially and offset by an increase in accounts receivable and inventory. Changes in inventory decreased cash by \$1.7 in comparison to an increase of cash by \$6.3 in the first two quarters of 2025 and 2024, respectively. Days of inventory on hand decreased to 122 days as of June 28, 2025, compared with 128 days as of June 29, 2024. Changes in accounts receivable reduced cash by \$23.4 and \$19.5 in the first two quarters of 2025 and 2024, respectively. Days sales outstanding increased slightly to 57 days as of June 28, 2025, compared with 55 days as of June 29, 2024. Changes in accounts payable increased cash by \$21.4 in comparison to a reduction of cash of \$1.9 in 2025 and 2024, respectively. Days payables outstanding for the 2025 year increased to 50 days from 41 days during 2024.

### *Investing activities*

Cash used in investing activities totaled \$13.2 in the first two quarters of 2025, compared to \$15.4 in the first two quarters of the prior year. The year-over-year decline reflects our disciplined approach to capital allocation and continued focus on strategic investment priorities.

Capital expenditures totaled \$11.5, 2.8%, of sales for the first two quarters of 2025, a decrease of \$2.1 over the prior year comparable period. Capital expenditures for 2025 are forecasted to be approximately 3.25% to 3.50% of sales, for investments in machinery and equipment, improvements to manufacturing technology and maintaining or replacing existing machine capabilities.

### *Financing activities*

Net cash used in financing activities totaled \$38.5 during the first two quarters of 2025, compared to \$22.6 in the same period of the prior year. In the first two quarters of 2025, repayments, net of borrowings, totaled \$25.6 compared to \$18.2 in the first two quarters of 2024.

Borrowings on our term loans and revolving credit facilities as of June 28, 2025, totaled \$291.9 and \$144.3, respectively. See Note 9 of the Notes to the Consolidated Financial Statements included in this Quarterly Report for additional information regarding our credit facilities.

On June 25, 2024, the Company amended and restated its credit agreement (the "Third Amended and Restated Credit Agreement") with PNC Bank, National Association, as administrative agent, and the lenders party thereto. The amendment extended the debt maturity for five years and increased the Company's revolving credit facility (the "Revolving Credit Facility") to \$500.0, with the aggregate principal amount of the term loan credit facility (the "Term Loan Facility") remaining at \$300.0. The amendment also revised the accordion feature to permit an increase of up to an additional \$400.0. Borrowings under the line of credit bear interest at defined rates plus an applicable margin based on the Company's leverage ratio. Scheduled principal payments under the Term Loan Facility are payable in quarterly installments beginning on September 28, 2024 and continuing on the last day of each following fiscal quarter, beginning at \$3.75 before increasing to \$5.6 in June 2026 and \$7.5 in June 2028. All remaining principal and unpaid accrued interest are due on the Term Loan Facility maturity date, which is June 25, 2029.

During the second quarter of 2025, we declared a quarterly cash dividend of \$0.09 per share payable on July 21, 2025, to shareholders of record as of July 7, 2025. The declaration and payment of future dividends is subject to the sole discretion of the Board, and any determination as to the payment of future dividends will depend upon our profitability, financial condition, capital needs, future prospects and other factors deemed pertinent by the Board.

### *Share Repurchase Program*

On February 20, 2025, the Board approved a multi-year share repurchase program (the "Share Repurchase Program"), authorizing the Company to repurchase up to \$100.0 of our outstanding common stock. The Company may purchase shares at management's discretion from time to time in the open market, through privately negotiated transactions, through investment banking institutions or through other means in accordance with applicable federal securities laws, including Rule 10b5-1 trading plans. To the extent that the Company repurchases its shares, the amount and timing of any repurchases are subject to a variety of factors including, but not limited to, general business and market conditions, share price, regulatory and legal requirements and capital availability. The program does not obligate the Company to acquire a minimum number of shares. The share repurchase program will be funded with cash on hand and cash generated from operations. During the six months ended June 28, 2025, the Company repurchased 200,000 shares of its common stock for \$6.5. As of June 28, 2025, the Company has \$93.5 million of remaining availability to repurchase outstanding common stock under its Share Repurchase Program.

### ***Off Balance Sheet Arrangements***

We do not engage in any off-balance sheet financing arrangements. In particular, we do not have any material interest in variable interest entities, which include special purpose entities and structured finance entities.

### ***Critical Accounting Policies and Estimates***

We currently apply judgment and estimates that may have a material effect on the eventual outcome of assets, liabilities, revenues and expenses for impairment of long-lived assets, inventory, goodwill, accruals, income taxes and fair value measurements. Our critical accounting policies and estimates are included in our Form 10-K, and any material changes made during the first six months of 2025, are disclosed in Note 2 of the Notes to the Consolidated Unaudited Financial Statements included in this Quarterly Report on Form 10-Q.

### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

#### **Interest Rate Risk**

Our exposure to interest rate risk results from variable rate debt outstanding under our term loans and revolving credit facility. We pay interest on outstanding borrowings at interest rates that fluctuate based upon changes in various base rates. As of June 28, 2025, we had \$144.3 in borrowings outstanding under the revolving credit facilities and \$291.9 in borrowings outstanding under the term loans. Based on our level of variable rate debt outstanding during the quarter ended June 28, 2025, a one percentage point increase or decrease in the average interest rate would have an impact on our annual financing costs over the next twelve months of approximately \$4.5. This analysis excludes any effects from interest rate swap contracts as the Company does not have any active interest rate swap contracts.

See “Item 7A – Quantitative and Qualitative Disclosures about Market Risk” in our Form 10-K. Except as described above, there were no material changes during the six months ended June 28, 2025.

### **Item 4. CONTROLS AND PROCEDURES.**

The Company’s management, with the participation of the President, Chief Executive Officer, and Chief Financial Officer, after evaluating the effectiveness of the Company’s “disclosure controls and procedures” (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report, have concluded that our disclosure controls and procedures are effective and are designed to ensure that the information we are required to disclose is recorded, processed, summarized and reported within the necessary time periods. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports that we file or submit pursuant to the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our President, Chief Executive Officer, and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Securities Exchange Act of 1934, as amended, during the period covered by this report that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II: OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS.

None.

### Item 1A. RISK FACTORS.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors that affect our business and financial results that are discussed in Part I, Item 1A, "Risk Factors" of our Form 10-K. These factors could materially adversely affect our business, financial condition, liquidity, results of operations and capital position, and could cause our actual results to differ materially from our historical results or the results contemplated by the forward-looking statements contained in this report. There have been no material changes to such risk factors.

### Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

#### *Purchases of Equity Securities by the Issuer and Affiliated Purchasers*

The following table provides details of the Company's share repurchases of its common stock during the second quarter of 2025:

Period	ISSUER PURCHASES OF EQUITY SECURITIES			
	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share <sup>(2)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(3)</sup>	Approximate Dollar Value of Maximum Number of Shares That May Yet be Repurchased Under the Plans or Programs (in millions) <sup>(4)</sup>
March 30, 2025 to April 26, 2025	-	\$ -	-	\$ 100.0
April 27, 2025 to May 24, 2025	50,000	\$ 32.35	50,000	\$ 98.4
May 25, 2025 to June 28, 2025	150,000	\$ 32.27	150,000	\$ 93.5
Total	200,000		200,000	

(1) No shares were purchased during the quarter that were not part of a publicly announced program.

(2) Average price paid per share excludes commission fees and a 1% excise tax imposed by the Inflation Reduction Act of 2022.

(3) These shares, once repurchased are held as treasury stock by the Company.

(4) On February 20, 2025, the Board approve a multi-year share repurchase program (the "Share Repurchase Program"), authorizing the Company to repurchase up to \$100.0 of our outstanding common stock.

### Item 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### Item 4. MINE SAFETY DISCLOSURES.

Not applicable.

### Item 5. OTHER INFORMATION.

#### *Rule 10b5-1 Trading Plans*

During the quarter ended June 28, 2025, none of the Company's directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement.



**Item 6. EXHIBITS.**

Exhibits:

<b>Exhibit Number</b>	<b>Exhibit Description</b>
31.1	<a href="#"><u>CEO and CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1	<a href="#"><u>CEO and CFO Certification pursuant to 18 U.S.C. § 1350.</u></a>
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 28, 2025, has been formatted in Inline XBRL.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 5, 2025

HELIOS TECHNOLOGIES, INC.

By: /s/ Sean Bagan  
Sean Bagan  
President, Chief Executive Officer, and Chief  
Financial Officer  
(Principal Executive Officer and Principal  
Financial and Accounting Officer)



## RESTRICTED STOCK UNIT AND STOCK OPTION AGREEMENT

**THIS RESTRICTED STOCK UNIT AND STOCK OPTION AGREEMENT** (the “Agreement”), made effective as of \_\_\_\_ (the “Date of Grant”), between Helios Technologies, Inc., a Florida corporation (the “Corporation”), and \_\_\_\_ (“Participant”).

### WITNESSETH:

**WHEREAS**, Participant is an employee of the Corporation and/or a subsidiary of the Corporation (“Subsidiary”);

**WHEREAS**, the Corporation has adopted the Helios Technologies 2023 Equity Incentive Plan (the “Plan”) in order to provide its officers, employees and directors with incentives to achieve long-term corporate objectives; which was adopted by the Board of Directors and approved by the shareholders of the Corporation at the Corporation’s June 2023 Annual Meeting; and

**WHEREAS**, the Compensation Committee of the Corporation’s Board of Directors desires to grant an award of Restricted Stock Units and Nonqualified Stock Options under the Plan to Participant on the terms and conditions set forth below.

**NOW, THEREFORE**, in consideration of the various covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

#### 1. Grant of Restricted Stock Units.

Subject to the provisions of this Agreement and to the provisions of the Plan, the Corporation hereby grants to Participant, as of the Date of Grant, \_\_\_\_ (\_\_\_\_) Restricted Stock Units (the “Restricted Stock Units” or “RSUs”) and \_\_\_\_ (\_\_\_\_) Nonqualified Stock Options with an exercise price of \$39.80 per Share (the “Options”). All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the Plan. The Options granted hereunder are not intended to qualify as incentive stock options pursuant to Section 422 of the Internal Revenue Code of 1986, as amended. All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the Plan.

#### 2. Restrictions on Restricted Stock Units.

(a) Until the settlement of vested Restricted Stock Units pursuant to Section 4, the Restricted Stock Units shall not confer or entitle Participant to any rights of a stockholder including, without limitation, any voting rights or to any dividends paid on Shares.

