



Second Quarter 2019 Earnings Conference Call

July 30, 2019

Forward Looking Statements



Certain statements contained in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words or phrases such as "outlook", "expected", "projected", "scheduled", "could", "believe", "anticipated", "on track" and others, and include statements regarding our expectations for 2019 financial performance and end market conditions including the anticipated growth or change in operating results; projected operating results; restructuring and related activities; and expected footprint consolidation initiatives. Such forward-looking statements involve numerous assumptions, known and unknown risks, uncertainties and other factors which may cause actual and future performance or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, among others: the effects of tariffs and other trade actions taken by the U.S. and other countries; the impact of U.S. tax reform legislation; the impact of and the ability to complete strategic acquisitions and integrate acquired companies; achieving sales levels to fulfill revenue expectations; unexpected costs or charges, certain of which may be outside the control of the Company; changes in material costs; the level of price increases or discounts; restructuring and cost reduction actions; pension expense; general economic and business conditions; foreign exchange rates; international trade policy; and competition. For additional information identifying factors that may cause actual results to vary materially from those stated in the forward-looking statements, refer to our most recent 10-K for the year ended December 31, 2018 and subsequent SEC filings that are filed with the SEC and are also available at www.hubbell.com.



- Strong T&D performance; mixed Electrical end markets
- Effective price|cost management
- Free Cash Flow tracking above initial expectations
- Footprint optimization ramping up
- Tightening 2019 full year EPS expectations

Strong first half positions us well to deliver on full year commitments



- Net sales of \$1.20 billion
 - Organic growth +3%
- Operating margin 14.0%; adjusted operating margin 15.5%⁽¹⁾
 - Price|cost positive
 - Footprint optimization investment
- Diluted EPS of \$1.75; adjusted diluted EPS of \$2.31⁽¹⁾
- Free Cash Flow of \$107 million⁽²⁾

⁽¹⁾ Refer to the appendix for reconciliations of non-GAAP measures.

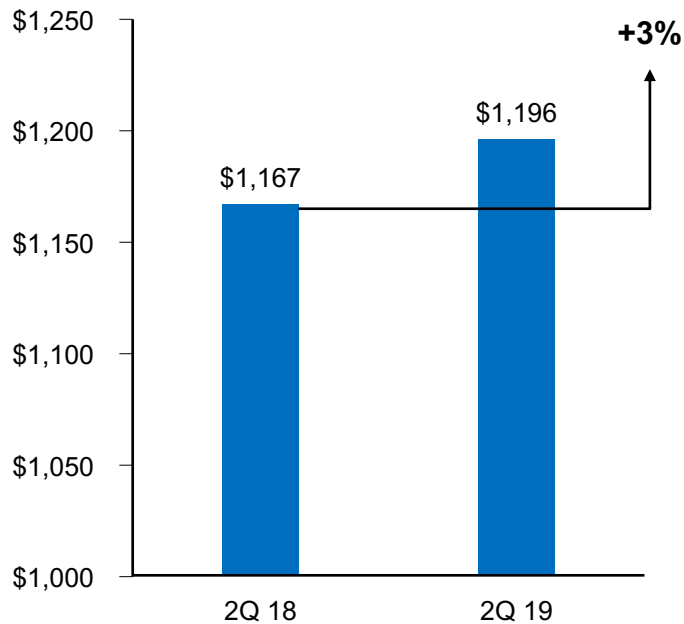
⁽²⁾ Refer to the appendix for calculation of Free Cash Flow.

