



Second Quarter 2020 Earnings Call

July 30, 2020



Forward Looking Statements

Certain statements contained herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These include statements about expectations regarding our financial results, condition and outlook, anticipated end markets, near-term volume, continued opportunity for operational improvement, our ability to drive consistent and differentiated performance, the impact of our high quality portfolio of electrical solutions and utility solutions with strong brand value and best in class reliability, anticipated effects of the COVID-19 pandemic and the responses thereto, including the pandemic's impact on general economic and market conditions, as well as on our business, customers, end markets, results of operations and financial condition and anticipated actions to be taken by management to sustain the Company during the economic uncertainty caused by the pandemic and related governmental and business actions, our projected financial results and all statements set forth under the "2020 Outlook Framework" section of this presentation, as well as other statements that are not strictly historic in nature. In addition, all statements regarding anticipated growth, changes in operating results, market conditions and economic conditions are forward-looking, including those regarding the adverse impact of the COVID-19 pandemic on the Company's end markets. These statements may be identified by the use of forward-looking words or phrases such as "believe", "expect", "anticipate", "plan", "estimated", "target", "should", "could", "may", "subject to", "continues", "growing", "projected", "if", "potential", "will likely be", and similar words and phrases. Such forward-looking statements are based on our current expectations and involve numerous assumptions, known and unknown risks, uncertainties and other factors which may cause actual and future performance or the Company's achievements to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to: our ability to effectively execute our business plan in light of the COVID-19 pandemic; the effectiveness of the actions that we take to address the effects of the COVID-19 pandemic; the outcome of contingencies or costs compared to amounts provided for such contingencies, including those with respect to pension withdrawal liabilities; achieving sales levels to meet revenue expectations; unexpected costs or charges, certain of which may be outside the Company's control; the effects of tariffs and other trade actions taken by the U.S. and other countries; changes in product sales prices and material costs; expected benefits of productivity improvements and cost reduction actions; effects of unfavorable foreign currency exchange rates; the impact of U.S. tax reform legislation; general economic and business conditions; the impact of and the ability to complete and integrate strategic acquisitions; the impact of certain divestitures, including the sale of the Haefely business; the ability to effectively develop and introduce new products, expand into new markets and deploy capital; and other factors described in our Securities and Exchange Commission filings, including the "Business", "Risk Factors", and "Quantitative and Qualitative Disclosures about Market Risk" Sections in the Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Reports on Form 10-Q.



- 1 Economic headwinds causing market disruption; Utility markets resilient
- 2 Operational execution driving margin expansion
- 3 Strong Free Cash Flow performance ⁽²⁾
- 4 Reinstating 2020 guidance; well positioned to manage through a range of scenarios

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

What We Said

Ensure Health and Safety of Our Employees

- ✓ Remote work
- ✓ Enhanced cleaning protocols
- ✓ Staggered shifts
- ✓ Social distancing
- ✓ Hourly employees to receive bonus appreciation pay in 2Q

Continue to Serve Our Customers

- ✓ Temporary facility closures
- ✓ End market headwinds
- ✓ Continue to support customers with high quality products to operate critical infrastructure safely, reliably and efficiently

Operate with Discipline

- ✓ Absorption/productivity inefficiencies
- ✓ Board to forego 2Q retainers
- ✓ Senior executives to take 25% salary reduction in 2Q
- ✓ All other executives to take 15% salary reduction in 2Q
- ✓ All other salaried employees to take 2 week furlough in 2Q
- ✓ Other cost reduction actions

Maintain Strong Liquidity Position

- ✓ Strong FCF performance
- ✓ Bolster liquidity with revolver draw
- ✓ Cut non-essential capex
- ✓ Lower raw material spend
- ✓ Daily collections monitoring

What We Did



Achieved 14% Decremental Margins in 2Q, Significantly Exceeding Target of ~30%

Streamlined Operating Structure Strengthens Execution of OneHubbell Strategy

| In Front of the Meter | | | The Edge | Behind the Meter | | |
|-----------------------|--------------|--------------|----------|--------------------------|--|------------------|
| Utility | Transmission | Distribution | | Diversified Applications | | Owner / Operator |
| Electric | | | | | | Non-Residential |
| Gas | | | | | | Residential |
| Water | | | | | | Industrial |
| Telecom | | | | | | Oil |

Leading Positions Across the Energy Infrastructure: *From the Backbone to The Edge*
 Energy Transmission/Distribution, Consumption, and Data Collection/Analysis/Control

| Utility Solutions | | | | | | Electrical Solutions | | | | |
|---------------------|-----------------------------------|---------------------------------|---------------------------------------|---------------|--|----------------------|---------------------------------------|---|---------------------|--|
| ANDERSON | OHIO BRASS FARGO | CHANCE Quazite | HUBBELL Power Systems, Inc. | Aclara | | BURNDY | HUBBELL Industrial Controls | HUBBELL Wiring Device-Kellems | KIM LIGHTING | |
| | | | | | | | | | | |



Complementary Segments Uniquely Positioned to Solve Critical Infrastructure Problems

\$949M

Sales

(Organic -21%)

- Economic headwinds from COVID-19 led to significant end market declines; Utility demand resilient
- Supply chain disruption effectively navigated and resolved within 2Q as expected

15.8%

Adj. OP Margin ⁽¹⁾

(+30bps y/y)

- Strong operating execution driven by footprint optimization savings and positive price/cost
- COVID-19 related operational disruptions more than offset by cost management