(b) The Restricted Stock Units shall not be transferable by Participant by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise. Any attempt to dispose of the Restricted Stock Units in a manner contrary to the restrictions set forth in this Agreement shall be ineffective.

#### 3. When Restricted Stock Units and Options Vest.

(a) Time-Based Restricted Stock Unit Vesting. With respect to \_\_\_\_ (\_\_\_\_) Restricted Stock Units, provided that Participant is employed by the Corporation or a Subsidiary on the applicable date, the Restricted Stock Units shall vest on January 3<sup>rd</sup>, 2026, January 3<sup>rd</sup>, 2027, and January 3<sup>rd</sup>, 2028, as follows (each such vesting date, an “RSU Vesting Date”):

###VEST\_SCHEDULE\_TABLE###

---

(b) Performance-Based Option Vesting. With respect to \_\_\_\_\_ (\_\_\_\_\_) Options, provided that Participant is employed by the Corporation or a Subsidiary on **March 15, 2028**, the Options shall vest and become exercisable based upon the attainment of the performance goals for the performance period beginning on January 1, 2025 and ending on December 31, 2027 (the “Performance Period”) as set forth in Appendix A to this Agreement.

(c) Other Vesting Events. Notwithstanding the foregoing, the Restricted Stock Units and Options shall vest at such earlier time as the restrictions may lapse pursuant to Sections 7 or 9 of this Agreement. The foregoing notwithstanding, in the event of a pending or threatened Change of Control, or in connection with any merger, consolidation, acquisition, separation, reorganization, liquidation or like occurrence in which the Corporation is involved, the Board of Directors may, in its sole discretion, take such actions as permitted under the Plan with respect to the Restricted Stock Units and Options.

(d) Forfeiture for Violation of Restrictive Covenants. As consideration for the grant of the Restricted Stock Units and Options, Participant agrees to the restrictive covenants set forth in Appendix B to this Agreement. Participant shall forfeit any unvested Restricted Stock Units and Options, or any Shares that Participant receives in settlement of any vested Restricted Stock Units or from the exercise of Options, if he or she violates any of the restrictive covenants set forth in Appendix B.

(e) Forfeiture for Cause. Any unvested Restricted Stock Units and Options shall be forfeited if Participant is determined to have engaged in an act that constitutes Cause (regardless of whether Participant’s service with the Corporation is terminated as a result of such Cause). If any Restricted Stock Units become payable while Participant is under investigation for any event that would constitute Cause, payment of such Restricted Stock Units shall be delayed pending the outcome of such investigation. If such investigation is pending on the latest date upon which such Restricted Stock Units may be paid in order for payment of the Restricted Stock Units to remain qualified as a short-term deferral under Treasury Regulation Section 1.409A-1(b)(4) or would otherwise not result in a violation of Code Section 409A, settlement of the Restricted Stock Units shall be made on that date only if Participant executes an agreement with the Corporation under which he or she agrees to forfeit the Shares that were paid with respect to such Restricted Stock Units if the investigation results in Participant being found to have committed an act that constitutes Cause. If Participant fails to execute such an agreement, the Restricted Stock Units shall be forfeited. If any Options would become vested while Participant is under investigation for any event that would constitute Cause, the vesting of such Options shall be delayed pending the outcome of such investigation.

For purposes of this Agreement, “Cause” means (i) the commission of an act of fraud, embezzlement, theft or proven dishonesty, or any other illegal act or practice (whether or not resulting in criminal prosecution or conviction), including theft or destruction of property of the Corporation or a Subsidiary, or any other act or practice which the Committee shall, in good faith, deem to have resulted in the recipient’s becoming unbondable under the Corporation or any Subsidiary’s fidelity bond; (ii) the willful engaging in misconduct which is deemed by the Committee, in good faith, to be materially injurious to the Corporation or any Subsidiary, monetarily or otherwise, including, but not limited to, improperly disclosing trade secrets or other confidential or sensitive business information and data about the Corporation or any Subsidiaries and competing with the Corporation or any Subsidiaries, or soliciting employees, consultants or customers of the Corporation or any Subsidiaries in violation of law or any employment or other agreement to which the recipient is a party; (iii) the continued failure or habitual neglect by a person who is an employee to perform his or her duties with the Corporation or any Subsidiary; or (iv) other disregard of rules or policies of the Corporation or any Subsidiary, or conduct evidencing willful or wanton disregard of the interests of the Corporation or any Subsidiary. For purposes of this Agreement, no act or failure to act by the recipient shall be deemed “willful” unless done or omitted to be done by the recipient not in good faith and without reasonable belief that the recipient’s action or omission was in the best interest of the Corporation and/or the Subsidiary. Notwithstanding the foregoing, if Participant has entered into an employment agreement that is binding

---

as of the date of such event, and if such employment agreement defines “Cause,” then the definition of “Cause” in such agreement shall apply. The determination of whether a Participant has engaged in an act that constitutes Cause shall be made by the Committee, which prior to making such determination shall provide written notice of the event of Cause to Participant and allow Participant a reasonable opportunity to cure such event.

#### 4. Settlement of Restricted Stock Units

Subject to Sections 3(d) and 6, as soon as practicable after the date on which any Restricted Stock Units become vested, and in all events within the short-term deferral period for purposes of Section 409A of the Code, the Corporation shall deliver to Participant (or his or her personal representative) the number of Shares equal to the number of Restricted Stock Units that have become vested (or, at the discretion of the Committee, cash with a value of such number of Shares).

#### 5. Provisions Relating to Options.

(a) Options shall be exercised by Participant by providing notice of such exercise via the written or electronic medium specified by the Corporation, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares, including satisfaction of any applicable withholding taxes.

(b) Upon the exercise of any Option, the Exercise Price may be paid to the Corporation in full (i) in cash or its equivalent, or (ii) subject to any conditions or limitations that may be established by the Committee, by the withholding of Shares otherwise issuable upon the exercise of the Option pursuant to a “net exercise” arrangement. The Committee, in its sole discretion, also may permit exercise (x) by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Exercise Price (such previously acquired Shares must have been held for the requisite period necessary to avoid a charge to the Corporation’s earnings for the financial reporting purposes, unless otherwise determined by the Committee), or (y) by any other means which the Committee, in its sole discretion, determines to both provide legal consideration for the Shares, and to be consistent with the purposes of the Plan.

(c) The Options shall not be transferable by Participant by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise. Any attempt to dispose of the Options in a manner contrary to the restrictions set forth in this Agreement shall be ineffective. Notwithstanding the foregoing, (i) Options may be transferred to Participant’s spouse, former spouse or dependent pursuant to a court-approved domestic relations order which relates to the provision of child support, alimony payments or marital property rights; and (ii) in the event of Participant’s death, the administrator or executor of Participant’s estate may exercise any outstanding vested Options within the time period specified in Section 7(b) below.

(d) Participant shall not be deemed for any purpose to be the owner of any Shares subject to any Options unless and until (i) the Options have been exercised pursuant to the terms hereof, (ii) the Corporation shall have issued and delivered the Shares to Participant (or made a book entry registration thereof) and (iii) Participant’s name shall have been entered as a stockholder of record on the books of the Corporation. Thereupon, Participant shall have full voting, dividend and other ownership rights with respect to such Shares.

#### 6. Tax Withholding.

Whenever Participant becomes vested in some or all of the Restricted Stock Units under Section 3 of this Agreement, or exercises Options under Section 5 of this Agreement, or otherwise becomes subject to taxation with respect to the award granted hereunder, the Corporation shall notify Participant

---

of the amount of tax which must be withheld by the Corporation under all applicable federal, state and local tax laws. Participant agrees to make arrangements with the Corporation to (a) remit a cash payment of the required amount to the Corporation, (b) to authorize the deduction of such amounts from Participant's compensation or (c) to otherwise satisfy the applicable tax withholding requirement in a manner satisfactory to the Corporation.

#### 7. Forfeiture On Termination of Employment; Expiration of Options.

(a) If Participant's employment with the Corporation or Subsidiary is terminated for any reason, either by the Corporation or Participant, during the term of this Agreement, any Restricted Stock Units and Options that are not then vested shall be forfeited; provided, however, that in the event of termination by reason of death, permanent total disability, or voluntary termination at or after normal retirement age (age 65):

- (i) a pro-rata portion of the Restricted Stock Units shall vest on the date of such termination (with the remainder of the unvested Restricted Stock Units being forfeited), with such pro-rata portion determined by multiplying (i) the total number of Restricted Stock Units subject to this Agreement by (ii) a fraction (no greater than 1), the numerator of which is the number of calendar days that shall have elapsed from the Date of Grant until the date of such termination and the denominator of which is the number of calendar days in the period beginning on the Date of Grant and ending on the final RSU Vesting Date for the Restricted Stock Units, and subtracting from such amount the number of Restricted Stock Units (if any) that previously vested; and
- (ii) a pro-rata portion of the Options shall remain outstanding and eligible to vest and become exercisable following the end of the Performance Period (based on the actual achievement of any applicable performance goals over the full Performance Period, as determined by the Committee), with such pro-rata portion determined by multiplying (i) the total number of Options by (ii) a fraction (no greater than 1), the numerator of which is the number of calendar days that shall have elapsed from the first day of the Performance Period until the date of such termination and the denominator of which is the number of calendar days in the full Performance Period, and subtracting from such amount the number of Options (if any) that previously vested.

(b) If not previously exercised, the Options shall terminate at the close of business on the tenth (10<sup>th</sup>) anniversary of the Date of Grant, or, if earlier, three (3) months after participant's termination of employment (12 months after termination of employment if such termination is due to Participant's death, permanent total disability, or voluntary termination at or after normal retirement age (age 65)). Participant shall have no right to exercise the Options at any time after such date unless otherwise permitted by the Committee.

#### 8. Restricted Stock Units and Options Not to Affect Employment.

Neither this Agreement nor the Restricted Stock Units and Options granted hereunder shall confer upon Participant any right to continued employment with the Corporation or any Subsidiary, and shall not in any way modify or restrict the Corporation's or such Subsidiary's right to terminate such employment.

---

9. Agreement Subject to the Plan.

This Agreement and the rights and obligations of the parties hereto are subject to and governed by the terms of the Plan as the same may be amended from time to time, the provisions of which are incorporated by reference into this Agreement.

10. Award Subject to Clawback or Recoupment.

The Restricted Stock Units and Options shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Corporation or required by law that is applicable to Participant. In addition to any other remedies available under such policy, applicable law may require the cancellation of Participant's Restricted Stock Units and Options (whether vested or unvested) and the recoupment of any gains realized with respect to Participant's Restricted Stock Units or any Shares acquired via exercise of the Options.

