Back to Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 30, 2019

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

For the transition period from ______________ to ______________
Commission File Number 1-2958

HUBBELL INCORPORATED

(Exact name of registrant as specified in its charter)

Connecticut	**06-0397030**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
40 Waterview Drive	
Shelton, CT	**06484**
(Address of principal executive offices)	*(Zip Code)*
(475) 882-4000	
(Registrant's telephone number, including area code)	

N/A
(Former name, former address and former fiscal year, if changed since last report.)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock - par value $0.01 per share	HUBB	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**	☐
• 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**	☐

• 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. (Check one):

Large accelerated filer ☑	Accelerated filer ☐	Non-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 standard provided pursuant to Section 13(a) of the Exchange Act. ☐		

• whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).	**Yes**	☐	**No**	☑

The number of shares outstanding of Hubbell Common Stock as of July 29, 2019 was 54,408,952.

Index

Table of contents

PART I		**3**
ITEM 1	Financial Statements (unaudited)	
	Condensed Consolidated Statements of Income	3
	Condensed Consolidated Statements of Comprehensive Income	4
	Condensed Consolidated Balance Sheets	5
	Condensed Consolidated Statements of Cash Flows	6
	Notes to Condensed Consolidated Financial Statements	7
ITEM 2	Management’s Discussion and Analysis of Financial Condition and Results of Operations	29
ITEM 3	Quantitative and Qualitative Disclosures About Market Risk	42
ITEM 4	Controls and Procedures	42
PART II		**43**
ITEM 1A	Risk Factors	43
ITEM 2	Unregistered Sales of Equity Securities and Use of Proceeds	43
ITEM 6	Exhibits	44
	Signatures	45

Back to Contents

PART I FINANCIAL INFORMATION

ITEM 1 Financial Statements

Condensed Consolidated Statements of Income (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share amounts)	2019	2018	2019	2018
Net sales	**$ 1,196.4**	**$ 1,166.7**	**$ 2,283.7**	**$ 2,157.9**
Cost of goods sold	839.0	818.8	1,619.0	1,527.1
Gross profit	**357.4**	**347.9**	**664.7**	**630.8**
Selling & administrative expenses	190.5	191.0	376.9	374.3
Operating income	**166.9**	**156.9**	**287.8**	**256.5**
Interest expense, net	(17.2)	(18.8)	(34.7)	(36.1)
Multi-employer pension charge (Note 15)	(22.9)	—	(22.9)	—
Other expense, net	(3.2)	(4.1)	(8.6)	(10.6)
Total other expense	(43.3)	(22.9)	(66.2)	(46.7)
Income before income taxes	**123.6**	**134.0**	**221.6**	**209.8**
Provision for income taxes	25.7	31.6	49.9	47.6
Net income	**97.9**	**102.4**	**171.7**	**162.2**
Less: Net income attributable to noncontrolling interest	1.9	2.1	3.4	3.6
Net income attributable to Hubbell	**$ 96.0**	**$ 100.3**	**$ 168.3**	**$ 158.6**
Earnings per share				
Basic	$ 1.76	$ 1.83	$ 3.08	$ 2.89
Diluted	$ 1.75	$ 1.82	$ 3.07	$ 2.87
Cash dividends per common share	**$ 0.84**	**$ 0.77**	**$ 1.68**	**$ 1.54**

See notes to unaudited condensed consolidated financial statements.

Condensed Consolidated Statements of Comprehensive Income (unaudited)

	Three Months Ended June 30,	
(in millions)	**2019**	**2018**
Net income	$ 97.9	$ 102.4
Other comprehensive income (loss):		
Foreign currency translation adjustments	(3.8)	(30.6)
Defined benefit pension and post-retirement plans, net of taxes of ($0.6) and ($0.6)	1.9	1.9
Unrealized gain (loss) on investments, net of taxes of ($0.1) and $0.0	0.3	(0.1)
Unrealized gain (loss) on cash flow hedges, net of taxes of $0.3 and $(0.4)	(0.7)	1.0
Other comprehensive income	**(2.3)**	**(27.8)**
Total comprehensive income	**95.6**	**74.6**
Less: Comprehensive income attributable to noncontrolling interest	1.9	2.1
Comprehensive income attributable to Hubbell	**$ 93.7**	**$ 72.5**

See notes to unaudited condensed consolidated financial statements.

	Six Months Ended June 30,	
(in millions)	**2019**	**2018**
Net income	$ 171.7	$ 162.2
Other comprehensive income (loss):		
Foreign currency translation adjustments	3.3	(20.8)
Defined benefit pension and post-retirement plans, net of taxes of ($1.1) and ($1.2)	3.4	3.9
Unrealized gain (loss) on investments, net of taxes of ($0.2) and $0.0	0.6	(0.4)
Unrealized gain (loss) on cash flow hedges, net of taxes of $0.5 and ($0.6)	(1.3)	1.6
Other comprehensive income (loss)	**6.0**	**(15.7)**
Total comprehensive income	**177.7**	**146.5**
Less: Comprehensive income attributable to noncontrolling interest	3.4	3.6
Comprehensive income attributable to Hubbell	**$ 174.3**	**$ 142.9**

See notes to unaudited condensed consolidated financial statements.

Back to Contents

Condensed Consolidated Balance Sheets (unaudited)

(in millions)	June 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 209.9	$ 189.0
Short-term investments	10.5	9.2
Accounts receivable, net	785.5	725.4
Inventories, net	661.9	651.0
Other current assets	61.2	69.1
Total Current Assets	1,729.0	1,643.7
Property, Plant, and Equipment, net	**509.3**	**502.1**
Other Assets		
Investments	56.9	56.3
Goodwill	1,784.9	1,784.4
Intangible assets, net	783.8	819.5
Other long-term assets	172.1	66.1
TOTAL ASSETS	**$ 5,036.0**	**$ 4,872.1**
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term debt and current portion of long-term debt	$ 54.2	$ 56.1
Accounts payable	428.7	393.7
Accrued salaries, wages and employee benefits	73.1	101.6
Accrued insurance	69.6	61.3
Other accrued liabilities	248.5	226.6
Total Current Liabilities	874.1	839.3
Long-Term Debt	**1,722.8**	**1,737.1**
Other Non-Current Liabilities	**584.1**	**496.8**
TOTAL LIABILITIES	**3,181.0**	**3,073.2**
Total Hubbell Shareholders' Equity	**1,835.9**	**1,780.6**
Noncontrolling interest	19.1	18.3
Total Equity	1,855.0	1,798.9
TOTAL LIABILITIES AND EQUITY	**$ 5,036.0**	**$ 4,872.1**

See notes to unaudited condensed consolidated financial statements.

Back to Contents

Condensed Consolidated Statements of Cash Flows (unaudited)

	Six Months Ended June 30,	
(in millions)	**2019**	**2018**
Cash Flows from Operating Activities		
Net income	$ 171.7	$ 162.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	73.7	76.3
Deferred income taxes	(4.4)	(0.4)
Stock-based compensation	8.3	9.5
Multi-employer pension charge	22.9	—
Changes in assets and liabilities, excluding effects of acquisitions:		
Increase in accounts receivable, net	(59.3)	(128.3)
Decrease (increase) in inventories, net	(10.1)	3.9
Increase in accounts payable	39.0	46.4
Decrease in current liabilities	(36.1)	(25.0)
Changes in other assets and liabilities, net	5.9	4.0
Contribution to qualified defined benefit pension plans	(0.2)	(1.0)
Other, net	(1.8)	4.7
Net cash provided by operating activities	**209.6**	**152.3**
Cash Flows from Investing Activities		
Capital expenditures	(47.7)	(47.5)
Acquisition of businesses, net of cash acquired	—	(1,116.0)
Purchases of available-for-sale investments	(4.5)	(6.2)
Proceeds from available-for-sale investments	7.1	13.0
Other, net	3.6	1.6
Net cash used in investing activities	**(41.5)**	**(1,155.1)**
Cash Flows from Financing Activities		
Long-term debt (repayments) borrowings, net	(12.5)	941.2
Short-term debt (repayments) borrowings, net	(5.0)	(2.1)
Payment of dividends	(91.5)	(84.4)
Payment of dividends to noncontrolling interest	(2.6)	(2.8)
Repurchase of common shares	(30.0)	(10.0)
Debt issuance costs	—	(7.6)
Other, net	(6.6)	(8.0)
Net cash (used) provided by financing activities	**(148.2)**	**826.3**
Effect of foreign currency exchange rate changes on cash and cash equivalents	1.0	(3.4)
Increase (decrease) in cash and cash equivalents	**20.9**	**(179.9)**
Cash and cash equivalents		
Beginning of period	189.0	375.0
End of period	$ 209.9	$ 195.1

See notes to unaudited condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (unaudited)

NOTE 1 Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Hubbell Incorporated (“Hubbell”, the “Company”, “registrant”, “we”, “our” or “us”, which references include its divisions and subsidiaries) have been prepared in accordance with generally accepted accounting principles (“GAAP”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by United States of America (“U.S.”) GAAP for audited financial statements. In the opinion of management, all adjustments consisting only of normal recurring adjustments considered necessary for a fair statement of the results of the periods presented have been included. Operating results for the six months ended June 30, 2019 are not necessarily indicative of the results that may be expected for the year ending December 31, 2019.