\$1.87

Adj. Diluted EPS ⁽¹⁾

- End market challenges partially offset by strong operating performance

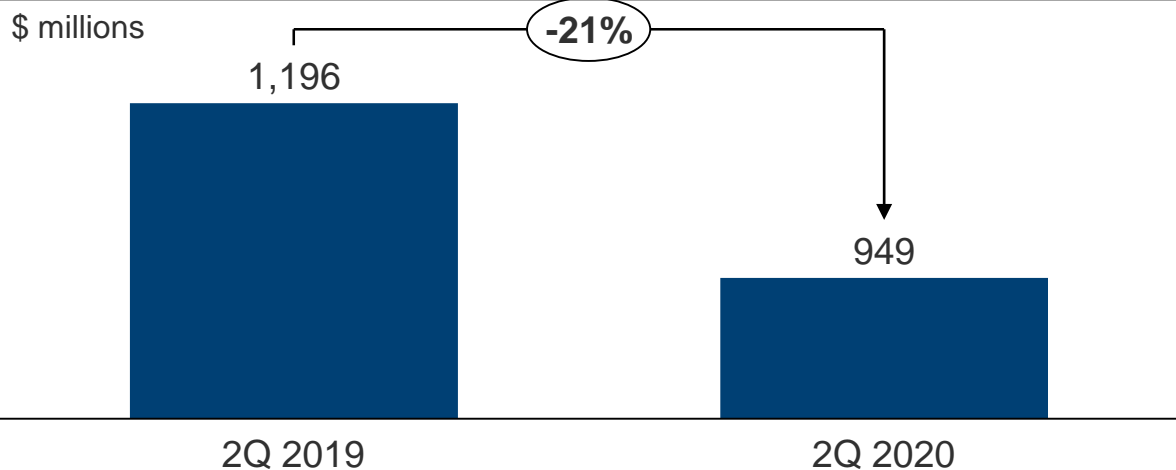
\$178M

Free Cash Flow ⁽²⁾

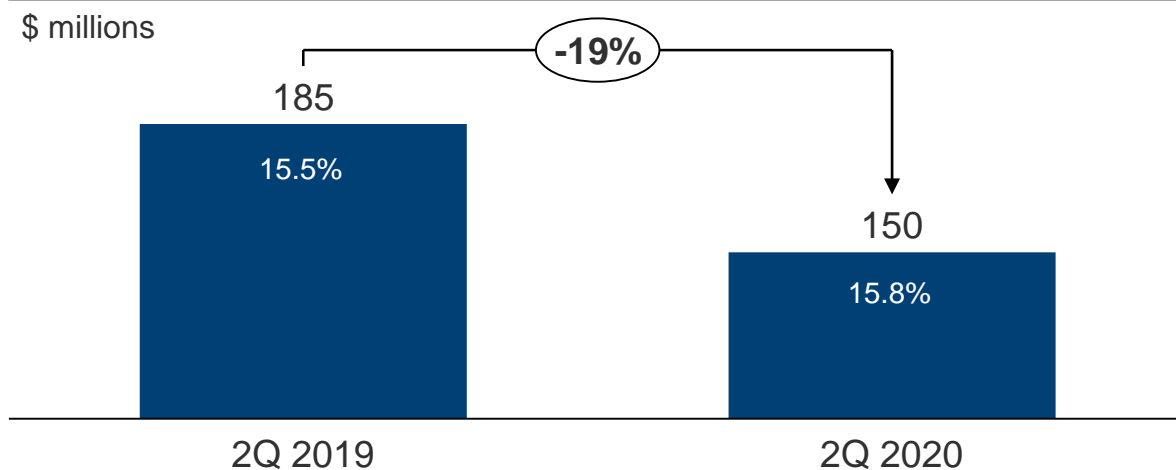
- Continued robust free cash flow generation supports sound liquidity position