11. Miscellaneous.

(a) The award granted pursuant to this Agreement is subject to adjustment as described in Section 4.4 of the Plan.

(b) This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument.

(c) It is the intention of the Corporation that the Restricted Stock Units and Options will be exempt from, or will comply with the requirements of, Section 409A of the Code, and the Plan and the terms and conditions of the Options shall be interpreted, construed and administered consistent with such intent. Although the Corporation intends to administer the Plan, the Restricted Stock Units and the Options in compliance with Section 409A of the Code or an exemption thereto, the Corporation does not warrant that the terms of the Restricted Stock Units and Options, or the Corporation's administration thereof, will be exempt from, or will comply with the requirements of, Section 409A of the Code. The Corporation shall not be liable to Participant or any other person for any tax, interest, or penalties that the person may incur as a result of the Options or the Corporation's administration thereof not satisfying any of the requirements of Section 409A of the Code.

(d) The terms of this Agreement may only be amended, modified or waived by a written agreement executed by both of the parties hereto.

(e) The validity, performance, construction and effect of this Agreement shall be governed by the laws of the State of Florida, without giving effect to principles of conflicts of law.

(f) This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated herein.

(g) Except as otherwise herein provided, this Agreement shall be binding upon and shall inure to the benefit of the Corporation, its successors and assigns, and of Participant and Participant's personal representatives.

[signature page follows]

**IN WITNESS WHEREOF**, the parties have executed this Restricted Stock Unit and Stock Option Agreement as of the day and year first above written.

**HELIOS TECHNOLOGIES, INC.**  
ATTEST:

---



By:      By:  
Marc A. Greenberg  
General Counsel & Secretary

Sean Bagan  
President & Chief Executive Officer and Chief  
Financial Officer

**PARTICIPANT**

Witness:

Jeremy Evans  
VP, Corporate Controller

---

**APPENDIX A**  
**PERFORMANCE-BASED VESTING**

With respect to the Options<sup>1</sup>, provided that Participant is employed by the Corporation or a Subsidiary on **March 15, 2028**, the Options shall vest based upon the attainment of the performance goals set forth in the table below.

*[LTI Performance Payout Grid Redacted; Company Confidential]*

---

<sup>1</sup> Performance-based Options are subject to all conditions set forth in the Restricted Stock Unit and Option Agreement.

---

## **APPENDIX B**

### **RESTRICTIVE COVENANTS**

Participant acknowledges and recognizes the highly competitive nature of the Corporation's business and, in consideration of the Restricted Stock Units and Options granted to Participant, the Participant agrees to the following:

A. Non-Competition. During period of Participant's employment with the Corporation (and any Subsidiary) and the 12-month period following his or her termination of employment (the "Restricted Period"), anywhere in the world (the "Restricted Area"), Participant will not, individually or in conjunction with others, directly or indirectly, engage in any Competitive Business Activities (as hereinafter defined) other than on behalf of the Corporation, unless specifically agreed to in writing by the Corporation, and as agreed by the Corporation and Participant, whether on a full-time or on a part-time basis, whether as an officer, director, proprietor, employee, partner, independent contractor, investor (other than as a holder of less than five percent (5%) of the outstanding capital stock of a publicly traded corporation), consultant, advisor, agent or otherwise. "Competitive Business Activities" shall mean any business that engages in providing products and services that are competitive with any products and services provided by the Corporation as of the date of this Agreement and at any time during Participant's employment with the Corporation and its Subsidiaries. For purposes of this Agreement, employees within the "Hydraulics Segment" means the manufacturing of hydraulic and electro-hydraulic components and systems, quick-release hydraulic coupling solutions and the designing, engineering and distributing hydraulic coupling solutions. *For Participants residing in the state of California, the non-competition provisions of this Section A shall not apply.*

B. Non-solicitation. During the Restricted Period and within the Restricted Area, Participant will not, directly or indirectly, compete with the Corporation by soliciting, inducing or influencing any of the Corporation's Customers which have a business relationship with the Corporation at any time during the Restricted Period to discontinue or reduce the extent of such relationship with the Corporation. The Corporation's "Customers" shall be deemed to be any Person that the Corporation or its Subsidiaries is doing business (as reflected by any sales or services provided to that person in the preceding two-year period) and those with whom the Corporation or its Subsidiaries has a reasonable expectation of doing business during the Restricted Period.

In addition, during the Restricted Period and within the Restricted Area, Participant will not, directly or indirectly, for or on behalf of himself or any other Person, (a) recruit, solicit or otherwise influence any employee of the Corporation to discontinue such employment relationship with the Corporation, or (b) employ or seek to employ, or cause or permit to be employed any person who is then (or was at any time within six (6) months prior to the date Participant employs or seeks to employ such person) an employee of the Corporation. For purposes of this Appendix A, "employ" shall be deemed to mean to engage or permit to be engaged, whether as a legal employee or as an independent contractor.

In addition, during the Restricted Period, Participant will not interfere with, disrupt or attempt to disrupt any past, present or prospective relationship, contractual or otherwise, between the Corporation and any Customer, employee or agent in the Corporation.

---

“Person” shall be deemed to mean and include natural persons, partnerships, corporations, limited liability companies, professional associations or other organizations or entities; and, with respect to a non-natural person, its subsidiaries and controlled affiliates.

The restrictions in Sections A and B of this Appendix A apply in respect of businesses which compete or seek to compete with the Corporation and its Subsidiaries, and nothing in this Appendix A shall prevent Participant from engaging in activities that do not compete with the Corporation and its Subsidiaries.

C. Non-Disclosure of Information. Participant acknowledges that the Corporation’s trade secrets; private or secret procedures; methods and ideas; market research data or analyses and marketing plans; fees, costs and pricing structures; customer lists and information concerning the Corporation’s products, services, training methods, development, technical information, marketing activities and procedures, and corporate strategies, credit, financial and other data concerning the Corporation’s Customers, as they exist from time to time; and other information, observations and data obtained by Participant while employed by the Corporation concerning the Corporation’s business, products, services and business relationships; and all similar and related information in whatever form (“Proprietary Information”) are valuable, special and unique assets of the Corporation, access to and knowledge of which are essential to the performance by Participant of his or her employment with the Corporation. In light of the highly competitive nature of the industry in which the Corporation’s business is conducted, Participant agrees that all Proprietary Information, heretofore or in the future obtained by him or her as a result of his or her association with the Corporation shall be considered confidential.

In recognition of this fact, Participant agrees that Participant will never use or disclose any such Proprietary Information for Participant’s own purposes or for the benefit of any person or other entity or organization (except the Corporation) under any circumstances unless such Proprietary Information has been publicly disclosed generally or, unless upon written advice of legal counsel reasonably satisfactory to the Corporation, Participant is legally required to disclose such Proprietary Information. Documents (as hereinafter defined) prepared by Participant or that come into Participant’s possession during Participant’s association with the Corporation are and remain the property of the Corporation, and when this Agreement terminates, such Documents shall be returned to the Corporation at its principal place of business and herein noted.

“Documents” shall mean all original written, recorded, or graphic matters whatsoever, and any and all copies thereof, including, but not limited to: papers; books; records; tangible things; correspondence; e-mail, telecopy and telex messages; memoranda; work-papers; reports; statements; summaries; analyses; evaluations; Customer records and information; agreements; agendas; advertisements; manuals; brochures; publications; directories; industry lists; schedules; price lists; Customer lists; statistical records; training manuals; computer printouts; books of account, records and invoices reflecting business operations; all things similar to any of the foregoing however denominated. In all cases where originals are not available, the term “Documents” shall also mean identical copies of original documents or non-identical copies thereof.

Notwithstanding any other provisions of this Agreement to the contrary, pursuant to the Defend Trade Secrets Act, 18 U.S.C. §1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the

---

purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

D. Non-Disparagement. Except as otherwise required by law, Participant will not make, publish, or disseminate any derogatory statements or comments about the Corporation or any of its Subsidiaries and affiliated entities, or any of their past or present officers or directors, or take any action which a reasonable person would expect would impair the good will, business reputation, or good name of any of them.

E. Independent Obligations, Remedies. It is understood by and between the parties hereto that the foregoing covenants by Participant contained in this Appendix A shall be construed to be agreements independent of any other element of Participant's employment with the Corporation. The existence of any claim or cause of action, whether predicated on any other provision in this Agreement, or otherwise, as a result of the relationship between the parties shall not constitute a defense to the enforcement of the covenants in this Agreement against Participant, and the Corporation's breach of any term of this Agreement or any other obligation does not waive or release Participant from the restrictions contained in this Appendix A.

1. Participant acknowledges and agrees that the Corporation's remedy at law for a breach or threatened breach of any of the provisions of this Appendix A would be inadequate and the breach shall be *per se* deemed as causing irreparable harm to the Corporation. In recognition of this fact, in the event of a breach by Participant of any of the provisions of this Appendix A, Participant agrees that, in addition to any remedy at law available to the Corporation, including, but not limited to monetary damages, the Corporation, without posting any bond, shall be entitled to obtain, and Participant agrees not to oppose the Corporation's request for equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available to the Corporation.

2. Participant acknowledges that the granting of a temporary injunction, temporary restraining order or permanent injunction merely prohibiting the use of Proprietary Information would not be an adequate remedy upon breach or threatened breach of this Appendix A and consequently agrees, upon proof of any such breach, to the granting of injunctive relief prohibiting any form of competition with the Corporation. Nothing herein contained shall be construed as prohibiting the Corporation from pursuing any other remedies available to it for such breach or threatened breach.

F. Impact on Other Agreements. If Participant is or becomes party to any other restrictive covenant agreement with the Corporation or one of its subsidiaries, the obligations under such other restrictive covenant agreement shall not be superseded by this Appendix A to the extent inconsistent therewith but shall be supplanted by this Appendix A to the extent permitted by applicable law. Further, to the extent that any provision(s) of this Appendix A are declared overbroad, void or unenforceable by an authority of competent jurisdiction in a particular jurisdiction, the provision(s) shall be modified by such authority for purposes of enforcement in that jurisdiction to the extent necessary to make the applicable provision(s) valid and enforceable.

---

Modification of a provision of this Appendix A to validate its enforcement in any particular jurisdiction, however, will not affect the enforcement of the provision as stated in any other jurisdiction in which it is enforceable. Also, the invalidity of a provision of this Appendix A in any particular jurisdiction will not affect the validity or enforcement of that provision in any other jurisdiction where it is otherwise valid.