The balance sheet at December 31, 2018 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the U.S. for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Hubbell Incorporated Annual Report on Form 10-K for the year ended December 31, 2018.

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update (ASU 2016-02) related to the accounting and financial statement presentation for leases. This new guidance requires a lessee to recognize right-of-use ("ROU") assets and lease liabilities on the balance sheet, with an election to exempt leases with a term of twelve months or less. For those leases classified as operating leases, the lessee will recognize a straight-line lease expense, and for those leases classified as financing leases, the lessee will recognize interest expense and amortize the ROU asset.

The Company adopted the requirements of the new standard as of January 1, 2019 and applied the modified retrospective approach, whereby the cumulative effect of adoption is recognized as of the date of adoption and comparative prior periods are not retrospectively adjusted. As a result, upon adoption, we have recognized ROU assets of $109.3 million and lease liabilities of $109.3 million associated with our operating leases. The standard had no material impact to retained earnings or on our Condensed Consolidated Statements of Income or Condensed Consolidated Statements of Cash Flows.

We determine if an arrangement is a lease at inception. Operating leases are included as ROU assets within other long-term assets, other accrued liabilities, and other non-current liabilities in our consolidated balance sheets. Finance leases are included in property and equipment, other accrued liabilities, and other non-current liabilities. The Company's finance leases are immaterial.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. For leases existing as of January 1, 2019 we have elected to use the remaining lease term as of the adoption date in determining the incremental borrowing rate. Our determination of the lease term may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

We have lease agreements with lease and non-lease components, which are generally accounted for separately. Additionally, for our vehicle leases, we apply a portfolio approach regarding the assumed lease term.

We have elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allows us to carryforward the historical lease classification. We also elected a practical expedient to determine the reasonably certain lease term.

Back to Contents

Recent Accounting Pronouncements

In February 2018, the FASB issued an Accounting Standards Update (ASU 2018-02) providing guidance on reclassifying certain tax effects in Accumulated Other Comprehensive Income (“AOCI”) following the enactment of the Tax Cuts and Job Act of 2017 ("TCJA") and a reduction of the corporate income tax rate from 35% to 21%. Specifically, the guidance permits a reclassification to retained earnings of the stranded tax effects in AOCI resulting from a revaluation of deferred taxes to the lower tax rate. The guidance is effective for fiscal years beginning after December 15, 2018 including interim periods within those annual periods. The stranded tax effects relate primarily to pension and other employee benefit plans and absent the ASU, the Company’s policy is to release stranded tax effects upon plan termination. The Company elected to reclassify these stranded tax effects in the first quarter of 2019, with the effect of decreasing AOCI and increasing retained earnings by approximately $30.0 million.

In January 2017, the FASB issued an Accounting Standards Update (ASU 2017-04) “Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.” ASU 2017-04 eliminates step two of the goodwill impairment test and specifies that goodwill impairment should be measured by comparing the fair value of a reporting unit with its carrying amount. Additionally, the amount of goodwill allocated to each reporting unit with a zero or negative carrying amount of net assets should be disclosed. ASU 2017-04 is effective for annual or interim goodwill impairment tests performed in fiscal years beginning after December 15, 2019, although early adoption is permitted. The Company elected to early adopt this standard in the first quarter of 2019. The adoption of this standard had no material impact on our consolidated financial statements.

In August 2017, the FASB issued an Accounting Standards Update (ASU 2017-12), "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities". The standard requires certain changes in the presentation of hedge accounting in the financial statements and some new or modified disclosures. ASU 2017-12 is effective for periods beginning after December 15, 2018. The Company adopted the standard during the first quarter of 2019, with no material impact to the consolidated financial statements.

In June 2016, the FASB issued an Accounting Standards Update (ASU 2016-13), "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", which amends the impairment model by requiring entities to use a forward-looking approach based on expected losses rather than incurred losses to estimate credit losses on certain types of financial instruments, including trade receivables. This may result in the earlier recognition of allowances for losses. ASU 2016-13 is effective for periods beginning after December 15, 2019, with early adoption permitted. The standard requires that any impact of adoption is to be recognized as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The Company is currently assessing the impact of adopting this standard on its consolidated financial statements.

In August 2018, the FASB issued an Accounting Standards Update (ASU 2018-15) "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract", which clarifies the accounting for implementation costs in cloud computing arrangements. ASU 2018-15 is effective in the first quarter of fiscal 2020, and early adoption is permitted. The Company is currently assessing the impact of adopting this standard on its consolidated financial statements.

NOTE 2 Revenue

The Company recognizes revenue when performance obligations identified under the terms of contracts with its customers are satisfied, which generally occurs, for products, upon the transfer of control in accordance with the contractual terms and conditions of the sale. The majority of the Company’s revenue associated with products is recognized at a point in time when the product is shipped to the customer, with a relatively small amount of transactions in the Power segment recognized upon delivery of the product at the destination. Revenue from service contracts and post-shipment performance obligations are less than four percent of total annual consolidated net revenue and those service contracts and post-shipment obligations are primarily within the Power segment. Revenue from service contracts and post-shipment performance obligations is recognized when or as those obligations are satisfied. The Company primarily offers assurance-type standard warranties that do not represent separate performance obligations and on occasion will separately offer and price extended warranties that are separate performance obligations for which the associated revenue is recognized over-time based on the extended warranty period. The Company records amounts billed to customers for reimbursement of shipping and handling costs within revenue. Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as fulfillment costs and are included in cost of goods sold. Sales taxes and other usage-based taxes are excluded from revenue.

Within the Electrical segment, certain businesses require a portion of the transaction price to be paid in advance of transfer of control. Advance payments are not considered a significant financing component as they are received less than one year before the related performance obligations are satisfied. In addition, in the Power segment, certain businesses offer annual maintenance service contracts that require payment at the beginning of the contract period. These payments are treated as a contract liability and are classified in Other accrued liabilities in the Condensed Consolidated Balance Sheet. Once control transfers to the customer and the Company meets the revenue recognition criteria, the deferred revenue is recognized in the Condensed Consolidated Statement of Income. The deferred revenue relating to the annual maintenance service contracts is recognized in the Condensed Consolidated Statement of Income on a straight-line basis over the expected term of the contract.

The following table presents disaggregated revenue by business group:

	Three Months Ended June 30,					
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
in millions	**Electrical**		**Power**		**Total**	
Net sales						
Hubbell Commercial and Industrial	$ 234.3	$ 235.2	$ —	$ —	$ 234.3	$ 235.2
Hubbell Construction and Energy	207.3	207.4	—	—	207.3	207.4
Hubbell Lighting	246.6	246.0	—	—	246.6	246.0
Hubbell Power Systems	—	—	508.2	478.1	508.2	478.1
Total net sales	**$ 688.2**	**$ 688.6**	**$ 508.2**	**$ 478.1**	**$ 1,196.4**	**$ 1,166.7**

	Six Months Ended June 30,					
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
in millions	**Electrical**		**Power**		**Total**	
Net sales						
Hubbell Commercial and Industrial	$ 455.6	$ 450.7	$ —	$ —	$ 455.6	$ 450.7
Hubbell Construction and Energy	395.6	393.9	—	—	395.6	393.9
Hubbell Lighting	467.2	462.1	—	—	467.2	462.1
Hubbell Power Systems	—	—	965.3	851.2	965.3	851.2
Total net sales	**$ 1,318.4**	**$ 1,306.7**	**$ 965.3**	**$ 851.2**	**$ 2,283.7**	**$ 2,157.9**

Back to Contents

The following table presents disaggregated revenue by geographic location (on a geographic basis, the Company defines "international" as operations based outside of the United States and its possessions):

	Three Months Ended June 30,					
	2019	2018	2019	2018	2019	2018
in millions	Electrical		Power		Total	
Net sales						
United States	$ 620.4	$ 614.1	$ 477.8	$ 440.0	$ 1,098.2	$ 1,054.1
International	67.8	74.5	30.4	38.1	98.2	112.6
Total net sales	**$ 688.2**	**$ 688.6**	**$ 508.2**	**$ 478.1**	**$ 1,196.4**	**$ 1,166.7**

	Six Months Ended June 30,					
	2019	2018	2019	2018	2019	2018
in millions	Electrical		Power		Total	
Net sales						
United States	$ 1,186.1	$ 1,160.8	$ 909.0	$ 788.4	$ 2,095.1	$ 1,949.2
International	132.3	145.9	56.3	62.8	188.6	208.7
Total net sales	**$ 1,318.4**	**$ 1,306.7**	**$ 965.3**	**$ 851.2**	**$ 2,283.7**	**$ 2,157.9**

Contract Balances

Our contract liabilities consist of advance payments for products as well as deferred revenue on service obligations and extended warranties. The current portion of deferred revenue is included in Other accrued liabilities and the non-current portion of deferred revenue is included in Other non-current liabilities in the Condensed Consolidated Balance Sheet.