Effective Execution in a Challenging Environment

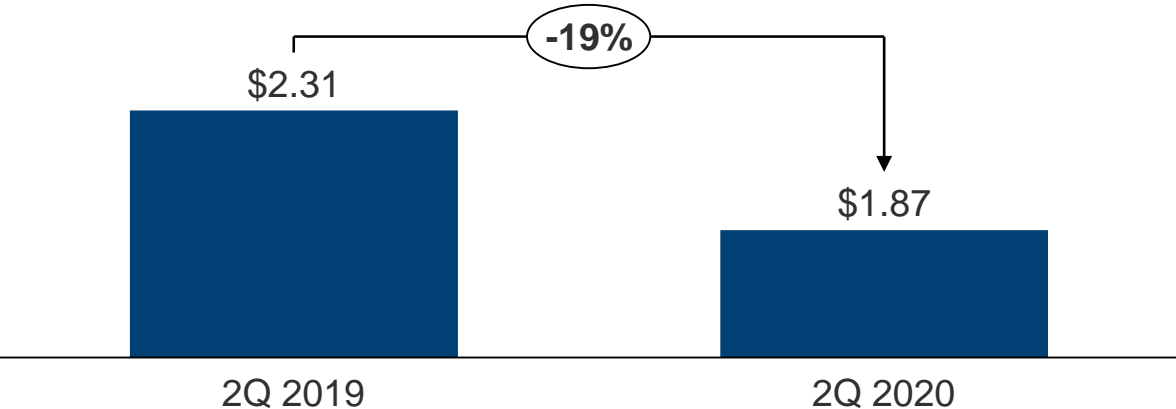
NET SALES



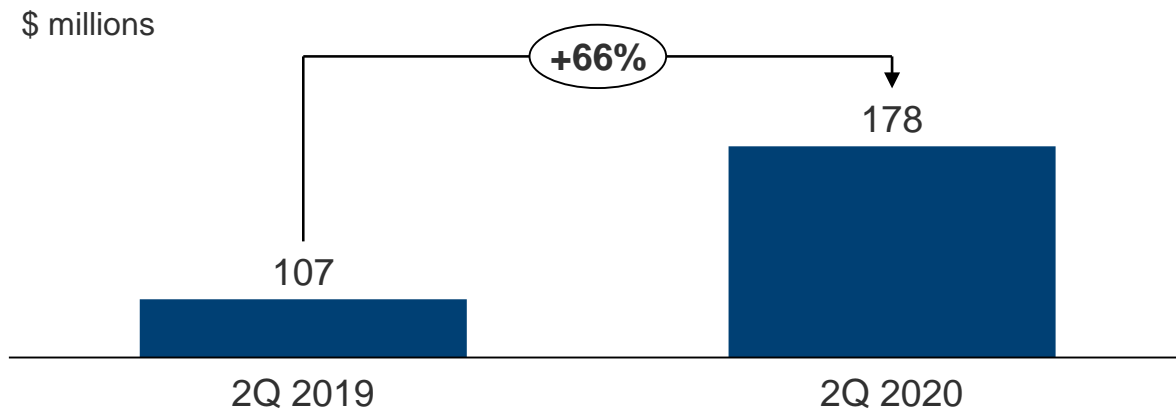
ADJUSTED OPERATING PROFIT ⁽¹⁾



ADJUSTED DILUTED EPS ⁽¹⁾



FREE CASH FLOW ⁽²⁾



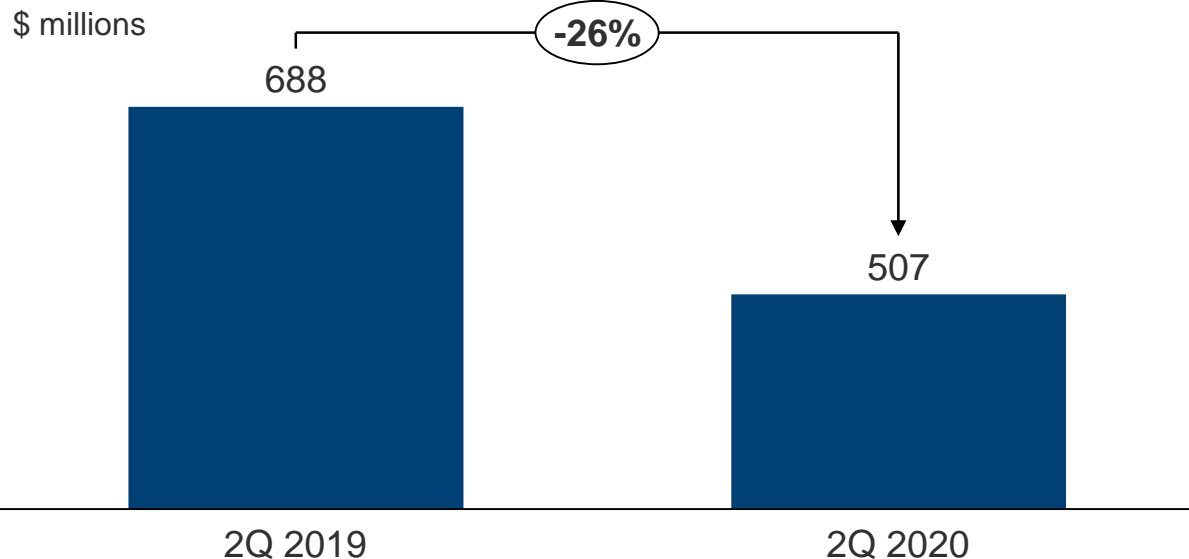
Margin Expansion and Significant Free Cash Flow Growth Despite Sales Declines

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

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

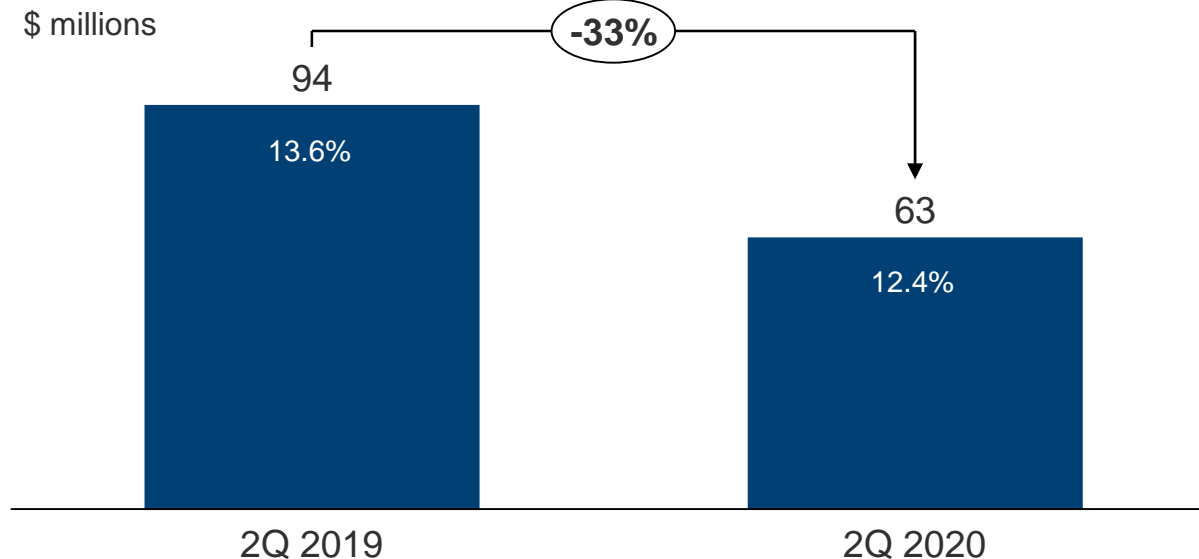
2Q 2020 Electrical Segment Results

ELECTRICAL NET SALES



- Organic -26%; Net M&A <1% headwind
- Broad-based weakness across most end markets
- Limited supply chain disruption resolved intra-quarter

ELECTRICAL ADJUSTED OPERATING PROFIT (1)