2Q 2019 Sales Performance












(\$Millions)

Net Sales



End Markets

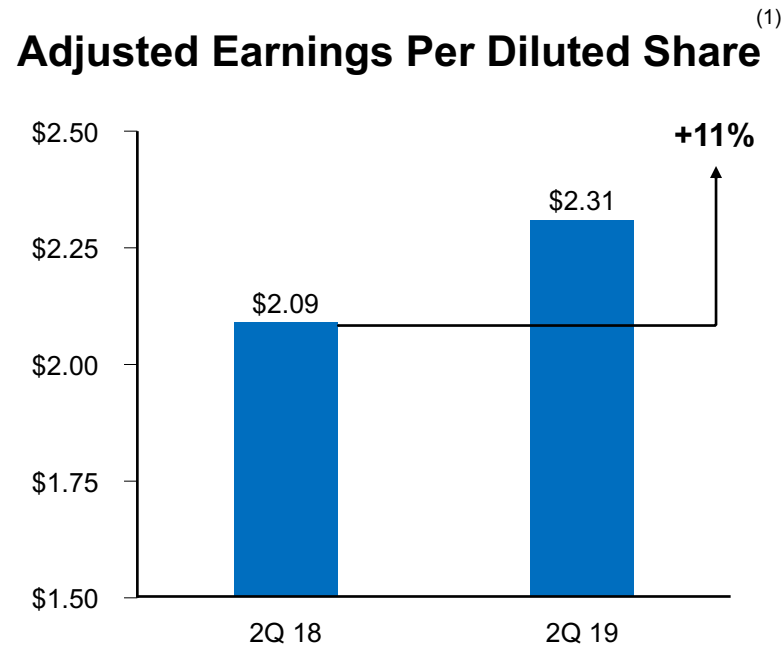
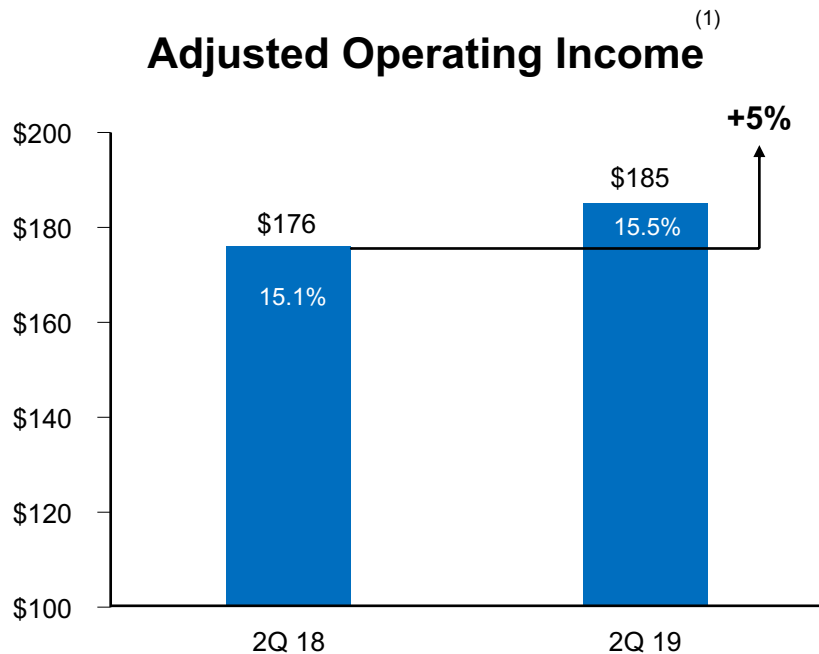
Non-residential	 	<ul style="list-style-type: none"> • New construction • Renovation and relight
Industrial	 	<ul style="list-style-type: none"> • Light • Heavy
Oil and Gas	 	<ul style="list-style-type: none"> • Oil • Gas
Electrical T&D	 	<ul style="list-style-type: none"> • Distribution • Transmission
Residential		<ul style="list-style-type: none"> • Single family

Organic +3%

2Q 2019 Operating Income and Diluted EPS



(\$Millions except per share amounts)