---

# PROSPECTUS

Helios Technologies, Inc.  
7456 16<sup>th</sup> St. E  
Sarasota, Florida 34243  
(941) 362-1200

## HELIOS TECHNOLOGIES, INC. 2023 EQUITY INCENTIVE PLAN

**1,000,000 Shares of Common Stock, par value \$.001 per share**

The Common Stock is traded on the New York Stock Exchange under the ticker symbol “HLIO”

**This document constitutes part of a Prospectus covering securities that have been registered under the Securities Act of 1933, as amended.**

Neither the Securities and Exchange Commission (the “*Commission*”) nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

You should only rely on the information contained in this Prospectus. Helios Technologies, Inc. (“*we*,” or the “*Company*”) has not authorized anyone to provide you with different information. We are offering to sell our securities only in jurisdictions where offers and sales are permitted. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or of any sale of our securities.

This Prospectus contains information concerning us and the Plan (as defined below) but does not contain all the information set forth in the Form S-8 registration statement for the Plan that we filed with the Commission under the Securities Act of 1933, as amended (the “*Securities Act*”). The Form S-8 registration statement, including the exhibits to the registration statement, may be inspected at the Commission’s office in Washington, D.C. In addition, the Commission maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. The address of the Commission’s website is <http://www.sec.gov>.

**The date of this Prospectus is June 6, 2023.**

---

## TABLE OF CONTENTS

GENERAL INFORMATION ABOUT THE PLAN	1
Purpose of the Plan	1
Persons Eligible to Participate in the Plan	1
Administration of the Plan	2
Non-U.S. Participants	2
Amendments to the Plan	3
Term of the Plan	3
AWARDS	
Types and Terms of Awards	3
Performance Awards	7
Consideration for Awards	8
Tax Withholding	8
Award Agreement	8
Amendments to Awards; No Option or SAR Repricing	9
Change in Control	9
Termination of Service and Other Events	9
Allowances for Conversion Awards and Assumed Plans	10
Non-Transferability	10
Risk of Investment	10
SHARES AVAILABLE FOR AWARDS	11
Non-Employee Director Compensation Limit	11
Adjustments to Available Shares	12
Forfeiture, Clawback and Deferral	12
RESALE OF SECURITIES GRANTED OR PURCHASED UNDER THE PLAN	13
GENERAL	13
U.S. FEDERAL INCOME TAX CONSEQUENCES	13
Change in Control	19
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	19

### GENERAL INFORMATION ABOUT THE PLAN

The information in this Prospectus relates to the Helios Technologies, Inc. 2023 Equity Incentive Plan, which we refer to as the “*Plan*” in this Prospectus. The description of the Plan in this Prospectus is

---



subject to and qualified by the terms and conditions of the Plan. A copy of the Plan is included with this Prospectus. To obtain additional information about the Plan and its administrators (in their managerial capacity), you may write to the General Counsel & Secretary, Helios Technologies, Inc., 7456 16<sup>th</sup> St. E, Sarasota, FL 34243, or call (941) 362-1200.

The Plan is an equity incentive plan under which we are authorized to grant shares of restricted or unrestricted common stock of the Company, par value \$.001 per share (the “**Common Stock**”), stock appreciation rights, restricted stock units, stock options, and other equity-based awards (“**Awards**”) to officers, employees, consultants, and directors of the Company and to those of its subsidiaries. The Plan is an unfunded plan, and it does not give any participants rights that are superior to those of our unsecured general creditors. The Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974 and is not qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”).

The Plan was adopted by our Board of Directors (the “**Board**”) on March 8, 2023. The Plan was approved by our shareholders on June 1, 2023, and became effective on that date. No grants will be made on or after June 1, 2023 under the Helios Technologies, Inc. 2019 Equity Incentive Plan (the “**Predecessor Plan**”).

### **Purpose of the Plan**

The purpose of the Plan is to promote the growth and profitability of the Company by (1) providing officers, employees and directors of the Company and of its subsidiaries with additional incentives to achieve long-term corporate objectives, (2) assisting the Company and its subsidiaries in attracting and retaining officers, employees, consultants and directors, and (3) providing such officers, employees, consultants and directors with an opportunity to acquire an equity interest (direct or indirect) in the Company. The Plan provides flexibility to the Board and the Committee (as defined below) in making a wide variety of equity or equity-based awards under a current market, comprehensive omnibus plan.

### **Persons Eligible to Participate in the Plan**

Any employee, officer, member of our Board, consultant, independent contractor or other person who provides significant services to the Company to us, or our subsidiaries is eligible to receive Awards under the Plan, at the discretion of the Board or the Committee, provided that such person satisfies the Form S-8 definition of an “employee.” However, the Committee is subject to certain limitations when granting “incentive stock options” under the Plan. Incentive stock options may only be granted to full-time or part-time employees of the Company and its affiliates. In addition, incentive stock options may be granted to employees of our affiliates only if the affiliate is also a “subsidiary corporation” of the Company within the meaning of Section 424(f) of the Code. The basis for participation in the Plan is meeting the eligibility requirements and being selected by the Board or the committee to receive an Award.

No eligible person, participant or other person shall have any claim to be granted any Award under the Plan. The Committee administering the Plan is not required to treat uniformly eligible persons, participants or holders or beneficiaries of Awards under the Plan.

The grant of an Award will not be construed as giving a participant the right to be retained as an employee, consultant or director, as applicable, of the Company, nor will it affect in any way our right or our affiliates’ rights to terminate a participant’s employment or consulting agreement at any time, with or without cause, or to remove a director. The Company or any of its affiliates may at any time dismiss a

participant from employment free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement (as defined below).

#### **Administration of the Plan**

The Plan is generally administered by the Compensation Committee of the Board (the “*Committee*”), except to the extent the Board has reserved its authority or delegates authority to another committee, as provided therein. The Board (and, by delegation, the Committee or other committee) will have the authority, in its sole discretion, from time to time, to: (i) determine which employees, consultants and directors will be granted Awards, (ii) prescribe the terms and conditions of the Awards, (iii) interpret the Plan and the Awards, (iv) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (v) interpret, amend or revoke any of these rules. Unless the Committee is the full Board or all determinations made by the Committee are made only with the approval or ratification of the full Board, then the Committee will be comprised solely of directors who are “non-employee directors” under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”). The Board also may exercise the powers and duties of the Committee under the Plan.

The members of the Committee are appointed by the Board and continue to serve until their successors are appointed and qualified, or until their earlier retirement, resignation or removal. Any member of the Committee may be removed, with or without cause, by the Board at any time.

All determinations and decisions made by the Committee, the Board, and any delegate of the Committee pursuant to the provisions of the Plan shall be final, conclusive, and binding on all persons, and shall be given the maximum deference permitted by law.

#### ***Delegation of Authority***

Except to the extent the Board has reserved to itself the authority to review, approve and ratify actions of the Committee, the Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or any part of its authority and powers under the Plan to one or more Directors, and more limited authority and powers under the Plan to one or more officers of the Company; provided, however, that the Committee may not delegate its authority and powers with respect to persons subject to Section 16 of the Exchange Act, or in any way which would jeopardize the Plan’s qualification under Rule 16b-3.

#### **Non-U.S. Participants**

In order to facilitate the making of any grant or combination of grants under the Plan, the Committee may provide for such special terms for Awards to employees directors and consultants who are foreign nationals or who are employed by the Company or a subsidiary outside of the United States or who provide services to the Company or a subsidiary under an agreement with a foreign nation or agency as the Committee may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve and adopt such supplements to or amendments, restatements or alternative versions of the Plan (including sub-plans) as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the Plan as in effect for any other purpose, and the secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Plan. No such special terms, supplements, amendments or restatements, however, will include any provisions that are inconsistent with the terms of the Plan as then in effect unless the Plan could have been amended to eliminate such inconsistency without further approval by the Company’s shareholders.

## **Amendments to the Plan**

Our Board may amend, alter, suspend, discontinue or terminate the Plan at any time or for any reason. However, we will obtain stockholder approval for any amendment to the Plan to the extent that shareholder approval is necessary or desirable comply with any applicable law, rules or regulations, including rules of the Commission, the New York Stock Exchange, or any other securities exchange that may be applicable to the Company. As a result, we may be required to seek stockholder approval for any amendment which:

- increases the number of shares authorized under the Plan;
- increases the number of shares that are available for certain types of awards under the Plan;
- permits repricing of stock options or stock appreciation rights;
- permits the award of stock options or stock appreciation rights at a price less than 100% of the fair market value of a share of our Common Stock on the date of grant of the stock options or stock appreciation rights; or
- otherwise requires stockholder approval under the rules or regulations of the Commission, the New York Stock Exchange, or any other securities exchange that are applicable to the Company;

The amendment, suspension, or termination of the Plan may not materially impair any rights or obligations under any Award already granted to you without your consent, except for (i) amendments to comply with applicable law, stock exchange rules or accounting rules or (ii) amendments in connection with a “Change in Control” transaction (as defined in the Plan) or event that are in the best interests of the Company or its shareholders.

## **Term of the Plan**

The Plan became effective on June 1, 2023. No grant will be made under the Plan on or after the tenth anniversary of the effective date, but all grants made prior to such date will continue in effect thereafter subject to the terms and conditions of such grants and of the Plan.

## **AWARDS**

### **Types and Terms of Awards**

The Plan permits the granting of:

- stock options, including “incentive stock options” intended to meet the requirements of Section 422 of the Code, and “non-qualified” (non-incentive) stock options that are not intended to meet the requirements of Section 422 of the Code;
- stock appreciation rights, also known as “SARs”;
- restricted stock;
- restricted stock units;
- cash awards; and

· certain other awards.

Awards may provide that upon their grant or exercise, the holder will receive cash, shares of Common Stock, other securities, other Awards or other property, or a combination of these, as determined by the Committee. Participants may receive Awards in a single payment or in installments or on a deferred basis, as determined by the Committee.

### ***Stock Options***

If you have been granted an Award of stock options under the Plan, you will be entitled to purchase a number of shares of our Common Stock at a specified exercise price during a specified time period, which will not be longer than 10 years from the date of grant, all as determined by the Committee. The exercise price per share is the purchase price for each share of Common Stock that may be purchased pursuant to the option. When you exercise a stock option, you acquire shares of our Common Stock by paying the option exercise price instead of paying the fair market value of the shares of Common Stock on that date. Options granted under the Plan may not provide for dividends or dividend equivalents.

*Incentive vs. Non-Qualified Stock Options.* Options may be designated as “incentive stock options,” which are intended to meet the requirements of Section 422 of the Code, or as “non-qualified” (non-incentive) stock options, which are not intended to meet the requirements of Section 422.