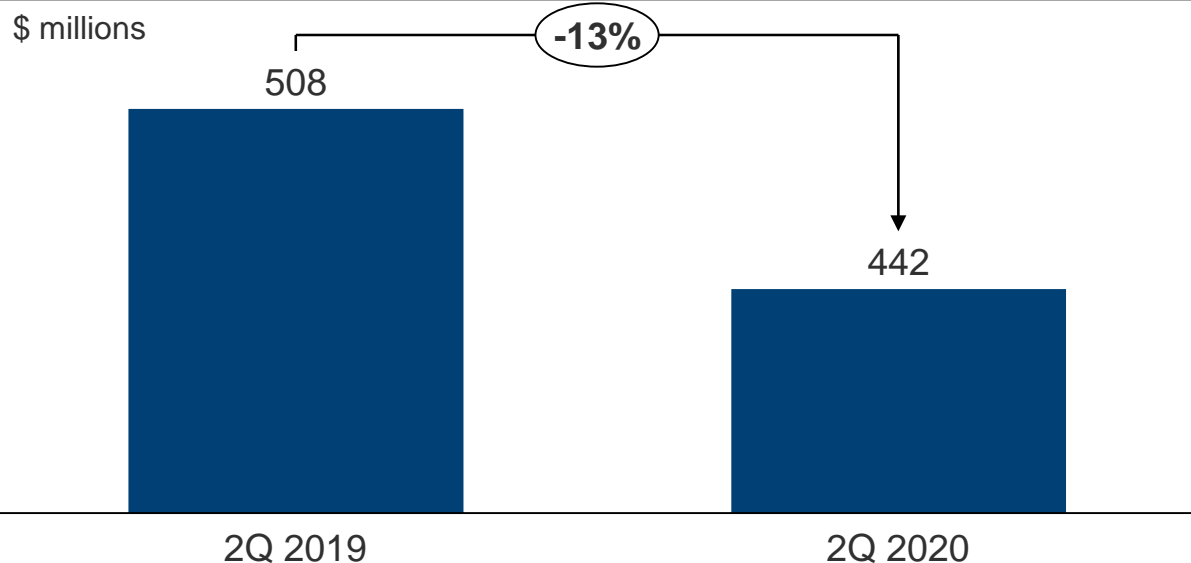
- Lower volumes and COVID-19 operational inefficiencies
- Compensation actions and other cost reductions
- Price | Cost positive
- Restructuring and footprint optimization savings

Solid Operating Execution in Challenging Markets

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

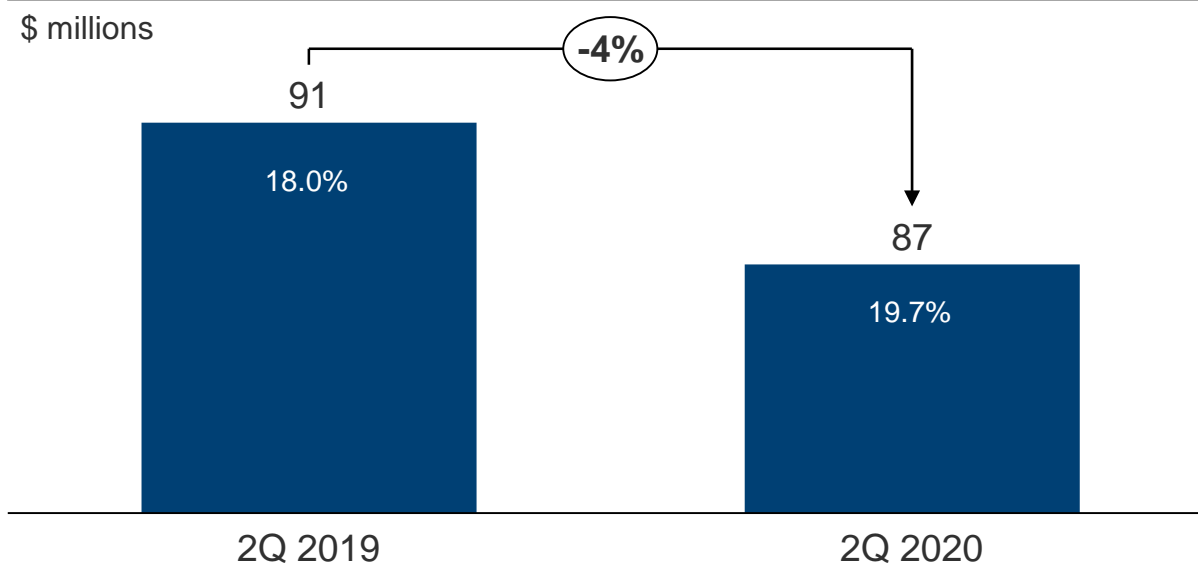
2Q 2020 Utility Solutions Segment Results

UTILITY SOLUTIONS NET SALES



- Organic -14%; Acquisition +1%; Forex <1% headwind
- Power Systems down MSD and Aclara down ~25%
- Grid modernization and renewables demand resilient
- Supply chain disruption resolved intra-quarter

UTILITY SOLUTIONS ADJUSTED OPERATING PROFIT (1)