Contract liabilities were $33.3 million as of June 30, 2019 compared to $27.7 million as of December 31, 2018. The $5.6 million increase in our contract liabilities balance was primarily due to a $16.1 million net increase in current year deferrals primarily due to timing of advance payments on certain orders, partially offset by the recognition of $10.5 million in revenue related to amounts that were recorded in contract liabilities at January 1, 2019. The Company has an immaterial amount of contract assets relating to performance obligations satisfied prior to payment that is recorded in Other long-term assets in the Condensed Consolidated Balance Sheet. Impairment losses recognized on our receivables and contract assets were immaterial for the three and six months ended June 30, 2019.

Unsatisfied Performance Obligations

As of June 30, 2019, the Company had approximately $425 million of unsatisfied performance obligations for contracts with an original expected length of greater than one year, primarily relating to long-term contracts of the Power segment to deliver and install meters. The Company expects that a majority of the unsatisfied performance obligations will be completed and recognized over the next 3 years.

NOTE 3 Business Acquisitions

On February 2, 2018, the Company completed the acquisition of Meter Readings Holding Group, LLC ("Aclara Technologies" or "Aclara") for approximately $1.1 billion. Aclara is a leading global provider of smart infrastructure solutions for electric, gas, and water utilities with advanced metering solutions and grid monitoring sensor technology, as well as leading software enabled installation services. The acquisition was structured as a merger in which Aclara became a wholly owned indirect subsidiary of the Company. Aclara's businesses have been added to the Power segment. The acquisition extends the Power segment's capabilities into smart automation technologies, accelerates ongoing innovation efforts to address utility customer demand for data and integrated solutions, and expands the segment's reach to a broader set of utility customers.

The Company financed the acquisition and related transactions with net proceeds from borrowings under a new unsecured term loan facility in the aggregate principal amount of $500 million, the issuance of 3.50% Senior Notes due 2028 in the aggregate principal amount of $450 million, and issuances of commercial paper.

Supplemental Pro-Forma Data

Aclara's results of operations have been included in the Company's financial statements for the period subsequent to the completion of the acquisition on February 2, 2018. Aclara contributed sales of approximately $254.1 million and an operating income of approximately $2.6 million for the period from the completion of the acquisition through June 30, 2018.

The following unaudited supplemental pro-forma information presents consolidated results as if the acquisition had been completed on January 1, 2017. The pro-forma results were calculated by combining the results of the Company with the stand-alone results of Aclara for the pre-acquisition periods. The unaudited supplemental pro-forma financial information does not reflect the actual performance of Aclara in the periods presented and does not reflect the potential realization of cost savings relating to the integration of the two companies. Further, the pro-forma data should not be considered indicative of the results that would have occurred if the acquisition and related financing had been consummated on January 1, 2017, nor are they indicative of future results.

	Pro-forma Six Months Ended June 30, 2018
Net sales	$ 2,205.4
Net income attributable to Hubbell	$ 167.2
Earnings Per Share:	
Basic	$ 3.04
Diluted	$ 3.03

NOTE 4 Segment Information

The Company's reporting segments consist of the Electrical segment and the Power segment. The Electrical segment comprises businesses that sell stock and custom products including standard and special application wiring device products, rough-in electrical products, connector and grounding products, lighting fixtures and controls, components and assemblies for the natural gas distribution market and other electrical equipment. The products are typically used in and around industrial, commercial and institutional facilities by electrical contractors, maintenance personnel, electricians, utilities, and telecommunications companies. In addition, certain businesses design and manufacture a variety of high voltage test and measurement equipment, industrial controls and communication systems used in the non-residential and industrial markets. Many of these products are designed such that they can also be used in harsh and hazardous locations where a potential for fire and explosion exists due to the presence of flammable gasses and vapors. Harsh and hazardous products are primarily used in the oil and gas (onshore and offshore) and mining industries. There are also a variety of lighting fixtures, wiring devices and electrical products that have residential and utility applications, including residential products with Internet-of-Things ("IoT") enabled technologies. These products are primarily sold through electrical and industrial distributors, home centers, retail and hardware outlets, lighting showrooms and residential product oriented internet sites. Special application products are primarily sold through wholesale distributors to contractors, industrial customers and OEMs. High voltage products are also sold direct to customers through our sales engineers. The Electrical segment comprises three business groups, which have been aggregated as they have similar long-term economic characteristics, customers and distribution channels, among other factors.

The Power segment consists of operations that design and manufacture various distribution, transmission, substation and telecommunications products primarily used by the electrical utility industry. In addition, certain of these products are used in the civil construction, water utility, and transportation industries. Products are sold to distributors and directly to users such as utilities, telecommunication companies, pipeline and mining operations, industrial firms, and construction and engineering firms. The 2018 acquisition of Aclara expanded offerings, to include advanced metering infrastructure, meter and edge devices, software and infrastructure services, which are primarily sold to the electrical, water, and gas utility industries.

The following table sets forth financial information by business segment (in millions):

	Net Sales		Operating Income		Operating Income as a % of Net Sales	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Three Months Ended June 30,						
Electrical	$ 688.2	$ 688.6	$ 88.0	$ 91.3	12.8%	13.3%
Power	508.2	478.1	78.9	65.6	15.5%	13.7%
TOTAL	**$ 1,196.4**	**$ 1,166.7**	**$ 166.9**	**$ 156.9**	**14.0%**	**13.4%**
Six Months Ended June 30,						
Electrical	$ 1,318.4	$ 1,306.7	$ 156.6	$ 152.5	11.9%	11.7%
Power	965.3	851.2	131.2	104.0	13.6%	12.2%
TOTAL	**$ 2,283.7**	**$ 2,157.9**	**$ 287.8**	**$ 256.5**	**12.6%**	**11.9%**

NOTE 5 Inventories, net

Inventories, net are composed of the following (in millions):

	June 30, 2019	**December 31, 2018**
Raw material	$ 230.7	$ 220.2
Work-in-process	114.5	110.3
Finished goods	399.0	402.3
	744.2	732.8
Excess of FIFO over LIFO cost basis	(82.3)	(81.8)
TOTAL	**$ 661.9**	**$ 651.0**

NOTE 6 Goodwill and Intangible Assets, net

Changes in the carrying values of goodwill for the six months ended June 30, 2019, were as follows (in millions):

	Segment		
	Electrical	Power	Total
BALANCE DECEMBER 31, 2018	**$ 714.1**	**$ 1,070.3**	**$ 1,784.4**
Foreign currency translation	0.3	0.2	0.5
BALANCE JUNE 30, 2019	**$ 714.4**	**$ 1,070.5**	**$ 1,784.9**

The Company performs its goodwill impairment testing as of April 1st of each year, unless circumstances dictate the need for more frequent assessments. For the 2019 test, the Company applied the "Step-zero" test to four of its seven reporting units, which allows the Company to first assess qualitative factors to determine whether it is more likely than not that a reporting unit's fair value is greater than its carrying amount. Based on the qualitative assessment, the Company concluded that it was more likely than not that the fair value of these reporting units substantially exceeded their carrying values and therefore, further quantitative analysis was not required. For the other three reporting units, the Company has elected to utilize the quantitative goodwill impairment testing process as permitted in the accounting guidance, by comparing the fair value of the Company's reporting units to their carrying values. If the fair value of the reporting unit exceeds its carrying value, no impairment exists.

Goodwill impairment testing requires judgment, including the identification of reporting units, assigning assets and liabilities to reporting units and determining the fair value of each reporting unit. Significant judgment is required to estimate the fair value of reporting units including estimating future cash flows, determining appropriate discount rates and other assumptions. The Company uses internal discounted cash flow estimates to determine fair value. These cash flow estimates are derived from historical experience and future long-term business plans that include assumption on future sales growth, operating margins, and terminal growth rates and the application of discount rates determined by management to be appropriate. Changes in these estimates and assumptions could affect the determination of fair value and/or goodwill impairment for each reporting unit. The Company believes that its estimated aggregate fair value of its reporting units is reasonable when compared to the Company's market capitalization on the valuation date.