- Price|cost positive
- Increased footprint optimization investment

- Higher operating income
- Lower effective tax rate

Strong adjusted earnings growth

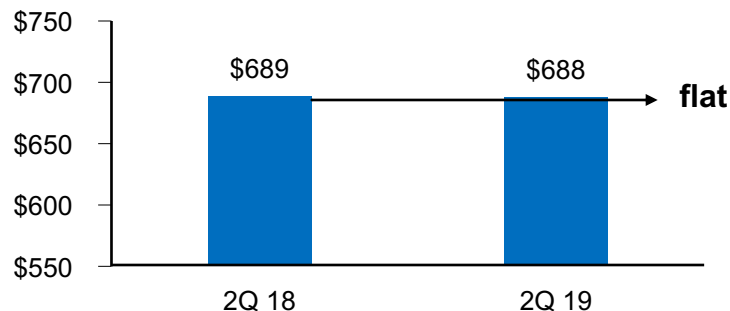
(1) Refer to the appendix for reconciliations of non-GAAP measures.

2Q 2019 Electrical Segment Results



(\$Millions)

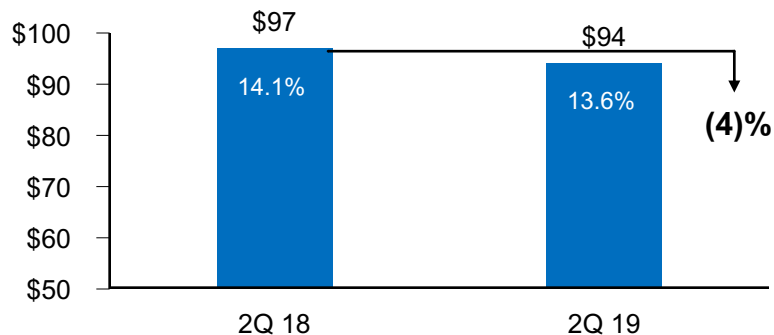
Net Sales



Sales

- Organic +1%, Foreign Exchange -1%
- Strong price realization
- Gas strong; oil weak

Adjusted Operating Income ⁽¹⁾



Performance

- Increased footprint optimization investment
- Lower volumes
- Price|cost positive

Mixed end markets; continued traction on price

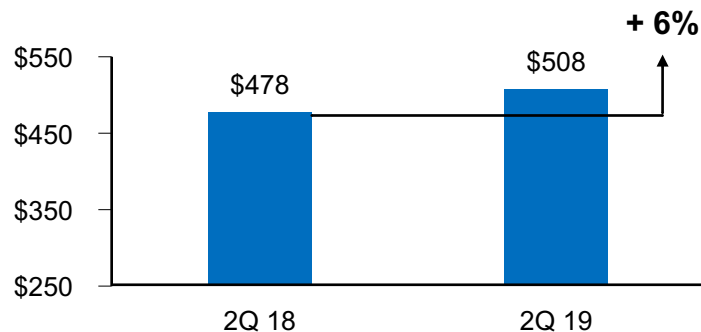
⁽¹⁾ Refer to the appendix for reconciliations of non-GAAP measures.

2Q 2019 Power Segment Results



(\$Millions)

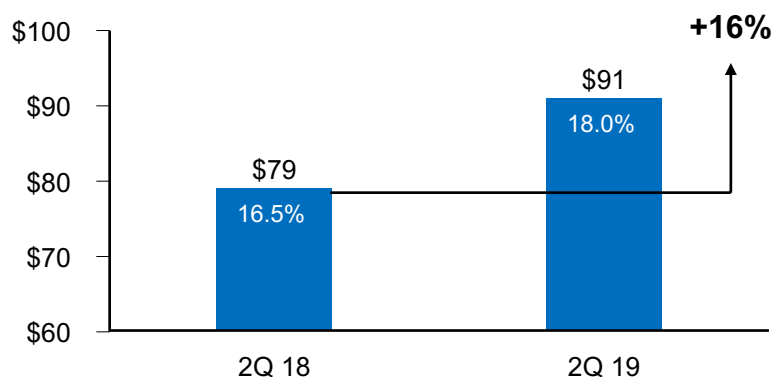
Net Sales



Sales

- Organic +7%, Foreign Exchange -1%
- Legacy Power and Aclara each +7% organic
- Strong T&D markets and performance