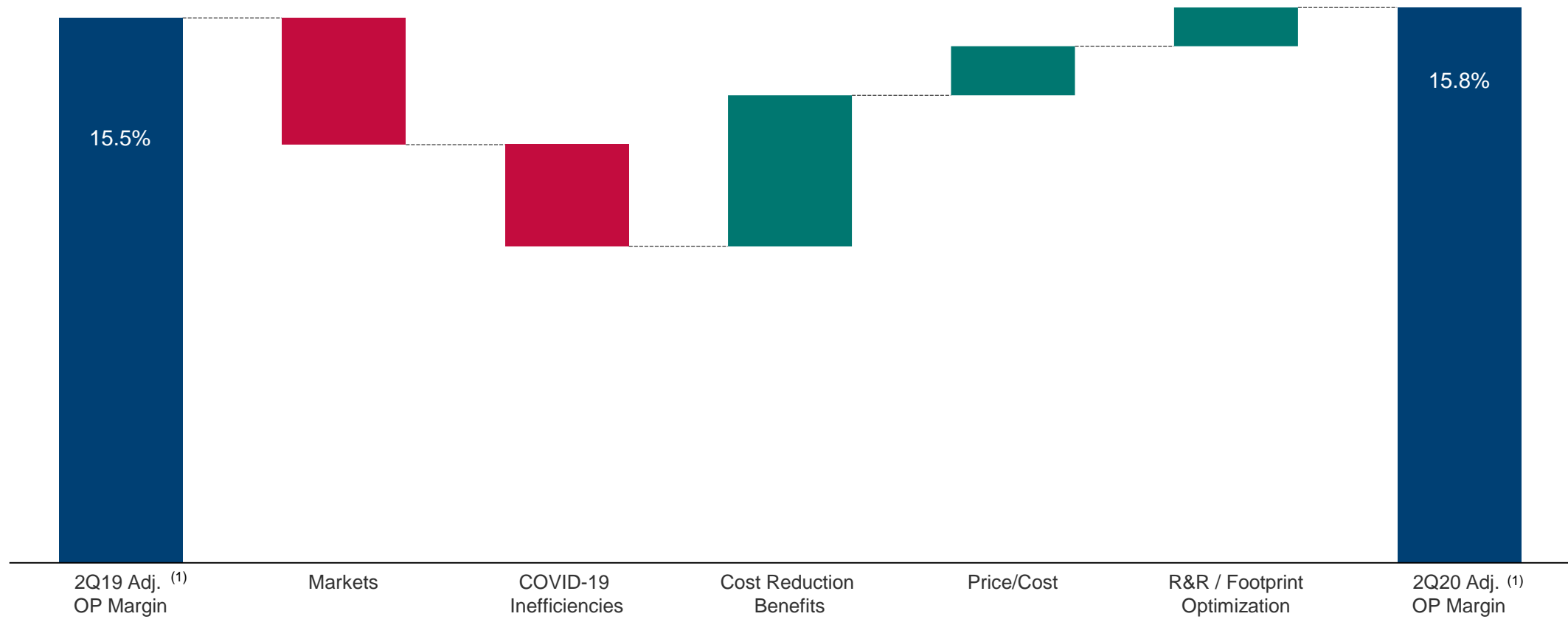


- Lower volumes and COVID-19 operational inefficiencies
- Compensation actions and other cost reductions
- Price | Cost positive

Resilient Performance Near-Term; Secular Growth Drivers Intact Long-Term

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

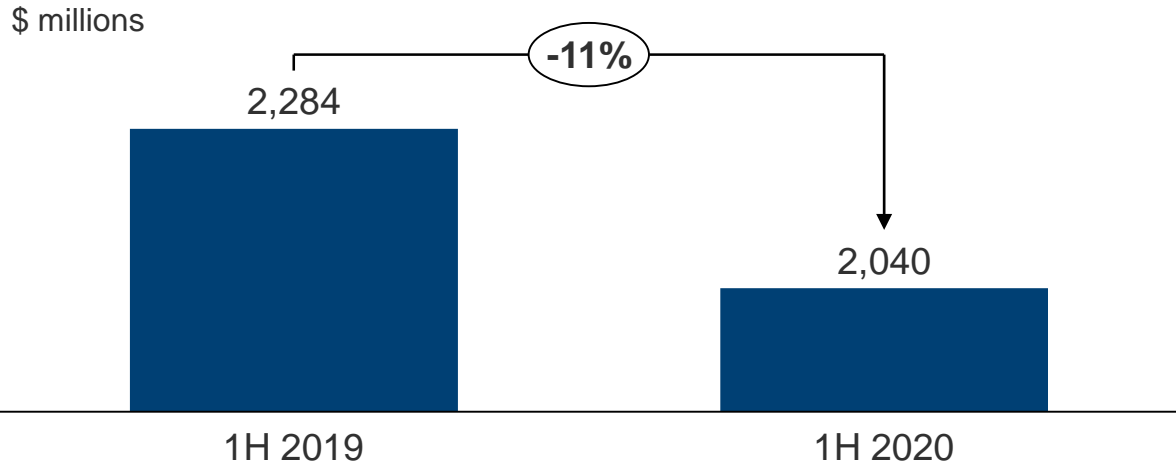
2Q 2020 Margin Bridge



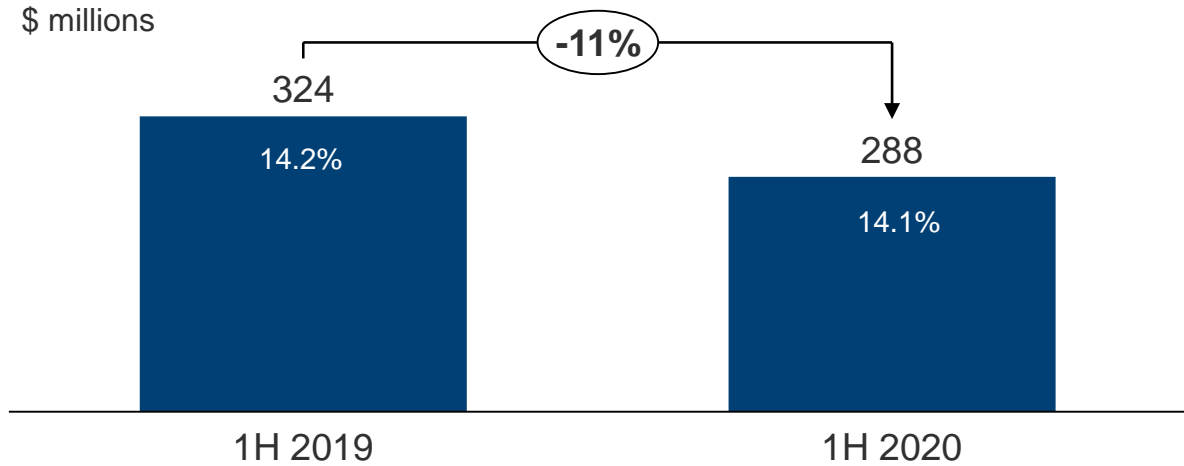
Combination of Structural and Temporary Cost Management to Achieve Margin Expansion