As of April 1, 2019, the impairment testing resulted in implied fair values for each reporting unit that exceeded the reporting unit's carrying value, including goodwill. The Company did not have any reporting units at risk of failing the quantitative impairment test as the excess of the implied fair value significantly exceeded the carrying value of the reporting units. Additionally, the Company did not have any reporting units with zero or negative carrying amounts.

The Company performs its assessment of indefinite-lived intangible assets as of April 1st of each year, unless circumstances dictate the need for more frequent assessments. The identification and measurement of impairment of indefinite-lived intangible assets involves an assessment of qualitative factors to determine whether events or circumstances indicate that it is more likely than not that an indefinite-lived intangible asset is impaired. If it is more likely than not that the asset is impaired, the fair value of the indefinite lived intangibles will be estimated using a discounted cash flow approach. If the carrying value of these assets exceeds the estimated fair value, the carrying value will be reduced to the estimated fair value. As of April 1, 2019, based on the qualitative assessments, the Company concluded it was more likely than not that the fair value of indefinite-lived intangible assets substantially exceeded their carrying and therefore, further quantitative analysis was not required and those assets were not impaired.

The carrying value of other intangible assets included in Intangible assets, net in the Condensed Consolidated Balance Sheet is as follows (in millions):

	June 30, 2019		December 31, 2018	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Definite-lived:				
Patents, tradenames and trademarks	$ 201.7	$ (60.5)	$ 204.4	$ (58.6)
Customer/agent relationships and other	833.5	(244.5)	833.0	(212.6)
Total	**$ 1,035.2**	**$ (305.0)**	**$ 1,037.4**	**$ (271.2)**
Indefinite-lived:				
Tradenames and other	53.6	—	53.3	—
TOTAL	**$ 1,088.8**	**$ (305.0)**	**$ 1,090.7**	**$ (271.2)**

Amortization expense associated with definite-lived intangible assets was $36.3 million and $34.6 million for the six months ended June 30, 2019 and 2018, respectively. Future amortization expense associated with these intangible assets is expected to be $35.2 million for the remainder of 2019, $70.7 million in 2020, $69.0 million in 2021, $63.6 million in 2022, $58.9 million in 2023, and $53.9 million in 2024.

Back to Contents

NOTE 7 Other Accrued Liabilities

Other accrued liabilities are composed of the following (in millions):

	June 30, 2019	December 31, 2018
Customer program incentives	$ 34.4	$ 52.4
Accrued income taxes	4.5	3.4
Contract liabilities - deferred revenue	33.3	27.7
Customer refund liability	15.0	15.3
Accrued warranties	29.1	33.5
Current operating lease liabilities[(a)]	29.9	—
Other	102.3	94.3
TOTAL	**$ 248.5**	**$ 226.6**

[(a)] *Current operating lease liabilities related to the adoption of ASU 2016-02. Refer to Note 1 - Basis of Presentation, in the Notes to Condensed Consolidated Financial Statements for additional information.*

NOTE 8 Other Non-Current Liabilities

Other non-current liabilities are composed of the following (in millions):

	June 30, 2019	December 31, 2018
Pensions	$ 177.0	$ 177.0
Other post-retirement benefits	23.7	23.7
Deferred tax liabilities	116.3	120.0
Accrued warranties long-term	54.2	59.2
Non - current operating lease liabilities[(a)]	72.5	—
Other	140.4	116.9
TOTAL	**$ 584.1**	**$ 496.8**

[(a)] *Non-current operating lease liabilities related to the adoption of ASU 2016-02. Refer to Note 1 - Basis of Presentation, in the Notes to Condensed Consolidated Financial Statements for additional information.*

NOTE 9 Total Equity

The following table shows the changes in stockholders' equity for the three and six months ended June 30, 2019:

(in millions, except per share amounts)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Hubbell Shareholders' Equity	Non-controlling interest
BALANCE AT DECEMBER 31, 2018	**$ 0.6**	**$ 1.3**	**$ 2,064.4**	**$ (285.7)**	**$ 1,780.6**	**$ 18.3**
Net income			72.3		72.3	1.5
Other comprehensive (loss) income				8.3	8.3	
Stock-based compensation		4.1			4.1	
Reclassification of stranded tax effects			30.0	(30.0)		
Acquisition/surrender of common shares[1]		(5.3)	(6.3)		(11.6)	
Cash dividends declared ($0.84 per share)			(45.7)		(45.7)	
Dividends to noncontrolling interest						(1.0)
Director's deferred compensation		0.1			0.1	
BALANCE AT MARCH 31, 2019	**$ 0.6**	**$ 0.2**	**$ 2,114.7**	**$ (307.4)**	**$ 1,808.1**	**$ 18.8**
Net income			96.0		96.0	1.9
Other comprehensive (loss) income				(2.3)	(2.3)	
Stock-based compensation		4.2			4.2	
Acquisition/surrender of common shares[1]		(3.5)	(20.9)		(24.4)	
Cash dividends declared ($0.84 per share)			(46.0)		(46.0)	
Dividends to noncontrolling interest						(1.6)
Director's deferred compensation		0.3			0.3	
BALANCE AT JUNE 30, 2019	**$ 0.6**	**$ 1.2**	**$ 2,143.8**	**$ (309.7)**	**$ 1,835.9**	**$ 19.1**

Back to Contents

The following table shows the changes in stockholders' equity for the three and six months ended June 30, 2018:

(in millions, except per share amounts)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Hubbell Shareholders' Equity	Non-controlling interest
BALANCE AT DECEMBER 31, 2017	**$ 0.6**	**$ 11.0**	**$ 1,892.4**	**$ (269.8)**	**$ 1,634.2**	**$ 13.7**
Net income			58.3		58.3	1.5
Other comprehensive (loss) income				12.1	12.1	
Stock-based compensation		5.1			5.1	
ASC 606 adoption to retained earnings			0.6		0.6	
Acquisition/surrender of common shares[1]		(6.1)	—		(6.1)	
Cash dividends declared ($0.77 per share)			(42.3)		(42.3)	
Dividends to noncontrolling interest					—	(1.1)
Aclara noncontrolling interest					—	2.4
Director's deferred compensation		0.1			0.1	
BALANCE AT March 31, 2018	**$ 0.6**	**$ 10.1**	**$ 1,909.0**	**$ (257.7)**	**$ 1,662.0**	**$ 16.5**
Net income			100.3		100.3	2.1
Other comprehensive (loss) income				(27.8)	(27.8)	
Stock-based compensation		4.4			4.4	
Acquisition/surrender of common shares[1]		(11.9)			(11.9)	
Cash dividends declared ($0.77 per share)			(42.3)		(42.3)	
Dividends to noncontrolling interest					—	(1.7)
Director's deferred compensation		0.2			0.2	
BALANCE AT June 30, 2018	**$ 0.6**	**$ 2.8**	**$ 1,967.0**	**$ (285.5)**	**$ 1,684.9**	**$ 16.9**

[1] *For accounting purposes, the Company treats repurchased shares as constructively retired when acquired and accordingly charges the purchase price against Common Stock par value, Additional paid-in capital, to the extent available, and Retained earnings. As a result of this accounting treatment, during the first six months of 2019, $27.2 million of purchase price of repurchased shares was allocated to retained earnings.*

The detailed components of total comprehensive income are presented in the Condensed Consolidated Statement of Comprehensive Income.

NOTE 10 Accumulated Other Comprehensive Loss

A summary of the changes in Accumulated other comprehensive loss (net of tax) for the six months ended June 30, 2019 is provided below (in millions):

(debit) credit	Cash flow hedge (loss) gain	Unrealized gain (loss) on available-for-sale securities	Pension and post retirement benefit plan adjustment	Cumulative translation adjustment	Total
BALANCE AT DECEMBER 31, 2018	**$ 0.8**	**$ (2.0)**	**$ (158.7)**	**$ (125.8)**	**$ (285.7)**
Other comprehensive income (loss) before reclassifications	(0.7)	0.6	—	3.3	3.2
Amounts reclassified from accumulated other comprehensive loss	(0.6)	—	3.4	—	2.8
Current period other comprehensive income (loss)	**(1.3)**	**0.6**	**3.4**	**3.3**	**6.0**
Reclassification of stranded tax effects	—	—	(30.0)	—	(30.0)
BALANCE AT JUNE 30, 2019	**$ (0.5)**	**$ (1.4)**	**$ (185.3)**	**$ (122.5)**	**$ (309.7)**

A summary of the gain (loss) reclassifications out of Accumulated other comprehensive loss for the three and six months ended June 30, 2019 and 2018 is provided below (in millions):

Details about Accumulated Other Comprehensive Loss Components	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Location of Gain (Loss) Reclassified into Income
Cash flow hedges gain (loss):			
Forward exchange contracts	$ 0.1	$ (0.1)	Net sales
	0.2	—	Cost of goods sold
	0.3	(0.1)	Total before tax
	—	0.1	Tax benefit (expense)
	$ 0.3	$ —	Gain (loss) net of tax
Amortization of defined benefit pension and post retirement benefit items:			
Prior-service costs	$ 0.2	$ 0.3 (a)	
Actuarial gains/(losses)	(2.7)	(2.8) (a)	
	(2.5)	(2.5)	Total before tax
	0.6	0.6	Tax benefit (expense)
	$ (1.9)	$ (1.9)	Gain (loss) net of tax
Losses reclassified into earnings	$ (1.6)	$ (1.9)	Gain (loss) net of tax

(a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost (see Note 12 – Pension and Other Benefits in the Notes to Condensed Consolidated Financial Statements for additional details).