Adjusted Operating Income



Performance

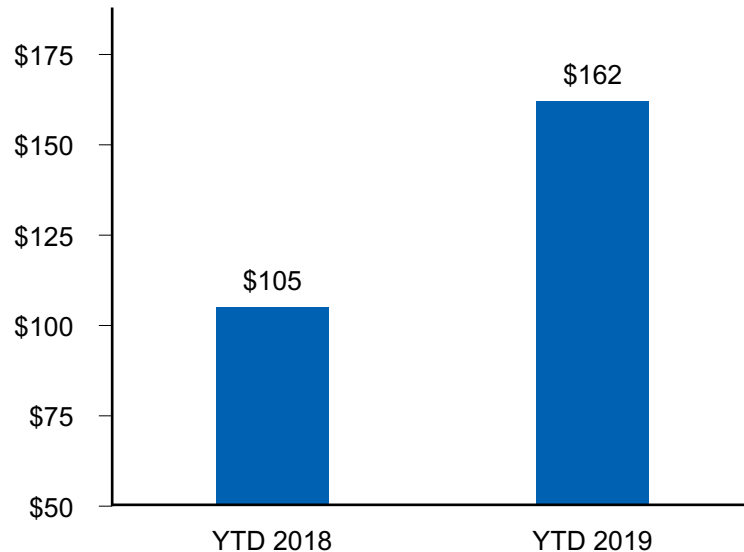
- Benefit of higher volumes
- Price|cost positive

Strong performance; strategic execution paying off

⁽¹⁾ Refer to the appendix for reconciliations of non-GAAP measures.

(\$Millions)

Free Cash Flow⁽²⁾



Highlights

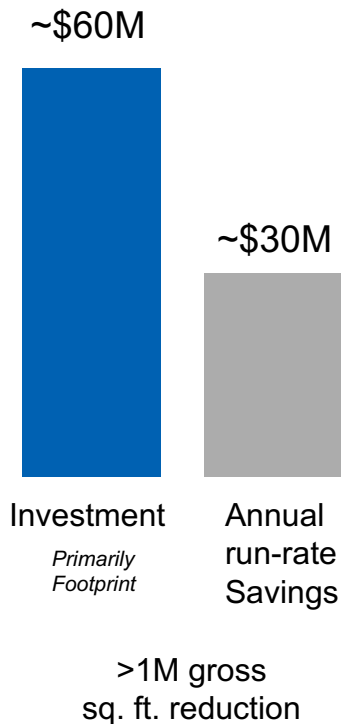
- Strong YTD performance
 - Higher net income
 - Working capital improvement

Expect full year FCF at ~100% of adjusted net income^(1,2)

⁽¹⁾ Refer to the appendix for reconciliations of non-GAAP measures.

⁽²⁾ Refer to the appendix for calculation of Free Cash Flow.

2019F-2020F



2020 Target
~20%
improvement
in sales per
sq foot

Key Actions Underway

Consolidation

- Actively working 10 projects in 2019 with square footage >500K
- Consolidating large, high cost facilities and small, sub-scale facilities