The tax treatment of incentive stock options differs from that of non-qualified stock options. (See the section of this Prospectus entitled “U.S. Federal Income Tax Consequences.”) In order to receive the unique tax treatment applicable to incentive stock options, the Committee must follow special rules when granting incentive stock options, as further described in the Plan.

*Vesting.* Options will vest and become exercisable in accordance with the vesting schedule established by the Committee and set forth in the Award Agreement.

*Exercise Price.* The option exercise price will be determined by the Committee. In general, the exercise price may not be less than 100% of the fair market value of our Common Stock on the date of grant. However, there is an exception to this requirement. The Committee may grant options with an exercise price less than 100% of the fair market value of our Common Stock on the date of grant if the Committee grants the option in substitution for a stock option previously granted by an entity that is acquired by or merged with the Company or one of our affiliates, in the circumstances described in the Plan.

The fair market value of shares of our Common Stock on a given date will generally be the closing price of one share as reported on the New York Stock Exchange on that date, or, if the New York Stock Exchange is not open for trading on that date, then on the most recent preceding date when it was open for trading. The Committee is authorized to adopt another fair market value pricing method provided such method is stated in the applicable Award Agreement and is in compliance with the fair market value pricing rules set forth in Section 409A of the Code.

*Term.* An option will terminate no earlier than the first to occur of:

- (1) the termination date set forth in the Award Agreement;
- (2) unless otherwise set forth in the Award Agreement, (A) the expiration of 12 months from the date of the participant’s termination of service as a result of death or Disability (as defined

in the Plan), or (B) three months from the date of the participant's termination of service for any other reason; or

(3) 10 years from the grant date.

The Committee may provide in an Award Agreement for the automatic exercise of an option on such terms and conditions as established by the Committee.

*Payment.* Options will be exercised by the participant's delivery of a written notice of exercise to the Secretary of the Company (or its designee), setting forth the number of shares with respect to which the option is to be exercised, accompanied by full payment for the shares, including satisfaction of any applicable withholding taxes.

The exercise price will be payable to the Company in full in cash or its equivalent. The Committee, in its sole discretion, also may permit exercise (subject to limitations established by the Committee) (a) by the actual or constructive tendering of previously acquired shares having an aggregate fair market value at the time of exercise equal to the total exercise price, (b) by the withholding of shares otherwise issuable upon exercise of an option pursuant to a "net exercise" arrangement, (c) to the extent permitted by law, from the proceeds of sale through a bank or broker on a date satisfactory to the Company of some or all of the shares to which such exercise relates, (d) by a combination of such methods of payment, or (e) by any other means which the Committee, in its sole discretion, determines to both provide legal consideration for the shares, and be consistent with the purposes of this Plan.

The Committee may impose such restrictions on any shares acquired pursuant to the exercise of an option as it may deem advisable, including, but not limited to, restrictions related to applicable federal securities laws, the requirements of any national securities exchange or system upon which shares are then listed or traded, or any blue sky or state securities laws.

#### ***SARs***

Stock appreciation rights ("***SARs***") can be (1) freestanding SARs, which are granted independently of any option, (2) tandem SARs, which are granted in connection with a related option (the exercise of which results in the forfeiture of the related portion of the option), or (3) affiliated SARs, which are granted in connection with a related option, and are automatically deemed exercised at the time the related option is exercised. If you have been granted an Award of SARs under the Plan, you will be entitled to receive the excess of the fair market value of one share of our Common Stock on the date the SAR is exercised (or, if the Committee so provides, at any time during a specified period before or after the date of exercise) over the grant price of the SAR. When you exercise a SAR, you do not pay an exercise price, but simply receive the payment described in the preceding sentence. SARs granted under the Plan may not provide for dividends or dividend equivalents.

The exercise of a tandem SAR involves the surrender of the right to exercise an equivalent portion of the related option, and a tandem SAR may be exercised only with respect to shares for which the related option is exercisable. Tandem SARs granted in connection with incentive stock options are subject to special rules set forth in the Plan. Affiliated SARs are deemed exercised when you exercise the related option.

*Vesting.* SARs will vest and become exercisable in accordance with the vesting schedule established by the Committee and set forth in the Award Agreement.

*Grant Price.* The grant price of a SAR will be determined by the Committee. The grant price of a freestanding SAR may not be less than 100% of the fair market value of one share of our Common Stock on the date the SAR is granted. The exercise price of a tandem SAR or affiliated SAR will be equal to the exercise price of the related option.

*Expiration.* SARs granted under the Plan will expire on the date determined by the Committee, as set forth in the Award Agreement. SARs are also generally subject to similar conditions as described in the section above titled “Term” with respect to options.

*Restrictions or Conditions on Exercise.* In its discretion, the Committee may impose conditions or restrictions on the exercise of any SAR.

#### ***Restricted Stock***

If you have been granted an Award of restricted stock under the Plan, you will own shares of our Common Stock subject to restrictions determined and imposed by the Committee for a specified time period determined by the Committee. The restrictions include a prohibition on transfer of the restricted stock and may also include, for example, provisions that require you to forfeit the shares of restricted stock if your employment with the Company ends before the restricted stock Award becomes vested. The restriction period will begin on the date of grant of the restricted stock. During the period of restriction, participants holding restricted stock are entitled to receive all dividends and other distributions paid with respect to such stock unless otherwise provided in the Award Agreement. If any such dividends or distributions are paid in shares, the shares will be subject to the same restrictions on transferability and forfeitability as the restricted stock with respect to which they were paid. In addition, any dividends as to the unvested portion of a restricted stock Award that is subject to performance-based vesting requirements will be subject to termination and forfeiture to the same extent as the corresponding portion of the Award to which they relate. During the period of restrictions, participants holding restricted stock may exercise voting rights with respect to such stock, unless the Committee determines otherwise.

The restrictions may lapse separately or in combination, at a time or times determined by the Committee and set forth in the Award Agreement. After the restrictions have lapsed, you will generally have all of the rights of a stockholder of our Common Stock.

#### ***Restricted Stock Units***

If you have been granted an Award of restricted stock units under the Plan, you will have the right, subject to any restrictions imposed by the Committee, to receive shares of our Common Stock, or a cash payment equal to the fair market value of those shares, at some future date determined by the Committee. If you hold restricted stock units, you will not have any of the voting rights of a holder of our Common Stock, nor will you have a right to receive any dividends paid on our Common Stock. However, the Committee may authorize the payment of dividends or dividend equivalents on restricted stock units on a deferred and contingent basis, either in cash or in additional shares, provided that dividend equivalents or other distributions on shares underlying restricted stock units will be deferred until, and paid contingent upon, the earning and vesting of such restricted stock units.

The restriction period relating to the restricted stock units will begin on the date of grant of the restricted stock units. The restrictions may lapse separately or in combination, at a time or times determined by the Committee and set forth in the Award Agreement. If your employment with us terminates or you resign or are removed as a director during the restriction period, the restricted stock units are subject to forfeiture unless otherwise provided in the Award Agreement.

### ***Cash Awards***

The Committee may grant cash Awards either alone, in addition to, or in tandem with other Awards granted under the Plan. The grant or vesting of a cash Award may be made contingent on the achievement of performance goals.

### ***Other Awards***

Subject to applicable law and the terms and provisions of the Plan, the Committee may grant to eligible individuals shares of Common Stock or any other Award that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares or factors that may influence the value of such shares, including, without limitation convertible or exchangeable debt securities, other rights convertible or exchangeable into shares, purchase rights for shares, Awards with value and payment contingent upon performance of the Company or a subsidiary or an affiliate or other business units thereof or any other factors designated by the Committee, and Awards valued by reference to the book value of the shares or the value of securities of, or the performance of specified subsidiaries or affiliates of or other business units of the Company. The Committee may authorize the grant of shares as a bonus or may authorize the grant of other Awards in lieu of obligations of the Company or a subsidiary to pay cash or deliver other property under the Plan or under other plans or compensatory arrangements, subject to such terms as will be determined by the Committee in a manner that complies with Section 409A of the Code. The Committee may authorize the payment of dividends or dividend equivalents on such other Awards on a deferred and contingent basis, either in cash or in additional shares, provided that dividend equivalents or other distributions on shares underlying such other Awards will be deferred until, and paid contingent upon, the earning and vesting of such other Awards.

### **Performance Awards**

The Committee may grant stock options, SARs, restricted stock, restricted stock units, cash Awards, or other Awards that are intended to become vested only upon the achievement of specified performance goals during a performance period as established by the Committee, or upon a combination of the achievement of performance goals and the completion of service-based vesting requirements. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any performance award granted, the amount of any payment or transfer to be made pursuant to any performance award and any other terms and conditions of any performance award will be determined by the Committee.

In general, performance goals may provide for a targeted level or levels of achievement using any measure determined by the Committee, including one or more of the following: annual revenue, growth in revenue, cash position, earnings, earnings per share, earnings before interest, taxes, depreciation and amortization, individual objectives, income or net income (or loss), cash flow (including operating cash flow and free cash flow), operating income (or loss), funds from operations or similar measures, return on assets, return on equity, return on operating revenue, return on capital, return on invested capital, return on investments, net asset turnover, debt (including debt reduction), sales, return on sales, stock price, change in stock price, enterprise value or economic value added, working capital, dividend ratio, orders, marketing, productivity, production targets, quality targets, research and development targets, marketing or customer service collaborations, employee satisfaction and engagement, diversity, environmental and social measures, technology and technology development, human resources management and development, strategic business objectives, operating efficiency, gross or net profit levels, mergers, acquisitions or other strategic transactions, divestitures, financings, and total shareholder return, any of which may be measured

either in absolute terms or as compared to an incremental increase or as compared to results of a peer group. The performance goals may differ from participant to participant and from Award to Award.

If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business or other events or circumstances render the performance goals unsuitable, the Committee may in its discretion modify such performance goals or the actual levels of achievement regarding the performance goals, in whole or in part, as the Committee deems appropriate and equitable.

#### **Consideration for Awards**

Awards may be granted to you in exchange for no cash payment from you or for a cash payment or other consideration, as determined by the Committee or as may be required by applicable law. The Committee may require that you remain as an employee, director or consultant, as applicable, in order to become vested in an Award.

#### **Tax Withholding**

All federal, state, local or foreign payroll, withholding, income or other taxes applicable to you as a result of your participation in the Plan are solely and absolutely your responsibility. However, in order to comply with all applicable federal, state, local or foreign income tax laws or regulations, prior to the delivery of any shares or cash under an Award, the Company has the power to deduct or withhold, or require you to provide to the Company, an amount sufficient to satisfy any federal, state and local taxes or other amounts required to be withheld under an Award.