Details about Accumulated Other Comprehensive Loss Components	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018		Location of Gain (Loss) Reclassified into Income
Cash flow hedges gain (loss):				
Forward exchange contracts	$ 0.3	$ (0.1)		Net sales
	0.5	(0.2)		Cost of goods sold
	0.8	(0.3)		Total before tax
	(0.2)	0.1		Tax benefit (expense)
	$ 0.6	$ (0.2)		Gain (loss) net of tax
Amortization of defined benefit pension and post retirement benefit items:				
Prior-service costs	$ 0.4	$ 0.5	(a)	
Actuarial gains/(losses)	(4.9)	(5.6)	(a)	
	(4.5)	(5.1)		Total before tax
	1.1	1.2		Tax benefit (expense)
	$ (3.4)	$ (3.9)		Gain (loss) net of tax
Losses reclassified into earnings	$ (2.8)	$ (4.1)		Gain (loss) net of tax

(a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost (see Note 12 – Pension and Other Benefits in the Notes to Condensed Consolidated Financial Statements for additional details).

Back to Contents

NOTE 11 Earnings Per Share

The Company computes earnings per share using the two-class method, which is an earnings allocation formula that determines earnings per share for common stock and participating securities. Service-based and performance-based restricted stock awards granted by the Company are considered participating securities as these awards contain a non-forfeitable right to dividends.

The following table sets forth the computation of earnings per share for the three and six months ended June 30, 2019 and 2018 (in millions, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
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	$ 95.6	$ 99.9	$ 167.6	$ 158.1
Denominator:				
Average number of common shares outstanding	54.3	54.7	54.4	54.7
Potential dilutive common shares	0.3	0.2	0.2	0.3
Average number of diluted shares outstanding	54.6	54.9	54.6	55.0
Earnings per share:				
Basic	$ 1.76	$ 1.83	$ 3.08	$ 2.89
Diluted	$ 1.75	$ 1.82	$ 3.07	$ 2.87

The Company did not have outstanding any significant anti-dilutive securities during the three and six months ended June 30, 2019 and 2018.

Back to Contents

NOTE 12 Pension and Other Benefits

The following table sets forth the components of net pension and other benefit costs for the three and six months ended June 30, 2019 and 2018 (in millions):

	Pension Benefits		Other Benefits	
	2019	2018	2019	2018
Three Months Ended June 30,				
Service cost	$ 0.6	$ 1.1	$ —	$ 0.1
Interest cost	8.6	8.6	0.3	0.3
Expected return on plan assets	(7.7)	(8.5)	—	—
Amortization of prior service cost	—	—	(0.2)	(0.3)
Amortization of actuarial losses	2.7	2.7	—	0.1
NET PERIODIC BENEFIT COST	**$ 4.2**	**$ 3.9**	**$ 0.1**	**$ 0.2**
Six Months Ended June 30,				
Service cost	$ 1.1	$ 2.2	$ —	$ 0.1
Interest cost	17.3	17.2	0.6	0.5
Expected return on plan assets	(15.3)	(17.0)	—	—
Amortization of prior service cost	—	—	(0.4)	(0.5)
Amortization of actuarial losses	4.9	5.5	—	0.1
NET PERIODIC BENEFIT COST	**$ 8.0**	**$ 7.9**	**$ 0.2**	**$ 0.2**

Employer Contributions

Although not required by ERISA and the Internal Revenue Code, the Company may elect to make a voluntary contribution to its qualified domestic defined benefit pension plan in 2019. The Company anticipates making required contributions of approximately $0.5 million to its foreign pension plans during 2019, of which $0.2 million has been contributed through June 30, 2019.

NOTE 13 Guarantees

The Company records a liability equal to the fair value of guarantees in accordance with the accounting guidance for guarantees. When it is probable that a liability has been incurred and the amount can be reasonably estimated, the Company accrues for costs associated with guarantees. The most likely costs to be incurred are accrued based on an evaluation of currently available facts and, where no amount within a range of estimates is more likely, the minimum is accrued. As of June 30, 2019 and December 31, 2018, the fair value and maximum potential payment related to the Company's guarantees were not material.

The Company offers product warranties that cover defects on most of its products. These warranties primarily apply to products that are properly installed, maintained and used for their intended purpose. The Company accrues estimated warranty costs at the time of sale. Estimated warranty expenses, recorded in cost of goods sold, are based upon historical information such as past experience, product failure rates, or the estimated number of units to be repaired or replaced. Adjustments are made to the product warranty accrual as claims are incurred, additional information becomes known, or as historical experience indicates.

Changes in the accrual for product warranties during the six months ended June 30, 2019 and 2018 are set forth below (in millions):

	2019	2018
BALANCE AT JANUARY 1,	**$ 92.7**	**$ 14.0**
Provision[(a)]	7.6	6.2
Expenditures/payments/other	(17.0)	(8.4)
Acquisitions[(b)]	—	44.4
BALANCE AT JUNE 30,	**$ 83.3**	**$ 56.2**

[(a)] Refer to Note 7 – Other Accrued Liabilities and Note 8 – Other Non-Current Liabilities for a breakout of short-term and long-term warranties.
[(b)] The acquisition amount disclosed relates to the Aclara acquisition.

NOTE 14 Fair Value Measurement

Investments

At June 30, 2019 and December 31, 2018, the Company had $48.8 million and $51.2 million, respectively, of available-for-sale securities, consisting of municipal bonds classified in Level 2 of the fair value hierarchy and an investment in the redeemable preferred stock of a privately-held electrical utility substation security provider classified in Level 3 of the fair value hierarchy. The Company also had $18.6 million of trading securities at June 30, 2019 and $14.3 million at December 31, 2018 that are carried on the balance sheet at fair value. Unrealized gains and losses associated with available-for-sale securities are reflected in Accumulated other comprehensive loss, net of tax, while unrealized gains and losses associated with trading securities are reflected in the results of operations.

Fair value measurements

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The FASB fair value measurement guidance established a fair value hierarchy that prioritizes the inputs used to measure fair value. The three broad levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for which little or no market data exists, therefore requiring a company to develop its own assumptions.

The following table shows, by level within the fair value hierarchy, our financial assets and liabilities that are accounted for at fair value on a recurring basis at June 30, 2019 and December 31, 2018 (in millions):

Asset (Liability)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Similar Assets (Level 2)	Unobservable inputs for which little or no market data exists (Level 3)	Total
June 30, 2019				
Money market funds[a]	$ 30.5	$ —	$ —	$ 30.5
Time Deposits[a]	—	20.9	—	20.9
Available for sale investments	—	46.3	2.5	48.8
Trading securities	18.6	—	—	18.6
Deferred compensation plan liabilities	(18.6)	—	—	(18.6)
Derivatives:				
Forward exchange contracts-Assets[b]	—	0.1	—	0.1
Forward exchange contracts-(Liabilities)[c]	—	(0.4)	—	(0.4)
TOTAL	**$ 30.5**	**$ 66.9**	**$ 2.5**	**$ 99.9**

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices in Active Markets for Similar Assets (Level 2)	Unobservable inputs for which little or no market data exists (Level 3)	Total
December 31, 2018				
Money market funds[a]	$ 15.1	$ —	$ —	$ 15.1
Time Deposits[a]	—	20.9	—	20.9
Available for sale investments	—	48.9	2.3	51.2
Trading securities	14.3	—	—	14.3
Deferred compensation plan liabilities	(14.3)	—	—	(14.3)
Derivatives:				
Forward exchange contracts-Assets[b]	—	1.6	—	1.6
Forward exchange contracts-(Liabilities)[c]	—	—	—	—
TOTAL	**$ 15.1**	**$ 71.4**	**$ 2.3**	**$ 88.8**

[a] *Money market funds and time deposits are reflected in Cash and cash equivalents in the Condensed Consolidated Balance Sheet.*
[b] *Forward exchange contracts-Assets are reflected in Other current assets in the Condensed Consolidated Balance Sheet.*
[c] *Forward exchange contracts-(Liabilities) are reflected in Other accrued liabilities in the Condensed Consolidated Balance Sheet.*

The methods and assumptions used to estimate the Level 2 and Level 3 fair values were as follows:

Forward exchange contracts – The fair value of forward exchange contracts were based on quoted forward foreign exchange prices at the reporting date.