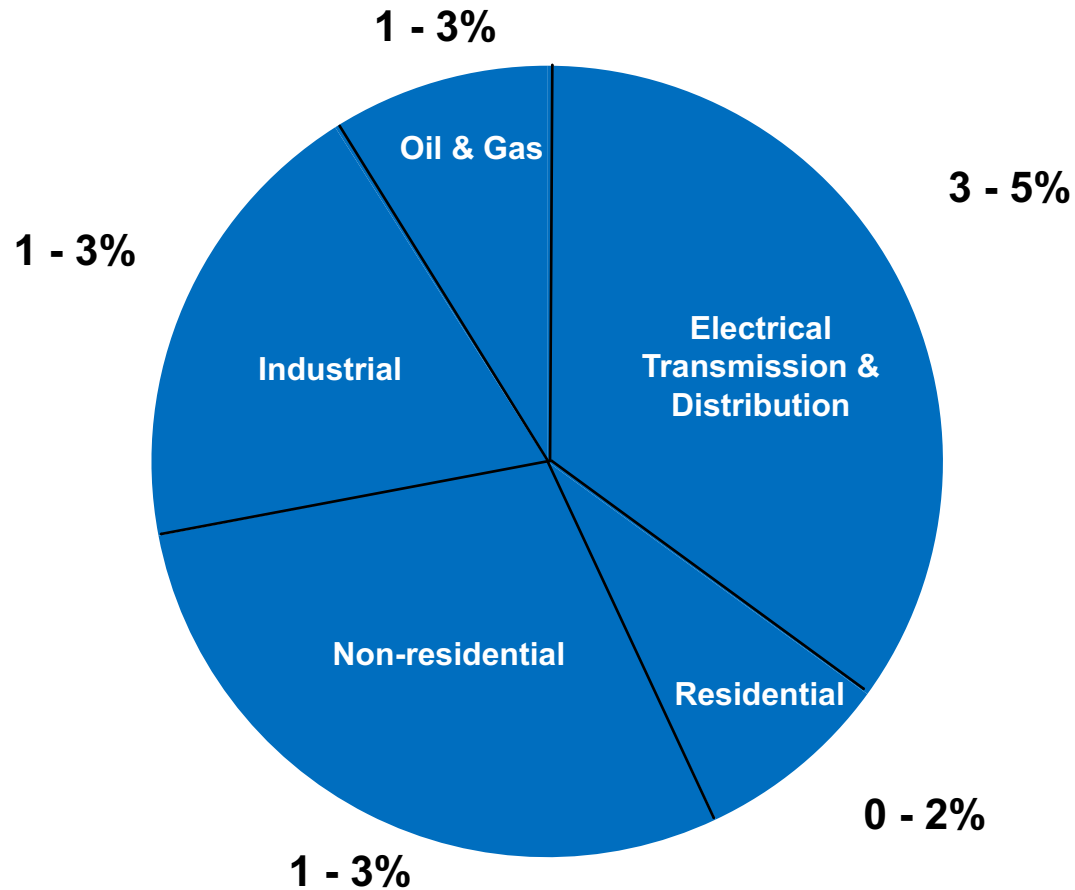
Optimization

- Utilizing existing square footage in large, low cost facilities
- Co-locating core technical competencies
- Maintaining high quality, reliability, and service during complex transition process