The Committee may, in its discretion and subject to additional terms and conditions it may adopt, permit you to satisfy your tax obligations by:

- having us withhold a portion of the shares otherwise to be delivered to you upon your exercise or receipt of (or the lapse of restrictions relating to) an Award; or
- delivering to us a number of other shares of our Common Stock then owned by you with a fair market value equal to the amount of your tax obligation.

If the Committee permits shares under an Award to be withheld from the Award to satisfy applicable withholding obligations, the fair market value of the shares withheld, as determined as of the date of withholding, will not exceed the amount determined by the applicable minimum statutory withholding rates unless (a) an additional amount can be withheld and not result in adverse accounting consequences and (b) such additional amount is authorized by the Committee.

A participant is ultimately liable for all tax-related items due by the participant. The Company does not make any representations or undertakings regarding the treatment of any such tax-related items in connection with an Award. The Company may refuse to deliver any benefit under the Plan if the participant fails to comply with his or her obligation in connection with such tax-related items.

#### **Award Agreement**

In general, Awards under the Plan will be evidenced by an agreement, certificate, resolution or other type or form of writing approved by the Committee that sets forth the terms of the Award (an “**Award Agreement**”). An Award Agreement may be in an electronic medium. If you have been granted an Award under the Plan, you will not have any rights under that Award unless and until your Award Agreement has



been duly executed by the Company and, if requested by us, signed by you, or until your Award Agreement is delivered and accepted through any electronic medium in accordance with procedures established by the Company.

#### **Amendments to Awards; No Option or SAR Repricing**

The Committee may amend, alter, suspend, discontinue or terminate any outstanding Award held by you. However, the Committee may not take any action without your consent if the change to the Award would adversely affect your rights with respect to that Award. However, such consent will not be required if the Board determines, in its sole and absolute discretion, that the amendment, suspension or termination: (a) is required or advisable in order for the Company, the Plan or the Award to satisfy applicable law, to meet the requirements of any accounting standard or to avoid any adverse accounting treatment, or (b) in connection with any Change in Control transaction or event, is in the best interests of the Company or its shareholders.

The Company intends that Awards under the Plan will satisfy the requirements of Section 409A of the Code to avoid any adverse tax results thereunder, and the Committee will administer and interpret the Plan and all Award Agreements in a manner consistent with that intent. If any provision of the Plan or an Award Agreement would result in adverse tax consequences under Section 409A, the Committee may amend that provision (or take any other action reasonably necessary) to avoid any adverse tax results and no action taken to comply with Section 409A will be deemed to impair or otherwise adversely affect the rights of any holder of an Award or any beneficiary of an Award.

Outside of certain corporate transactions or adjustment events described in the Plan or in connection with a Change in Control, the exercise price of outstanding options or SARs cannot be reduced, nor can “underwater” options or SARs be cancelled in exchange for cash or replaced with other Awards or options with a lower exercise price, without shareholder approval under the Plan.

#### **Change in Control**

In connection with a Change in Control, the Board may, in its sole discretion, take any one or more of the following actions with respect to any one or more participants: (a) accelerate the exercise dates or vesting dates of any outstanding Awards; (b) make outstanding options, restricted stock, restricted stock units, SARs or cash Awards fully vested and exercisable; (c) grant a cash bonus award to any of the holders of outstanding Awards; (d) pay cash to any or all participants in exchange for the cancellation of their outstanding Awards; or (e) make any other adjustments or amendments to the Plan and outstanding Awards. In general, any such action with respect to any named executive officer of the Company will be effective only if it is approved by the Committee. In exercising the authority described in this paragraph, the Board or Committee will have no duty to apply any action taken uniformly to all participants, and generally may choose, in its sole discretion, whether or not the Awards granted to any particular participant will be affected.

#### **Termination of Service and Other Events**

Awards may provide for continued vesting or the earlier vesting of such Awards, including in the event of the retirement, death, disability or termination of employment or service of a participant or in the event of a Change in Control.

If permitted by Section 409A of the Code, but subject to the other terms of the Plan, including in the case of a participant’s termination of employment or service, in the case of unforeseeable emergency or other circumstances or in the event of a Change in Control, the Committee may, in its sole discretion,

provide for the continued vesting of or accelerate the vesting or exercisability of an Award or may waive any other limitation or requirement under such Award.

#### **Allowances for Conversion Awards and Assumed Plans**

Awards may be granted under the Plan in substitution for or conversion of, or in connection with an assumption of, restricted stock, restricted stock units, options, SARs or other share or share-based awards held by awardees of an entity engaging in a corporate acquisition or merger transaction with the Company or any of its subsidiaries, and will not count against (or be added to) the aggregate share limit or other Plan limits described above. Additionally, shares available under certain plans that the Company or its subsidiaries may assume in connection with corporate transactions from another entity may be available for certain Awards under the Plan, under circumstances further described in the Plan, but will not count against the aggregate share limit or other Plan limits described above.

#### **Non-Transferability**

You may not sell, assign, transfer, pledge, or otherwise encumber an Award granted to you under the Plan, except:

- by will;
- by the laws of descent and distribution; or
- if permitted by the Committee, by designation of a beneficiary.

In no event will any Award granted under the Plan be transferred for value. Any Awards granted to you under the Plan are exercisable only by you or, if permissible under applicable law, by your guardian or legal representative.

The Committee may permit a participant (in a manner specified by the Committee) to transfer a nonqualified stock option to certain “family members” or pursuant to certain bona fide gifts, as further described in the Plan.

The Committee may specify on the grant date that part or all of the shares that are (a) to be issued or transferred by the Company upon the exercise of options or SARs, or upon the vesting of other Awards, or (b) no longer subject to a substantial risk of forfeiture or restrictions on transfer, will be subject to further restrictions on transfer, including minimum holding periods.

#### **Risk of Investment**

The shares of Common Stock offered pursuant to the terms of the Plan are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation, Bank Insurance Fund, Savings Association Insurance Fund or any other governmental agency or guaranteed by any bank. Investing in our Common Stock through the Plan involve risks, including the risk that the value of the Common Stock will fall below the price you paid to acquire it, in which case you may lose all or a portion of what you invested by purchasing Common Stock through the Plan. As with any investment, the past performance of our Common Stock is not a guarantee or indicator of future results. You should review the financial information regarding the Company that is contained in reports filed by us with the Commission, which reports are incorporated by reference into this Prospectus. See the section of this Prospectus entitled “Incorporation of Certain Documents by Reference.”

## SHARES AVAILABLE FOR AWARDS

Subject to adjustment as described in the Plan, the aggregate number of shares of our Common Stock that may be issued or transferred under all Awards under the Plan may not exceed 1,000,000 shares, minus (a) any shares subject to awards granted under the Predecessor Plan after December 31, 2022 and prior to the effective date of the Plan, plus (b) any shares that are subject to awards granted under the Plan or under the Predecessor Plan that are added (or added back) to the number of shares available under the Plan under the Plan's share counting rules. Shares issued under the Plan may be either authorized but unissued shares or treasury shares.

Shares covered by an Award granted under the Plan will not be counted as used unless and until they are actually issued or transferred to a participant. If an Award under the Plan (or after December 31, 2022, an award under the Predecessor Plan) is settled in cash, is unearned, is forfeited, or is cancelled, terminates, expires, or lapses for any reason (with the exception of the termination of a tandem SAR upon exercise of the related option, or the termination of a related option upon exercise of the corresponding tandem SAR), then, to the extent of such cash settlement, unearned amount, forfeiture, cancellation, termination, expiration or lapse, any shares subject to such award shall be available for subsequent Awards under the Plan.

Notwithstanding anything to the contrary in the Plan: (a) if shares are withheld by the Company, tendered or otherwise used in payment of the exercise price of an option, the total number of shares covered by the option being exercised will reduce the shares available under the Plan; (b) if shares are withheld by the Company, tendered or otherwise used in payment of the exercise price of an option granted under the Predecessor Plan, the shares will not be added back to the Shares available under the Plan; (c) shares withheld by the Company, tendered or otherwise used to satisfy tax withholding with respect to awards under the Plan will reduce the shares available under the Plan; (d) shares withheld by the Company, tendered or otherwise used to satisfy tax withholding with respect to awards under the Predecessor Plan will not be added back to the shares available under the Plan; (e) shares subject to a SAR, to the extent it is exercised and settled in shares, and whether or not all shares covered by the SAR are actually issued to the participant upon exercise of the SAR, will be considered issued or transferred pursuant to the Plan; (f) shares subject to a stock appreciation right granted under the Predecessor Plan, to the extent it is exercised and settled in shares, and whether or not all shares covered by the stock appreciation right are actually issued to the participant upon exercise of the SAR, will not be added back to the shares available under the Plan; and (g) shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of options (or stock options granted under the Predecessor Plan) will not be added to the aggregate number of shares available under the Plan.

The number of shares of our Common Stock that may be issued under the Plan is subject to adjustment as described in the section below entitled "Adjustments to Available Shares."

Notwithstanding anything to the contrary contained in the Plan, and subject to adjustment as provided in the Plan, the aggregate number of shares actually issued or transferred by the Company upon the exercise of incentive stock options granted under the Plan will not exceed 1,000,000 shares.

### **Non-Employee Director Compensation Limit**

Notwithstanding anything to the contrary contained in the Plan, in no event will any non-employee director of the Company in any one calendar year be granted compensation (including cash-based compensation and equity-based compensation in the aggregate) for such service having an aggregate

maximum value (measured at the grant date as applicable, and calculating the value of any awards based on the grant date fair value for financial reporting purposes) in excess of \$750,000.

#### **Adjustments to Available Shares**

In the event that any dividend or other distribution (whether in the form of cash, shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, recapitalization, merger, consolidation, split-up, split-off, spin-off, spin-out, combination, repurchase, partial or complete liquidation or other distribution of assets, exchange of shares or other securities of the Company, issuance of rights or warrants to purchase securities, other change in the corporate structure of the Company affecting the shares, or any other corporate transaction or event having an effect similar to any of the foregoing, occurs, such that an adjustment is determined by the Committee (in its sole discretion) to be equitably required in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee will in the manner as it may deem equitable, adjust the number and class of shares (or other securities) that may be delivered under the Plan, the number, class, and price of shares (or other securities) subject to outstanding Awards, the exercise price of outstanding options and SARs, and other Award terms. However, any such adjustment to the incentive stock option limit specified in the Plan will be made if and only if and to the extent that such adjustment would not cause any option intended to qualify as an incentive stock option to fail to so qualify.

Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Committee may provide in substitution for any or all outstanding Awards such alternative consideration (including cash), if any, as it, in good faith, may determine to be equitable in the circumstances and shall require in connection therewith the surrender of all Awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each option or SAR with an exercise price greater than the consideration offered in connection with any such transaction or event or Change in Control, the Committee may in its discretion elect to cancel such option or SAR without any payment to the person holding such option or SAR. The specific adjustments will be determined by the Committee. Notwithstanding the preceding, the number of shares subject to any Award always will be a whole number.

#### **Forfeiture, Clawback and Deferral**

##### ***Other Forfeiture Events, Clawback and Recoupment***

The Committee may specify in an Award Agreement that the participant's rights, payments, and/or benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, and/or recoupment upon the occurrence of certain specified events, in addition to any applicable vesting, performance or other conditions and restrictions of an Award. Except as otherwise determined by the Committee, a participant will forfeit all of his or her outstanding Awards if the participant is determined to have engaged in an act that constitutes Cause (as defined under the Plan), regardless of whether the participant's service with the Company is terminated as a result of the event that constitutes Cause. The determination of whether a participant has engaged in an act that constitutes Cause will be made by the Committee, which prior to making this determination will provide written notice of the event of Cause to the participant and allow the participant a reasonable opportunity to cure the event. In addition, Awards granted under the Plan are subject to the provisions of the Company's clawback policy as may be established and/or amended from time to time, including upon such terms and conditions as may be required by the Committee or under Section 10D of the Exchange Act and any applicable rules or regulations promulgated by the Commission or any national securities exchange or national securities association on which the Company's shares may be traded. The Company may require a participant to forfeit or return to and/or reimburse the Company all or a portion of the Award and/or shares issued under the Award, any amounts paid under the Award, and

any payments or proceeds paid or provided upon disposition of the shares issued under the Award, pursuant to the terms of the clawback policy or as necessary or appropriate to comply with applicable laws or the rules of any national securities exchange or national securities association on which the shares may be traded.

#### ***Delay of Payment Pending Investigation***

If any Award becomes payable (or any restrictions relating to the Award lapse) while a participant is under investigation for any event that would constitute Cause or otherwise result in forfeiture of an Award, payment of the Award will be delayed pending the outcome of the investigation. If the investigation is pending on the latest date upon which the Award may be paid (or the restrictions may lapse) in order for payment of the Award to remain qualified as a short-term deferral under Code Section 409A, or would otherwise not result in a violation of Code Section 409A, the Award may be paid on that date only if the participant executes an agreement with the Company under which he or she agrees to repay or forfeit the Award if the investigation results in the participant being found to have committed an act that constitutes Cause or would result in forfeiture of the Award. If the participant fails to execute this agreement, the Award will be forfeited.

#### **RESALE OF SECURITIES GRANTED OR PURCHASED UNDER THE PLAN**

Unless otherwise determined by the Committee, if you acquire shares of Common Stock upon the exercise or receipt of Awards under the Plan, you may resell your shares without restriction (except for restricted stock, which cannot be resold until all restrictions lapse). You should remember that the securities laws and the Company's Policy On Confidentiality And Insider Trading prohibit you from selling your shares while you are aware of material non-public information concerning the Company. In addition, all directors and officers, as well as specified other personnel of the Company and its subsidiaries who are notified by the Company are subject to the Company's Blackout and Pre-clearance Trading Policy.

Our executive officers and directors who wish to resell shares acquired under the Plan (including shares acquired upon the exercise of an option) must comply with the resale provisions of Rule 144 promulgated under the Securities Act and the reporting requirements under Section 16 of the Exchange Act. Shares acquired by our executive officers and directors as a result of an Award or the exercise of an Award may be resold under Rule 144 without a one-year holding period.

#### **GENERAL**

The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which it relates or an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation.

Neither delivery of the Prospectus nor any sale made thereunder will, under any circumstances, create any implication that there has been no change in our affairs or in any information included therein, in any supplement thereto or in any document incorporated by reference since the date hereof or thereof.

#### **U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following is a summary of the U.S. federal income tax consequences of the issuance, exercise and payment of (or lapse of restrictions with respect to) Awards under the Plan, based on currently

applicable provisions of the Code. The following description applies to U.S. citizens and residents who receive Awards under the Plan. Participants who are neither U.S. citizens nor residents but who perform services in the United States may also be subject to U.S. federal income tax under some circumstances. In addition, former citizens or long-term residents of the United States may be subject to special expatriate tax rules, which are not addressed in this summary.

Due to the complexity of the applicable provisions of the Code, this Prospectus describes only the general federal tax principles affecting Awards that may be granted under the Plan. Depending on individual facts and circumstances, these general tax principles might not apply to you. In addition, these general tax principles are subject to changes that may be brought about by subsequent legislation or by regulations and administrative rulings, which may be applied on a retroactive basis. In addition, the discussion does not describe any United States federal Social Security or Medicare tax consequences.

You also may be subject to state, local or foreign income taxes and you should refer to the applicable laws in those jurisdictions.

**For all of these reasons, we urge you to consult your own tax advisor to determine your tax liability in connection with the receipt or exercise of an Award or the subsequent disposition of shares received in connection with or upon exercise of an Award.**

#### ***Non-Qualified Stock Options***

- *Grant.* You will not recognize any taxable income at the time a non-qualified option is granted.
- *Exercise.* Upon the exercise of a non-qualified option, you will recognize ordinary income in the amount by which the fair market value of the Common Stock at the time of exercise exceeds the option exercise price. If you pay the exercise price by tendering other shares of our Common Stock then owned by you, you will recognize ordinary income in an amount equal to the fair market value of the number of shares received upon exercise that exceed the number of other shares you tendered.
- *Tax Deduction for the Company.* We will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income, to the extent this amount satisfies the general rules concerning deductibility of compensation.
- *Tax Basis of the Acquired Shares.* If you pay the option exercise price in cash, your original tax basis in the shares received upon exercise will equal the sum of (1) the option exercise price plus (2) the amount you are required to recognize as income as a result of the exercise. If you pay the option exercise price by tendering other shares of our Common Stock then owned by you, you will not recognize gain or loss on the tendered shares, but your original tax basis for an equal number of shares acquired upon exercise of the option will be the same as your adjusted tax basis for the tendered shares. The remaining acquired shares will have an original tax basis equal to (a) the sum of the amount of the exercise price paid in cash, if any, plus (b) any amount that you are required to recognize as income as a result of the option exercise.
- *Sale of Shares.* When you sell shares acquired upon the exercise of a non-qualified option, the difference between the amount received and the adjusted tax basis of the shares will be gain or loss. If, as usually is the case, the Common Stock is a capital asset in your hands, the gain or loss will be capital gain or loss.

- *Characterization of Capital Gain or Loss.* Any capital gain or loss you recognize upon sale of the shares will be taxed as long-term capital gain or loss if you have held the shares for more than 12 months and as short-term capital gain or loss if you have held the stock for 12 months or less. For purposes of determining whether you will recognize long-term or short-term capital gain or loss on your subsequent sale of the shares, the holding period will begin at the time you exercise the option. However, if, as usually is the case, the Common Stock is a capital asset in your hands, the holding period for acquired shares having the same basis as tendered shares will include the period during which you held the tendered shares.

### ***Incentive Stock Options***

- *Grant.* You will not recognize any taxable income at the time an incentive stock option is granted.
- *Exercise.* Upon the exercise of an incentive stock option, you will not recognize any income for purposes of the regular income tax. However, you may be required to recognize income for purposes of the alternative minimum tax (or “AMT”).

For purposes of the AMT, an incentive stock option will be treated as a non-qualified option. Accordingly, for purposes of the AMT, you must recognize ordinary income in the amount by which the fair market value of the Common Stock at the time of exercise exceeds the option exercise price. As a result, if you recognize a substantial amount of AMT income upon exercise of the incentive stock option in relation to your taxable income from wages and other sources in the year you exercise the option, you may be subject to the AMT. Furthermore, the fact that you recognize AMT income at the time you exercise an incentive stock option may not alter the amount of regular income you must recognize at the time you sell or otherwise dispose of the shares acquired upon exercise of the incentive stock option.

- *Tax Deduction for the Company.* If you sell or otherwise dispose of shares acquired upon the exercise of an incentive stock option more than two years from the date the option was granted to you and more than one year after you exercised the option, then we will not be allowed a deduction for federal income tax purposes in connection with the grant or exercise of the option. However, if you sell or otherwise dispose of the shares before the holding period described above is satisfied, then we will be allowed a tax deduction at the time and in the amount you recognize ordinary income, if and to the extent the amount satisfies the general rules concerning deductibility of compensation. Under current law, this income is not subject to income or payroll tax withholding.
- *Tax Basis of the Acquired Shares.* If you pay the exercise price for an incentive stock option in cash, your original tax basis in the shares received upon exercise will equal the option exercise price.

If you pay the exercise price for an incentive stock option by tendering other shares of our Common Stock already owned by you, and you acquired those tendered shares through any means other than by exercising one or more incentive stock options, you will not recognize gain or loss on the tendered shares (except possibly for purposes of the AMT as described above), but your original tax basis for an equal number of shares acquired upon exercise of the option will be the same as your adjusted tax basis for the tendered shares. The remaining acquired shares will have an original tax basis equal to the amount of the exercise price paid in cash, if any. If you pay the exercise price solely by tendering other shares of our Common Stock, then the original tax basis of the remaining acquired shares will be zero.

If you pay the exercise price for an incentive stock option by tendering shares of our Common Stock already owned by you, and you acquired those tendered shares by exercising another incentive stock option, we urge you to consult your own tax advisor on the tax consequences.

*Sale of Shares and Characterization of Capital Gain or Loss.* If you sell or otherwise dispose of shares acquired upon exercise of an incentive stock option at a time more than two years from the date the option was granted to you and more than one year after you exercised the option, and if, as usually is the case, the Common Stock is a capital asset in your hands, then you will recognize long-term capital gain or loss in an amount equal to the difference between the sale price of the shares and the exercise price you paid for the shares.

If you sell or otherwise dispose of shares acquired upon exercise of an incentive stock option before the holding period described above is satisfied, then you will recognize ordinary income at the time of the disposition in an amount equal to the lesser of (1) the difference between the exercise price and the fair market value of the shares at the time the option was exercised or (2) the difference between the exercise price and the amount realized upon disposition of the shares, and you will recognize long-term or short-term capital gain or loss (depending on whether you have held the shares for more than 12 months or for 12 months or less) in an amount equal to the difference between the sale price of the shares and the fair market value of the shares on the date you exercised the option.