Available-for-sale municipal bonds classified in Level 2 – The fair value of available-for-sale investments in municipal bonds is based on observable market-based inputs, other than quoted prices in active markets for identical assets.

Available-for-sale redeemable preferred stock classified in Level 3 – The fair value of the available-for-sale investment in redeemable preferred stock is valued based on a discounted cash flow model, using significant unobservable inputs, including expected cash flows and the discount rate.

Deferred compensation plans

The Company offers certain employees the opportunity to participate in non-qualified deferred compensation plans. A participant's deferrals are invested in a variety of participant-directed debt and equity mutual funds that are classified as trading securities. The Company purchased $3.0 million and $2.4 million of trading securities related to these deferred compensation plans during the six months ended June 30, 2019 and 2018. As a result of participant distributions, the Company sold $0.6 million of these trading securities during the six months ended June 30, 2019 and $0.4 million during the six months ended June 30, 2018. The unrealized gains and losses associated with these trading securities are directly offset by the changes in the fair value of the underlying deferred compensation plan obligation.

Back to Contents

Derivatives

In order to limit financial risk in the management of its assets, liabilities and debt, the Company may use derivative financial instruments such as foreign currency hedges, commodity hedges, interest rate hedges and interest rate swaps. All derivative financial instruments are matched with an existing Company asset, liability or forecasted transaction. Market value gains or losses on the derivative financial instrument are recognized in income when the effects of the related price changes of the underlying asset, liability or forecasted transaction are recognized in income. Derivative assets and derivative liabilities are not offset in the Condensed Consolidated Balance Sheet.

In 2019 and 2018, the Company entered into a series of forward exchange contracts to purchase U.S. dollars in order to hedge exposure to fluctuating rates of exchange for both anticipated inventory purchases and forecasted sales by its subsidiaries that transact business in Canada. As of June 30, 2019, the Company had 36 individual forward exchange contracts for an aggregate notional amount of $41.8 million, having various expiration dates through June 2020. These contracts have been designated as cash flow hedges in accordance with the accounting guidance for derivatives.

The following table summarizes the results of cash flow hedging relationships for the three months ended June 30, 2019 and 2018 (in millions):

	Derivative Gain/(Loss) Recognized in Accumulated Other Comprehensive Income (net of tax)		Location of Gain/(Loss) Reclassified into Income	Gain/(Loss) Reclassified into Earnings Effective Portion (net of tax)	
Derivative Instrument	**2019**	**2018**	**(Effective Portion)**	**2019**	**2018**
Forward exchange contract	$ (0.4)	$ 1.0	Net sales	$ 0.1	$ —
			Cost of goods sold	$ 0.2	$ —

The following table summarizes the results of cash flow hedging relationships for the six months ended June 30, 2019 and 2018 (in millions):

	Derivative Gain/(Loss) Recognized in Accumulated Other Comprehensive Loss (net of tax)		Location of Gain/(Loss) Reclassified into Income	Gain/(Loss) Reclassified into Earnings Effective Portion (net of tax)	
Derivative Instrument	**2019**	**2018**	**(Effective Portion)**	**2019**	**2018**
Forward exchange contract	$ (0.7)	$ 1.4	Net sales	$ 0.2	$ —
			Cost of goods sold	$ 0.4	$ (0.2)

Long Term Debt

As of June 30, 2019 and December 31, 2018, the carrying value of the long-term debt including the $28.1 million and $25.0 million current portion of the Term Loan was $1,750.9 million and $1,762.1 million, respectively. The estimated fair value of the long-term debt as of June 30, 2019 and December 31, 2018 was $1,776.9 million and $1,688.1 million, respectively, using quoted market prices in active markets for similar liabilities (Level 2).

NOTE 15 Commitments and Contingencies

The Company is subject to various legal proceedings arising in the normal course of its business. These proceedings include claims for damages arising out of use of the Company’s products, intellectual property, workers’ compensation and environmental matters. The Company is self-insured up to specified limits for certain types of claims, including product liability and workers’ compensation, and is fully self-insured for certain other types of claims, including environmental and intellectual property matters. The Company recognizes a liability for any contingency that in management’s judgment is probable of occurrence and can be reasonably estimated. We continually reassess the likelihood of adverse judgments and outcomes in these matters, as well as estimated ranges of possible losses based upon an analysis of each matter which includes advice of outside legal counsel and, if applicable, other experts.

As previously reported, in the fourth quarter of 2016, the Company recorded a charge of $12.5 million in Cost of goods sold representing its estimated withdrawal liability from one of the multi-employer pension plans in which it participated. In March 2019, the remaining employer in that multi-employer pension plan filed for protection under Chapter 11 of the United States Bankruptcy Code and is proceeding towards liquidation as of June 2019. Under the terms customary to multi-employer pension plans, it is probable that the Company will be subject to mass withdrawal liability, estimated to be an additional $22.9 million, as a result of the other employer's withdrawal from the pension plan and anticipated liquidation.

NOTE 16 Restructuring Costs and Other

In the three and six months ended June 30, 2019, we incurred costs for restructuring actions initiated in 2019 as well as costs for restructuring actions initiated in the prior year. Our restructuring actions are associated with cost reduction efforts that include the consolidation of manufacturing and distribution facilities as well as workforce reductions and the sale or exit of business units we determine to be non-strategic. Restructuring costs include severance and employee benefits, asset impairments, accelerated depreciation, as well as facility closure, contract termination and certain pension costs that are directly related to restructuring actions. These costs are predominantly settled in cash from our operating activities and are generally settled within one year, with the exception of asset impairments, which are non-cash, and certain pension obligations, which may be cash settled over multiple years.

Pre-tax restructuring costs incurred in each of our reporting segments and the location of the costs in the Condensed Consolidated Statement of Income for the three and six months ended June 30, 2019 and 2018 is as follows (in millions):

	Three Months Ended June 30,					
	2019	2018	2019	2018	2019	2018
	Cost of goods sold		Selling & administrative expense		Total	
Electrical	$ 5.5	$ 0.3	$ 0.8	$ (0.3)	$ 6.3	$ —
Power	1.0	0.1	0.1	(0.1)	1.1	—
Total Pre-Tax Restructuring Costs	**$ 6.5**	**$ 0.4**	**$ 0.9**	**$ (0.4)**	**$ 7.4**	**$ —**

	Six Months Ended June 30,					
	2019	2018	2019	2018	2019	2018
	Cost of goods sold		Selling & administrative expense		Total	
Electrical	$ 5.7	$ 1.1	$ 1.7	$ (0.4)	$ 7.4	$ 0.7
Power	1.5	0.1	1.5	(0.1)	3.0	—
Total Pre-Tax Restructuring Costs	**$ 7.2**	**$ 1.2**	**$ 3.2**	**$ (0.5)**	**$ 10.4**	**$ 0.7**

The following table summarizes the accrued liabilities for our restructuring actions (in millions):

	Beginning Accrued Restructuring Balance 1/1/19	Pre-tax Restructuring Costs	Utilization and Foreign Exchange	Ending Accrued Restructuring Balance 6/30/2019
2019 Restructuring Actions				
Severance	$ —	$ 6.6	$ (1.2)	$ 5.4
Asset write-downs	—	0.4	(0.4)	—
Facility closure and other costs	—	2.2	(1.9)	0.3
Total 2019 Restructuring Actions	**$ —**	**$ 9.2**	**$ (3.5)**	**$ 5.7**
2018 and Prior Restructuring Actions				
Severance	$ 7.7	$ 0.2	$ (3.5)	$ 4.4
Asset write-downs	—	0.1	(0.1)	—
Facility closure and other costs[a]	13.3	0.9	(1.5)	12.7
Total 2018 and Prior Restructuring Actions	**$ 21.0**	**$ 1.2**	**$ (5.1)**	**$ 17.1**
Total Restructuring Actions	**$ 21.0**	**$ 10.4**	**$ (8.6)**	**$ 22.8**

[a] *The beginning and ending accrual of Facility closure and other costs include certain multi-employer pension plan obligations that are settled over multiple years.*