Making solid progress; investment set to accelerate in 2H19



Estimated %
Hubbell Sales



End markets expected to contribute 2 - 3% in total



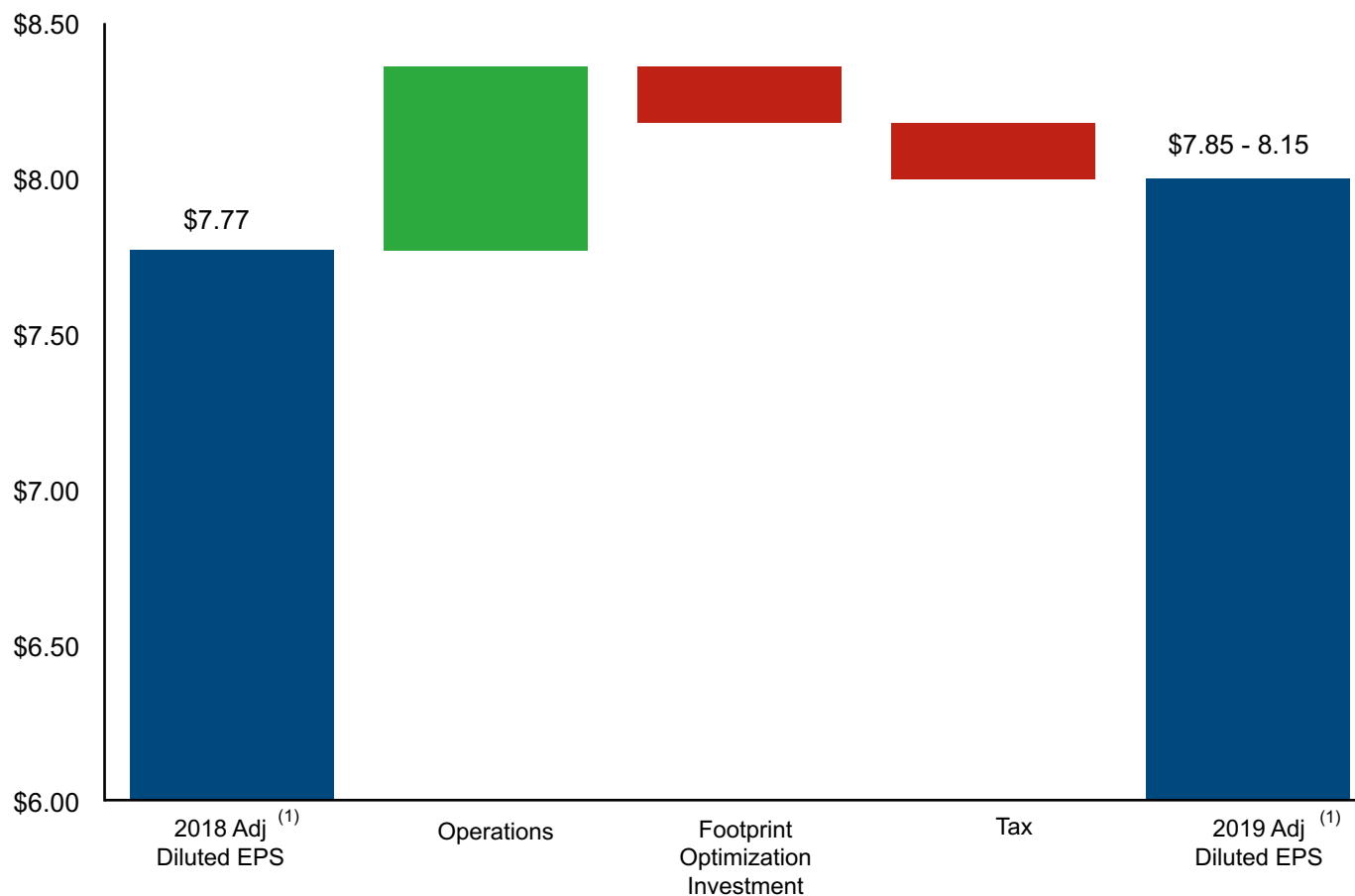
- Reaffirm net sales growth of approximately 4 - 6%
 - End market growth of 2 - 3% in the aggregate
 - Acquisitions add ~1%
 - Benefit of higher price realization

- Tighten Adjusted Diluted EPS to \$7.85 - \$8.15⁽¹⁾
 - Includes ~\$0.40 of restructuring and related investment

- Raise Free Cash Flow to ~100% of adjusted net income^(1,2)

⁽¹⁾ Refer to the appendix for reconciliations of non-GAAP measures.

⁽²⁾ Refer to the appendix for calculation of Free Cash Flow.



Strong fundamental earnings growth while streamlining the company

⁽¹⁾ Refer to the appendix for reconciliations of non-GAAP measures.