### ***Stock Appreciation Rights***

- *Grant.* At the time a SAR is granted, you will not recognize any taxable income.
- *Exercise.* At the time a SAR is exercised or paid, you will recognize ordinary income equal to the cash or fair market value of any shares of Common Stock received at that time (in the amount that is equal to the excess of the fair market value of a share of our Common Stock on the date the SAR is exercised or paid over the grant price of the SAR).
- *Tax Deduction for the Company.* Subject to the general rules concerning deductibility of compensation, we will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income upon the exercise or payment of a SAR.
- *Tax Basis of the Acquired Shares.* If you are issued shares upon your exercise of a SAR, your tax basis in any shares received will equal the fair market value of those shares at the time you recognize ordinary income as a result of the exercise or payment of the SAR.
- *Sale of Shares.* If, as usually is the case, the shares are a capital asset in your hands, any additional gain or loss recognized on a subsequent sale or exchange of the shares will not be ordinary income but will qualify as a capital gain or loss.
- *Characterization of Capital Gain or Loss.* Any capital gain or loss you recognize upon sale of the shares will be characterized as long-term capital gain or loss if you have held the shares for more than 12 months and as short-term capital gain or loss if you have held the stock for 12 months or less. For purposes of determining whether you will recognize long-term or short-term capital gain or loss on your subsequent sale of the shares, the holding period will begin at the time you exercise the SAR.



### ***Restricted Stock Awards***

- *Grant and Lapse of Restrictions.* At the time a grant of restricted stock is issued to you, you will generally not recognize any taxable income. However, Section 83(b) of the Code allows you to elect, within 30 days after the date you receive a restricted stock Award, to recognize and be taxed on ordinary income equal to the fair market value of the shares of Common Stock issued to you immediately, at the time the shares are issued. If you do not make a Section 83(b) election within 30 days from the date you receive a restricted stock Award, you will recognize ordinary income equal to the fair market value of the Common Stock upon vesting of the restricted shares (e.g. at the expiration of the restriction period or upon satisfaction of the performance goals for performance-vested shares).
- *Forfeiture.* If you do not make the Section 83(b) election described above and, before the restriction period expires, you forfeit the restricted stock under the terms of the Award, you will not recognize any ordinary income in connection with the restricted stock Award. If you do make a Section 83(b) election and subsequently forfeit the restricted stock under the terms of the Award, you will not be allowed a tax deduction or loss with respect to the ordinary income previously recognized as a result of making the Section 83(b) election.

We urge you to consult your tax advisor to determine, in light of current tax rates and possible future tax legislation, whether it is more advantageous for you to make a Section 83(b) election upon receipt of a restricted stock Award (resulting in a current tax liability plus the potential for future capital gains, currently taxed at lower rates than the rate applicable to ordinary income, and a risk of forfeiture without an ordinary income tax deduction) than not making the Section 83(b) election (resulting in the deferral of tax and the eventual recognition as ordinary income of any appreciation in the fair market value of your shares).
- *Dividends Received on Restricted Stock.* Dividends received by you before the end of the restriction period will be taxed as ordinary income to you, provided, however, that dividends on restricted stock for which an election under Section 83(b) has been made will be treated as dividend income rather than ordinary income.
- *Tax Deduction for the Company.* Subject to the general rules concerning deductibility of compensation, we will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income in connection with a restricted stock Award. Dividends on the restricted stock that are received by you before the end of the restriction period will also be deductible by us subject to the general rules concerning compensation.
- *Tax Basis of Shares.* Your basis in the restricted shares will equal their fair market value at the time you recognize ordinary income, either when issued (if you file a Section 83(b) election) or when the shares become vested.
- *Sale of Shares.* You cannot sell or otherwise dispose of the restricted stock until after the restriction period expires. When you sell the shares after the restriction period expires, you will recognize gain or loss in an amount by which the sale price of the shares differs from your tax basis in the shares. If, as usually is the case, the shares are a capital asset in your hands, any gain or loss recognized on a sale or other disposition of the shares will qualify as capital gain or loss.
- *Characterization of Capital Gain or Loss.* Any capital gain or loss you recognize upon sale of the shares will be treated as long-term capital gain or loss if you have held the shares for more than 12

months from the date you recognized ordinary income with respect to the shares and as short-term capital gain or loss if you have held the stock for 12 months or less from the date you recognized ordinary income.

### ***Restricted Stock Units***

- *Grant.* At the time restricted stock units are granted, you will not recognize any taxable income.
- *Vesting.* At the time restricted stock units vest and assuming Common Stock in settlement of your restricted stock units is delivered promptly upon vesting, you will recognize ordinary income equal to the cash or fair market value of the shares of Common Stock received at that time; provided, however, that, if the terms of the restricted stock unit so provide, payment and income recognition may be delayed until a later date to the extent permitted under applicable tax laws.
- *Dividend Equivalents Received on Restricted Stock Units.* Dividend equivalents received by you before you receive Common Stock in settlement of your restricted stock units will be taxed as ordinary income to you.
- *Tax Deduction for the Company.* Subject to the general rules concerning deductibility of compensation, we will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income upon the vesting of the restricted stock units.
- *Tax Basis of Shares.* If shares of Common Stock are issued to you upon vested of your restricted stock unit Award, your basis in any shares received will equal the fair market value of the shares at the time you recognize ordinary income.
- *Sale of Shares.* If, as usually is the case, the Common Stock is a capital asset in your hands, any additional gain or loss recognized on a subsequent sale or exchange of the shares will not be ordinary income but will qualify as capital gain or loss.
- *Characterization of Capital Gain or Loss.* Any capital gain or loss you recognize upon sale of the shares will be treated as long-term capital gain or loss if you have held the shares for more than 12 months from the date you recognized ordinary income with respect to the shares and as short-term capital gain or loss if you have held the stock for 12 months or less from the date you recognized ordinary income.

### ***Cash Awards***

- *Grant.* You will recognize taxable income at the time the cash bonus is paid equal to the amount of the Award.
- *Tax Deduction for the Company.* We will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income, to the extent this amount satisfies the general rules concerning deductibility of compensation.

### ***Other***

- *Dividend Equivalents and Unrestricted Common Stock.* Dividend equivalents, if any, awarded with respect to grants under the Plan and paid in cash or unrestricted Common Stock, and unrestricted

Common Stock, will be taxed to a participant at ordinary income rates when received by the participant.

- *Tax Deduction for the Company.* We will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income, to the extent this amount satisfies the general rules concerning deductibility of compensation.

***Limitations of Tax Deduction for the Company.*** Pursuant to Section 162(m) of the Code, the maximum deduction the Company may claim for compensation paid to any named executive officer who may be a “covered employee” under Section 162(m) of the Code, including deductions with respect to Awards granted under the Plan, will generally be limited to \$1,000,000 per calendar year.

#### **Change in Control**

Depending on the terms of your Award Agreement and the determinations of the Committee, upon a change in control of the Company, restrictions on your Award may lapse, or your Award may mature or become exercisable, on an accelerated schedule. If this type of benefit, or other benefits and payments connected with your Award that result from a change in control of the Company, are granted to certain individuals (such as our executive officers), the benefits and payments may be deemed to be “parachute payments” within the meaning of Section 280G of the Code. Section 280G provides that if parachute payments to an individual equal or exceed three times the individual’s “base amount,” the excess of the parachute payments over one times the base amount (1) will not be deductible by us and (2) will be subject to an excise tax payable by the individual. “Base amount” is the individual’s average annual compensation over the five taxable years preceding the taxable year in which the change in control occurs. We urge you to consult your own tax advisor regarding your tax liability upon a change in control of the Company.

#### **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We file annual, quarterly and special reports, proxy statements and other information with the Commission. The Commission allows us to incorporate by reference some of the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be part of this Prospectus, and later information that we file with the Commission will automatically update and supersede this information. We incorporate by reference the documents listed below:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the Commission on February 28, 2023;
- our Quarterly Report on Form 10-Q for the quarterly period ended April 1, 2023, filed with the Commission on May 9, 2023;
- our current reports on Form 8-K filed with the Commission on March 9, 2023, March 20, 2023, May 1, 2023, May 17, 2023, June 2, 2023 and June 5, 2023; and
- the description of our Common Stock contained in Exhibit 4.1 to our Annual Report on Form 10-K for the fiscal year ended December 28, 2019, filed with the Commission on February 25, 2020, including any amendments or reports filed for the purpose of updating such description.

All reports and other documents filed pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act will be deemed to be incorporated by reference herein and to be a part of this Prospectus

from the date of the filing of such reports and documents, if such reports or other documents are filed (1) after the date of this Prospectus, and (2) prior to the filing of a post-effective amendment that indicates that all securities offered pursuant to the registration statement on Form S-8 we filed with the Commission registering the shares reserved under the Plan have been sold or that deregisters all securities then remaining unsold.

Any statement contained in any document incorporated or deemed to be incorporated herein by reference will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document that is also incorporated or deemed to be incorporated herein by reference modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

We will provide you at no cost, upon your written or oral request, a copy of any or all of the documents incorporated by reference in this Prospectus (other than exhibits, unless such exhibits are specifically incorporated by reference into such documents) and a copy of any other documents required to be delivered to participants in the Plan pursuant to Rule 428(b) under the Securities Act, including our most recent annual report to shareholders, proxy statement, and other communications distributed by us to our shareholders generally. Requests for copies should be directed to the General Counsel and Secretary, Helios Technologies, Inc., 7456 16<sup>th</sup> St. E, Sarasota, FL 34243, or call (941) 362-1200.



## CERTIFICATION

I, Sean Bagan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 28, 2025, of Helios Technologies;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

/s/ Sean Bagan  
President, Chief Executive Officer, and Chief Financial  
Officer  
(Principal Executive Officer and Principal Financial and  
Accounting Officer)



**CERTIFICATION PURSUANT TO 18 U.S.C. § 1350**

I, Sean Bagan, the President, Chief Executive Officer, and Chief Financial Officer of Helios Technologies (the "Company"), certify that (i) the Quarterly Report on Form 10-Q for the Company for the quarter ended June 28, 2025 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2025

/s/ Sean Bagan  
Sean Bagan  
President, Chief Executive Officer, and Chief Financial  
Officer  
(Principal Executive Officer and Principal Financial and  
Accounting Officer)

---