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

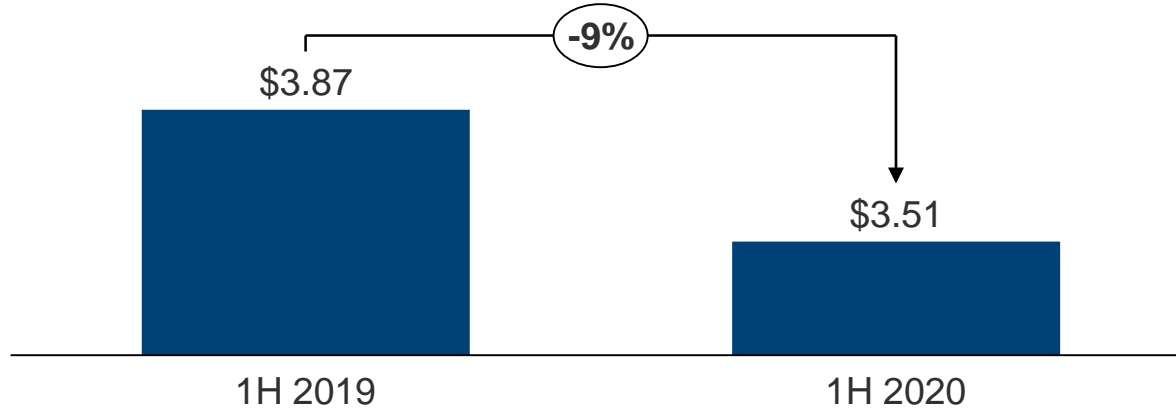
NET SALES



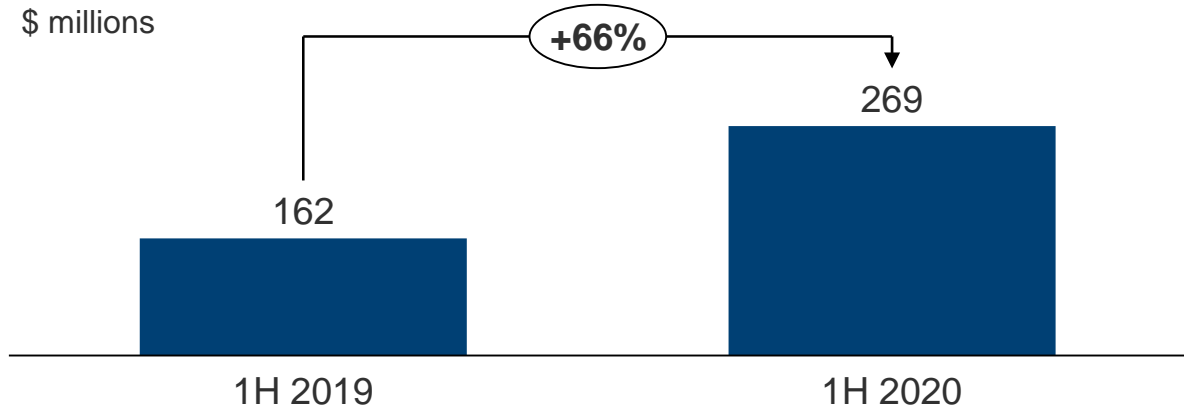
ADJUSTED OPERATING PROFIT ⁽¹⁾



ADJUSTED DILUTED EPS ⁽¹⁾



FREE CASH FLOW ⁽²⁾



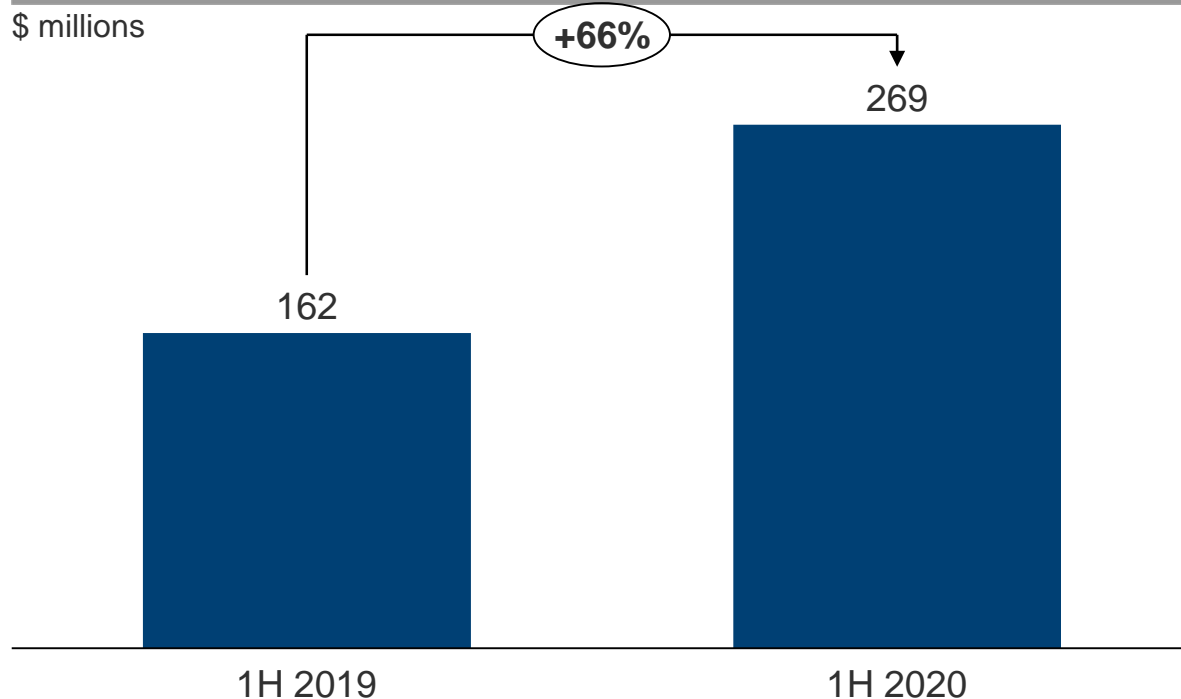
Solid Margin Execution and Robust Free Cash Flow

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

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

Free Cash Flow and Liquidity

YTD FREE CASH FLOW PERFORMANCE ⁽²⁾



CAPITAL STRUCTURE

| \$ millions | 12/31/2019 | 6/30/2020 |
|---|----------------|----------------|
| Cash | \$182 | \$485 |
| Investments | \$70 | \$64 |
| Commercial Paper & Other | \$31 | \$105 |
| Term Loan Outstanding | \$106 | \$90 |
| Senior Notes | \$1,434 | \$1,436 |
| -Due between 2022 and 2028 | | |
| -Rates between 3.15% and 3.625% | | |
| Revolving Credit Facility | \$0 | \$125 |
| Total Debt | \$1,571 | \$1,756 |
| <i>Debt to Capital</i> | 45% | 47% |
| <i>Net Debt to Capital</i> ⁽³⁾ | 38% | 32% |
| Revolver | | |
| -Available | \$750 | \$625 |
| -Outstanding | \$0 | \$125 |