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Appendix



(1) References to "adjusted" operating measures exclude the impact of certain costs. Management believes these adjusted operating measures provide useful information regarding our underlying performance from period to period and an understanding of our results of operations without regard to items we do not consider a component of our core operating performance. Adjusted operating measures include adjusted operating income, adjusted operating margin, adjusted net income, adjusted net income available to common shareholders, and adjusted earnings per diluted share, which exclude, where applicable:

- Effective as of the first quarter of 2019, amortization of acquisition-related intangible assets associated with all of our business acquisitions, including inventory step-up amortization associated with those acquisitions,
- Adjusted operating measures in 2018 also excluded Aclara transaction costs, which includes professional services and other fees that were incurred in connection with the acquisition of Aclara,
- Adjusted operating measures also exclude charges recognized in the second quarter of 2019 to recognize certain additional liabilities associated with the Company's participation and withdrawal from a multi-employer pension plan.

Each of these adjusted operating measures are non-GAAP measures. Management uses the adjusted measures when assessing the performance of the business. Reconciliations of each of these non-GAAP measures to the most directly comparable GAAP measure can be found in the following tables, and on the Investor Relations subpage of our website at www.hubbell.com.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Reconciliation of Adjusted Net Income to the most directly comparable GAAP measure (millions):

Hubbell Incorporated	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Net income attributable to Hubbell (GAAP measure)	\$ 96.0	\$ 100.3	(4)%	\$ 168.3	\$ 158.6	6%
Amortization of acquisition-related intangible assets, net of tax	13.5	14.6		27.1	31.4	
Multi-Employer Pension Charge	17.1	—		17.1	—	
Aclara transaction costs, net of tax	—	0.1		—	8.8	
Adjusted Net Income	<u>\$ 126.6</u>	<u>\$ 115.0</u>	10 %	<u>\$ 212.5</u>	<u>\$ 198.8</u>	7%

Reconciliation of Adjusted Earnings Per Diluted Share to the most directly comparable GAAP measure (millions, except per share amounts):

Hubbell Incorporated	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	Change	2019	2018	Change
Numerator:						
Net income attributable to Hubbell	\$ 96.0	\$ 100.3		\$ 168.3	\$ 158.6	
Less: Earnings allocated to participating securities	(0.4)	(0.4)		(0.7)	(0.5)	
Net income available to common shareholders (GAAP measure) [a]	\$ 95.6	\$ 99.9	(4)%	\$ 167.6	\$ 158.1	6%
Adjusted Net Income	\$ 126.6	\$ 115.0		\$ 212.5	\$ 198.8	
Less: Earnings allocated to participating securities	(0.5)	(0.4)		(0.8)	(0.7)	
Adjusted net income available to common shareholders [b]	\$ 126.1	\$ 114.6	10 %	\$ 211.7	\$ 198.1	7%
Denominator:						
Average number of common shares outstanding [c]	54.3	54.7		54.4	54.7	
Potential dilutive shares	0.3	0.2		0.2	0.3	
Average number of diluted shares outstanding [d]	<u>54.6</u>	<u>54.9</u>		<u>54.6</u>	<u>55.0</u>	
Earnings per share (GAAP measure):						
Basic [a] / [c]	\$ 1.76	\$ 1.83		\$ 3.08	\$ 2.89	
Diluted [a] / [d]	\$ 1.75	\$ 1.82	(4)%	\$ 3.07	\$ 2.87	7%
Adjusted Earnings Per Diluted Share [b] / [d]	\$ 2.31	\$ 2.09	11 %	\$ 3.87	\$ 3.60	8%



(2) Free cash flow is a non-GAAP measure and is defined as cash flow from operations less capital expenditures. Management believes that free cash flow provides useful information regarding Hubbell's ability to generate cash without reliance on external financing. In addition, management uses free cash flow to evaluate the resources available for investments in the business, strategic acquisitions and further strengthening the balance sheet.

Reconciliation of Free Cash Flow and Adjusted Free Cash Flow to the most directly comparable GAAP measure (millions):

Hubbell Incorporated	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net Cash Provided By Operating Activities (GAAP measure)	\$ 131.5	\$ 152.7	\$ 209.6	\$ 152.3
Capital Expenditures	(24.4)	(25.5)	(47.7)	(47.5)
Free Cash Flow	\$ 107.1	\$ 127.2	\$ 161.9	\$ 104.8