The actual costs incurred and total expected cost in each of our reporting segments of our on-going restructuring actions are as follows (in millions):

	Total expected costs	Costs incurred during 2018	Costs incurred during first six months of 2019	Remaining costs at 6/30/2019
2019 Restructuring Actions				
Electrical	$ 15.0	$ —	$ 7.0	$ 8.0
Power	2.5	—	2.2	0.3
Total 2019 Restructuring Actions	**$ 17.5**	**$ —**	**$ 9.2**	**$ 8.3**
2018 and Prior Restructuring Actions				
Electrical	$ 13.6	$ 8.3	$ 0.4	$ 4.9
Power	4.9	3.7	0.8	0.4
Total 2018 and Prior Restructuring Actions	**$ 18.5**	**$ 12.0**	**$ 1.2**	**$ 5.3**
Total Restructuring Actions	**$ 36.0**	**$ 12.0**	**$ 10.4**	**$ 13.6**

Back to Contents

NOTE 17 Leases

We have operating leases for office space, certain manufacturing facilities, office and manufacturing equipment, and vehicles. Our finance leases are not material. The term of these leases is generally 10 years or less, in some cases with options to extend the term for up to 5 years, or options to terminate after one year without penalty. In general, our vehicle lease payments contain a monthly base rent payment which is adjusted based on changes to the LIBOR rate over the lease term. Certain other lease agreements contain variable payments related to a consumer price index or similar metric. Any change in payment amounts as a result of a change in a rate or index are considered variable lease payments and recognized as profit or loss when incurred.

Rent expense for operating leases in the Condensed Consolidated Statement of Income for the three and six months ended June 30, 2019 is $9.4 million and $19.0 million, respectively. Cash paid for operating leases during the three and six months ended June 30, 2019 was $9.2 million and $17.7 million, respectively, reported as cash outflows from operating activities in the Condensed Consolidated Statements of Cash Flows. Right-of-use ("ROU") assets obtained in exchange for lease obligations during the three and six months ended June 30, 2019 was $4.7 million and $6.9 million, respectively.

Amounts recognized for operating leases in the Condensed Consolidated Balance Sheet is as follows (in millions):

	June 30, 2019
Operating lease right-of-use assets	$ 98.7
TOTAL ASSETS	$ 98.7
Other accrued liabilities	$ 29.9
Other non-current liabilities	72.5
TOTAL LIABILITIES	**$ 102.4**

The weighted average remaining lease term as of June 30, 2019 for operating leases was 5 years. The weighted average discount rate used to measure the ROU asset and lease liability for operating leases was 3.8% as of June 30, 2019.

Future maturities of our operating lease liabilities as of June 30, 2019 are as follows:

	2019	2020	2021	2022	2023	Thereafter	Total Payments	Imputed Interest	Total
Operating Leases	17.4	28.9	20.4	12.4	11.3	21.9	112.3	(9.9)	$102.4

ITEM 2 Management’s Discussion and Analysis of Financial Condition and Results of Operations

Executive Overview of the Business

The Company is primarily engaged in the design, manufacture and sale of quality electrical and electronic products for a broad range of non-residential and residential construction, industrial and utility applications. Products are either sourced complete, manufactured or assembled by subsidiaries in the United States, Canada, Switzerland, Puerto Rico, China, Mexico, the UK, Brazil, Australia, Spain and Ireland. The Company also participates in joint ventures in Taiwan, Hong Kong and the Philippines, and maintains offices in Singapore, Italy, China, India, Mexico, South Korea, Chile, and countries in the Middle East. The Company employed approximately 19,700 individuals worldwide as of June 30, 2019.

The Company’s reporting segments consist of the Electrical segment and the Power segment. Results for the three and six months ended June 30, 2019 by segment are included under “Segment Results” within this Management’s Discussion and Analysis.

The Company's long-term strategy is to serve its customers with reliable and innovative electrical and related infrastructure solutions with desired brands, high-quality service, delivered through a competitive cost structure; to complement organic revenue growth with acquisitions that enhance its product offerings; and to allocate capital effectively to create shareholder value.

Our strategy to complement organic revenue growth with acquisitions focuses on acquiring assets that extend our capabilities, expand our product offerings, and present opportunities to compete in core, adjacent or complementary markets. Our acquisition strategy also provides the opportunity to advance our revenue growth objectives during periods of weakness or inconsistency in our end-markets.

Our strategy to deliver products through a competitive cost structure has resulted in past and ongoing restructuring and related activities. Our restructuring and related efforts include the consolidation of manufacturing and distribution facilities, and workforce actions, as well as streamlining and consolidating our back-office functions. The primary objectives of our restructuring and related activities are to optimize our manufacturing footprint, cost structure, and effectiveness and efficiency of our workforce.

Productivity improvement also continues to be a key area of focus for the Company and efforts to drive productivity complement our restructuring and related activities to minimize the impact of rising material costs and administrative cost inflation. Because material costs are approximately two-thirds of our cost of goods sold, volatility in this area can significantly impact profitability. Our goal is to have pricing and productivity programs that offset material and other inflationary cost increases as well as pay for investments in key growth areas.

Productivity programs affect virtually all functional areas within the Company by reducing or eliminating waste and improving processes. We continue to expand our efforts surrounding global product and component sourcing and supplier cost reduction programs. Value engineering efforts, product transfers and the use of lean process improvement techniques are expected to continue to increase manufacturing efficiency. In addition, we continue to build upon the benefits of our enterprise resource planning system across all functions.

Acquisition of Aclara

On February 2, 2018, the Company acquired Aclara for approximately $1.1 billion. Aclara is a leading global provider of smart infrastructure solutions for electric, gas, and water utilities, with advanced metering solutions and grid monitoring sensor technology, as well as leading software enabled installation services. The acquisition extends the Power segment's capabilities into smart automation technologies, accelerates ongoing innovation efforts to address utility customer demand for data and integrated solutions, and expands the segment's reach to a broader set of utility customers.

Back to Contents

Results of Operations – Second Quarter of 2019 compared to the Second Quarter of 2018

SUMMARY OF CONSOLIDATED RESULTS (IN MILLIONS, EXCEPT PER SHARE DATA):

	Three Months Ended June 30,			
	2019	% of Net sales	2018	% of Net sales
Net sales	$ 1,196.4		$ 1,166.7	
Cost of goods sold	839.0	70.1%	818.8	70.2%
Gross profit	357.4	29.9%	347.9	29.8%
Selling & administrative ("S&A") expense	190.5	15.9%	191.0	16.4%
Operating income	166.9	14.0%	156.9	13.4%
Net income attributable to Hubbell	96.0	8.0%	100.3	8.6%
EARNINGS PER SHARE – DILUTED	$ 1.75		$ 1.82	

In the following discussion of results of operations, we refer to "adjusted" operating measures. We believe those adjusted measures, which exclude the impact of certain costs, may provide investors with useful information regarding our underlying performance from period to period and allow investors to understand our results of operations without regard to items we do not consider a component of our core operating performance. Management uses these adjusted measures when assessing the performance of the business.

Effective with results of operations reported in the first quarter of 2019, "adjusted" operating measures exclude amortization of intangible assets associated with all of our business acquisitions, including inventory step-up amortization associated with those acquisitions. In 2018, adjusted operating measures excluded only the amortization of intangible assets associated with the Aclara acquisition. For comparability, all prior period "adjusted" operating measures have been updated to reflect this change in definition.

Adjusted operating measures exclude a $22.9 million charge in the second quarter of 2019 to recognize certain additional liabilities associated with the Company's previously disclosed withdrawal from a multi-employer pension plan and the subsequent withdrawal and now likely liquidation of another employer in the plan. Refer to Note 15 - Commitments and Contingencies in the Notes to Condensed Consolidated Financial Statements for additional information.

Our adjusted operating measures in 2018 also exclude transaction costs associated with the Aclara acquisition. Aclara transaction costs were primarily for professional services and other fees incurred to complete the acquisition as well as bridge financing costs recognized in interest expense in connection with the transaction. The effect of transaction costs relating to the Aclara acquisition was complete in 2018. Only a portion of the Aclara transaction costs were tax deductible.