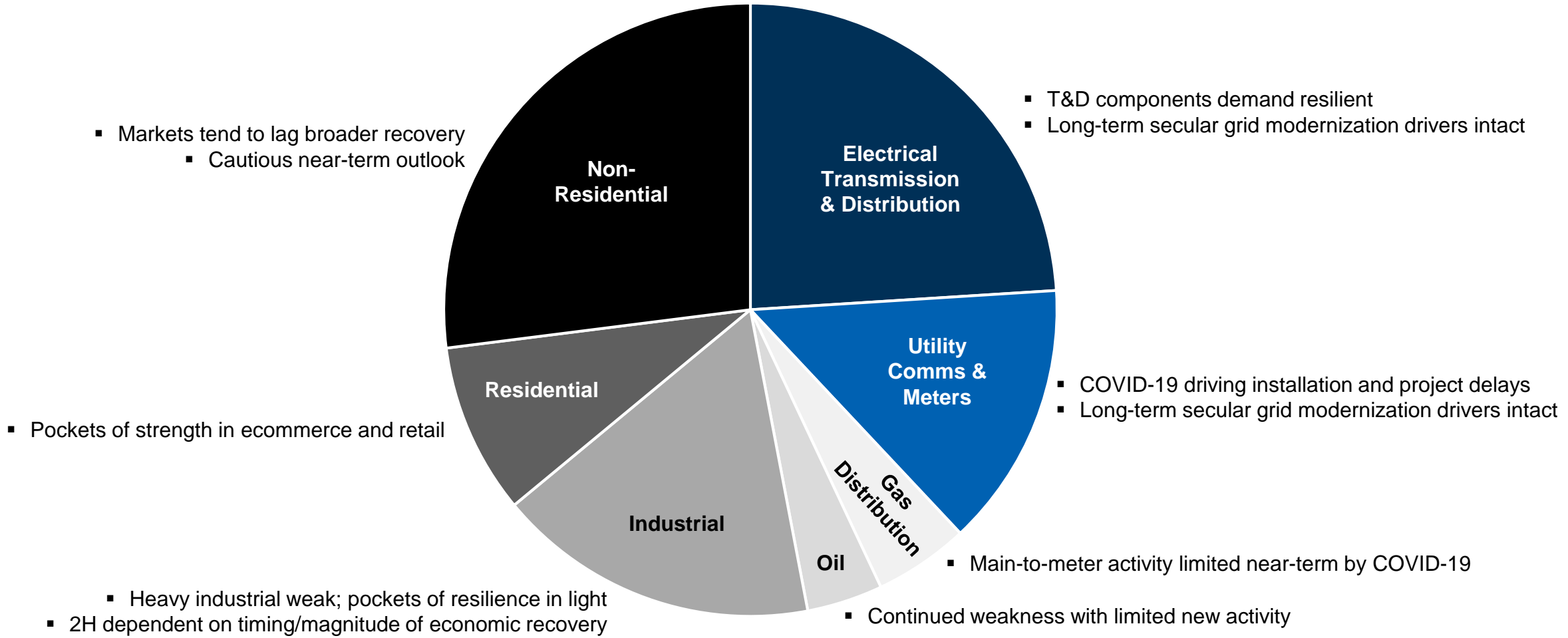
Note: Revolver fully paid down in July

Strong Cash and Liquidity Position

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

(3) Refer to the appendix for calculation of Net Debt

End Market Outlook Considerations



3Q Outlook Improved Over 2Q

Volumes

Electrical

- Orders stabilizing but no sign yet of a “V-shape”
- 3Q base case assumes DD y/y declines

Utility Solutions

- Power Systems
 - Resilient T&D demand and strong backlog
 - 3Q base case assumes y/y growth
- Aclara
 - Project delays continue, but moderating
 - 3Q base case assumes DD y/y declines

3Q Base Case Down ~10%

Margins

Manufacturing Output

- All facilities operational
- COVID-19 inefficiencies expected to improve in 2H

Cost Base

- Sustainable R&R savings (~\$25M FY20 benefit)
- Positive price/cost
- Compensation reduction actions not repeated in 2H
- Other operating costs likely to return in 2H
 - Discretionary items managed based on volumes

Target 2H Decremental Margins at 25-30%

Cash

Capex

- Actively managing while investing for productivity

Working Capital

- Continued inventory management
- Continued daily collections monitoring

Expect 2020 FCF >\$500M⁽²⁾

Reinstating 2020 Adjusted EPS Guidance of \$7.00 to \$7.25⁽¹⁾

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

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



Appendix



(1) References to "adjusted" operating measures exclude the impact of certain costs, gains or losses. 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, adjusted net income attributable to Hubbell, adjusted earnings per diluted share, and adjusted EBITDA, which exclude, where applicable:

- Amortization of acquisition-related intangible assets associated with all of our business acquisitions, including inventory step-up amortization associated with those acquisitions,
- A multi-employer pension charge 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,
- Adjusted EBITDA also excludes the Other income (expense), net, and Interest expense, net, captions of the Condensed Consolidated Statement of Income.

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 Operating Margin to the most directly comparable GAAP measure (millions):

| Hubbell Incorporated | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|-----------------------------|------------|----------|---------------------------|------------|----------|
| | 2020 | 2019 | Change | 2020 | 2019 | Change |
| Net Sales [a] | \$ 949.2 | \$ 1,196.4 | (21) % | \$ 2,039.5 | \$ 2,283.7 | (11) % |
| Operating Income \$ | | | | | | |
| GAAP measure [b] | \$ 131.5 | \$ 166.9 | (21) % | \$ 250.3 | \$ 287.8 | (13) % |
| Amortization of acquisition-related intangible assets | 18.6 | 18.0 | | 38.1 | 36.3 | |
| Adjusted Operating Income \$ [c] | \$ 150.1 | \$ 184.9 | (19) % | \$ 288.4 | \$ 324.1 | (11) % |
| Operating Margin % | | | | | | |
| GAAP measure [b] / [a] | 13.9 % | 14.0 % | -10 bps | 12.3 % | 12.6 % | -30 bps |
| Adjusted Operating Margin % [c] / [a] | 15.8 % | 15.5 % | +30 bps | 14.1 % | 14.2 % | -10 bps |
| | | | | | | |
| Electrical segment | | | | | | |
| | | | | | | |
| Net Sales [a] | \$ 507.1 | \$ 688.2 | (26) % | \$ 1,113.2 | \$ 1,318.4 | (16) % |
| Operating Income \$ | | | | | | |
| GAAP measure [b] | \$ 57.1 | \$ 88.0 | (35) % | \$ 115.1 | \$ 156.6 | (27) % |
| Amortization of acquisition-related intangible assets | 5.8 | 5.6 | | 12.2 | 11.4 | |
| Adjusted Operating Income \$ [c] | \$ 62.9 | \$ 93.6 | (33) % | \$ 127.3 | \$ 168.0 | (24) % |
| Operating Margin % | | | | | | |
| GAAP measure [b] / [a] | 11.3 % | 12.8 % | -150 bps | 10.3 % | 11.9 % | -160 bps |
| Adjusted Operating Margin % [c] / [a] | 12.4 % | 13.6 % | -120 bps | 11.4 % | 12.7 % | -130 bps |
| | | | | | | |
| Utility Solutions segment | | | | | | |
| | | | | | | |
| Net Sales [a] | \$ 442.1 | \$ 508.2 | (13) % | \$ 926.3 | \$ 965.3 | (4) % |
| Operating Income \$ | | | | | | |
| GAAP measure [b] | \$ 74.4 | \$ 78.9 | (6) % | \$ 135.2 | \$ 131.2 | 3 % |
| Amortization of acquisition-related intangible assets | 12.8 | 12.4 | | 25.9 | 24.9 | |
| Adjusted Operating Income \$ [c] | \$ 87.2 | \$ 91.3 | (4) % | \$ 161.1 | \$ 156.1 | 3 % |
| Operating Margin % | | | | | | |
| GAAP measure [b] / [a] | 16.8 % | 15.5 % | +130 bps | 14.6 % | 13.6 % | +100 bps |
| Adjusted Operating Margin % [c] / [a] | 19.7 % | 18.0 % | +170 bps | 17.4 % | 16.2 % | +120 bps |

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, | | |
|---|-----------------------------|----------|--------|---------------------------|----------|--------|
| | 2020 | 2019 | Change | 2020 | 2019 | Change |
| Net income attributable to Hubbell (GAAP measure) | \$ 88.2 | \$ 96.0 | (8) % | \$ 163.2 | \$ 168.3 | (3) % |
| Amortization of acquisition-related intangible assets, net of tax | 13.9 | 13.5 | | 28.5 | 27.1 | |
| Multi-employer pension charge, net of tax | — | 17.1 | | — | 17.1 | |
| Adjusted Net Income | \$ 102.1 | \$ 126.6 | (19) % | \$ 191.7 | \$ 212.5 | (10) % |

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, | | |
|--|-----------------------------|----------|--------|---------------------------|----------|--------|
| | 2020 | 2019 | Change | 2020 | 2019 | Change |
| Numerator: | | | | | | |
| Net income attributable to Hubbell | \$ 88.2 | \$ 96.0 | | \$ 163.2 | \$ 168.3 | |
| Less: Earnings allocated to participating securities | (0.3) | (0.4) | | (0.6) | (0.7) | |
| Net income available to common shareholders (GAAP measure) [a] | \$ 87.9 | \$ 95.6 | (8) % | \$ 162.6 | \$ 167.6 | (3) % |
| Adjusted Net Income | \$ 102.1 | \$ 126.6 | | \$ 191.7 | \$ 212.5 | |
| Less: Earnings allocated to participating securities | (0.4) | (0.5) | | (0.7) | (0.8) | |
| Adjusted net income available to common shareholders [b] | \$ 101.7 | \$ 126.1 | (19) % | \$ 191.0 | \$ 211.7 | (10) % |
| Denominator: | | | | | | |
| Average number of common shares outstanding [c] | 54.1 | 54.3 | | 54.2 | 54.4 | |
| Potential dilutive shares | 0.2 | 0.3 | | 0.2 | 0.2 | |
| Average number of diluted shares outstanding [d] | 54.3 | 54.6 | | 54.4 | 54.6 | |
| Earnings per share (GAAP measure): | | | | | | |
| Basic [a] / [c] | \$ 1.62 | \$ 1.76 | | \$ 3.00 | \$ 3.08 | |
| Diluted [a] / [d] | \$ 1.62 | \$ 1.75 | (7) % | \$ 2.99 | \$ 3.07 | (3) % |
| Adjusted Earnings Per Diluted Share [b] / [d] | \$ 1.87 | \$ 2.31 | (19) % | \$ 3.51 | \$ 3.87 | (9) % |

(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 to the most directly comparable GAAP measure (millions):

| Hubbell Incorporated | Three Months Ended June 30, | | Six Months Ended June 30, | | Twelve Months Ended December 31, | | |
|--|-----------------------------|----------|---------------------------|----------|----------------------------------|----------|----------|
| | 2020 | 2019 | 2020 | 2019 | 2019 | 2018 | 2017 |
| Net Cash Provided By Operating Activities (GAAP measure) | \$ 195.3 | \$ 131.5 | \$ 303.7 | \$ 209.6 | \$ 591.6 | \$ 517.1 | \$ 379.0 |
| Capital Expenditures | (17.2) | (24.4) | (35.0) | (47.7) | (93.9) | (96.2) | (79.7) |
| Free Cash Flow | \$ 178.1 | \$ 107.1 | \$ 268.7 | \$ 161.9 | \$ 497.7 | \$ 420.9 | \$ 299.3 |

(3) Net debt, defined as total debt less cash and investments, is a non-GAAP measure. Management believes that net debt to capital is a useful measure regarding Hubbell's financial leverage for evaluating the Company's ability to meet its funding needs.

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

| Hubbell Incorporated | June 30, 2020 | December 31, 2019 |
|------------------------------------|---------------|-------------------|
| Total Debt | \$ 1,755.6 | \$ 1,571.4 |
| Total Hubbell Shareholders' Equity | 1,959.9 | 1,947.1 |
| Total Capital | \$ 3,715.5 | \$ 3,518.5 |
| Total Debt to Total Capital | 47 % | 45 % |
| Less: Cash and Investments | \$ 549.2 | \$ 251.9 |
| Net Debt | \$ 1,206.4 | \$ 1,319.5 |
| Net Debt to Total Capital | 32 % | 38 % |