The following table reconciles our adjusted financial measures to the directly comparable GAAP financial measure (in millions, except per share amounts):

	Three Months Ended June 30,					
		2019	% of Net sales		2018	% of Net sales
Gross profit (GAAP measure)	$	357.4	29.9%	$	347.9	29.8%
Amortization of acquisition-related intangible assets		6.0			6.7	
Adjusted gross profit	$	363.4	30.4%	$	354.6	30.4%
S&A expenses (GAAP measure)	$	190.5	15.9%	$	191.0	16.4%
Amortization of acquisition-related intangible assets		12.0			12.4	
Aclara transaction costs		—			0.3	
Adjusted S&A expenses	$	178.5	14.9%	$	178.3	15.3%
Operating income (GAAP measure)	$	166.9	14.0%	$	156.9	13.4%
Amortization of acquisition-related intangible assets		18.0			19.1	
Aclara transaction costs		—			0.3	
Adjusted operating income	$	184.9	15.5%	$	176.3	15.1%
Net income attributable to Hubbell (GAAP measure)	$	96.0		$	100.3	
Amortization of acquisition-related intangible assets, net of tax		13.5			14.6	
Multi-employer pension charge, net of tax		17.1			—	
Aclara transaction costs, net of tax		—			0.1	
Adjusted net income attributable to Hubbell	$	126.6		$	115.0	
Less: Earnings allocated to participating securities		(0.5)			(0.4)	
Adjusted net income available to common shareholders	$	126.1		$	114.6	
Average number of diluted shares outstanding		54.6			54.9	
ADJUSTED EARNINGS PER SHARE – DILUTED	$	2.31		$	2.09	

Net Sales

Net sales of $1.20 billion in the second quarter of 2019 increased three percent compared to the second quarter of 2018 due to favorable price realization. Foreign exchange reduced net sales by less than one percentage point as compared to the second quarter of the prior year.

Cost of Goods Sold

As a percentage of net sales, cost of goods sold decreased slightly by 10 basis points to 70.1% in the second quarter of 2019 as compared to 70.2% in the second quarter of 2018. The decrease was primarily driven by favorable price realization and savings from our productivity initiatives that outpaced cost increases, and lower amortization of acquisition-related intangibles, partially offset by an increase in restructuring and related costs as compared to the second quarter of 2018.

Gross Profit

Gross profit margin in the second quarter of 2019 increased by 10 basis points to 29.9% from 29.8% in the second quarter of 2018. Excluding amortization of acquisition-related intangible assets, the adjusted gross profit of 30.4% in the second quarter of 2019 was flat as compared to the same period of the prior year, and reflects favorable price realization and savings from our productivity initiatives that outpaced cost increases, offset by an increase in restructuring and related costs as compared to the second quarter of 2018.

Selling & Administrative Expenses

S&A expense in the second quarter of 2019 was $190.5 million and decreased by $0.5 million compared to the prior year period. S&A expense as a percentage of net sales declined by 50 basis points to 15.9% in the second quarter of 2019. Excluding amortization of acquisition-related intangible assets, adjusted S&A expense as a percentage of net sales declined by 40 basis points to 14.9% in the second quarter of 2019 primarily due to volume leverage associated with higher net sales.

Back to Contents

Total Other Expense

Total other expense increased by $20.4 million in the second quarter of 2019 to $43.3 million primarily due to the impact of a $22.9 million charge in the second quarter of 2019 associated with the withdrawal from a multi-employer pension plan, partially offset by lower losses from the effects of foreign exchange and lower interest expense.

Income Taxes

The effective tax rate in the second quarter of 2019 decreased to 20.8% from 23.6% in the second quarter of 2018, primarily due to the favorable impact of statute expirations related to certain uncertain tax positions, provision to return adjustments, and a benefit from the tax effect of share-based compensation programs, offset partially by earnings mix and an increase in our state effective tax rate.

Net Income Attributable to Hubbell and Earnings Per Diluted Share

Net income attributable to Hubbell was $96.0 million in the second quarter of 2019 and decreased four percent as compared to the same period of the prior year, largely due to a $17.1 million after-tax charge in the second quarter of 2019 related to the Company's withdrawal from a multi-employer pension plan. Excluding the multi-employer pension charge and amortization of acquisition-related intangibles, adjusted net income attributable to Hubbell was $126.6 million in the second quarter of 2019 and increased ten percent compared to the second quarter of 2018 primarily due to higher operating income and a lower effective income tax rate, as discussed in more detail above. Earnings per diluted share in the second quarter of 2019 decreased four percent as compared to the second quarter of 2018 and reflects the impact of the previously mentioned pension charge. Adjusted earnings per diluted share in the second quarter of 2019 increased eleven percent as compared to the second quarter of 2018 and reflects higher adjusted net income as well as a decline in the average number of diluted shares outstanding of 0.3 million as compared to the same period of the prior year.

Segment Results

ELECTRICAL

	Three Months Ended June 30,	
(In millions)	**2019**	**2018**
Net sales	$ 688.2	$ 688.6
Operating income	88.0	91.3
Amortization of acquisition-related intangible assets	5.6	6.0
Adjusted operating income	$ 93.6	$ 97.3
Operating margin	12.8%	13.3%
Adjusted operating margin	13.6%	14.1%

Net sales in the Electrical segment in the second quarter of 2019 were $688.2 million, and were approximately flat as compared to the second quarter of 2018. Organic net sales grew by approximately one percentage point, offset by the impact of foreign exchange. Organic net sales grew in the quarter from the effect of favorable price realization, offset by lower unit volume in certain markets, as further described below.

Within the segment, the aggregate net sales of our Commercial and Industrial and Construction and Energy business groups were flat, due to approximately one percentage point of organic net sales growth, partially offset by an approximately one percentage point headwind from foreign exchange. Net sales of our Lighting business group were also approximately flat in the second quarter of 2019 as favorable price realization was almost entirely offset by lower unit volume. Within the Lighting business group, net sales of residential lighting products increased by five percentage points and net sales of commercial and industrial lighting products decreased by one percent. Organic net sales growth was strong for our products serving the natural gas distribution market, while oil related markets saw unfavorable volumes and non-residential markets were mixed. Price realization was positive across each of our end markets.

Operating income in the Electrical segment for the second quarter of 2019 was $88.0 million and decreased four percent compared to the second quarter of 2018, while operating margin in the second quarter of 2019 decreased by 50 basis points to 12.8%. Excluding amortization of acquisition-related intangibles, operating income decreased four percent and operating margin decreased by 50 basis points to 13.6% primarily due to the effect of lower unit volume and higher restructuring and related costs as compared to the second quarter of 2018, partially offset by favorable price realization and productivity which outpaced cost increases.

POWER

(In millions)	Three Months Ended June 30, 2019	2018
Net sales	$ 508.2	$ 478.1
Operating income	78.9	65.6
Amortization of acquisition-related intangible assets	12.4	13.1
Aclara transaction costs	—	0.3
Adjusted operating income	$ 91.3	$ 79.0
Operating margin	15.5%	13.7%
Adjusted operating margin	18.0%	16.5%

Net sales in the Power segment in the second quarter of 2019 were $508.2 million, up approximately six percent as compared to the second quarter of 2018 primarily due to seven percentage points of organic net sales growth, including favorable price realization. Organic net sales were primarily driven by growth in the transmission and distribution markets, as well as growth in the Aclara business. The impact of foreign exchange reduced net sales by approximately one percentage point.

Operating income in the Power segment for the second quarter of 2019 increased twenty percent to $78.9 million as compared to the same period of 2018. Operating margin in the second quarter of 2019 increased to 15.5% as compared to 13.7% in the same period of 2018. Excluding amortization of acquisition-related intangibles and Aclara transaction costs incurred in 2018, the adjusted operating margin increased by 150 basis points to 18.0%, primarily driven by favorable price realization and productivity which outpaced cost increases, and a benefit from higher net sales volume.

Results of Operations – Six Months Ended June 30, 2019 compared to the Six Months Ended June 30, 2018

SUMMARY OF CONSOLIDATED RESULTS (IN MILLIONS, EXCEPT PER SHARE DATA):

	Six Months Ended June 30, 2019			
	2019	% of Net sales	2018	% of Net sales
Net sales	$ 2,283.7		$ 2,157.9	
Cost of goods sold	1,619.0	70.9%	1,527.1	70.8%
Gross profit	664.7	29.1%	630.8	29.2%
Selling & administrative expense	376.9	16.5%	374.3	17.3%
Operating income	287.8	12.6%	256.5	11.9%
Net income attributable to Hubbell	168.3	7.4%	158.6	7.3%
Earnings per share - diluted	$ 3.07		$ 2.87	

Back to Contents

The following table reconciles our adjusted financial measures to the directly comparable GAAP financial measure (in millions, except per share amounts):

	Six Months Ended June 30,			
	2019	% of Net sales	2018	% of Net sales
Gross profit (GAAP measure)	$ 664.7	29.1%	$ 630.8	29.2%
Amortization of acquisition-related intangible assets	12.1		17.4	
Adjusted gross profit	$ 676.8	29.6%	$ 648.2	30.0%
S&A expenses (GAAP measure)	$ 376.9	16.5%	$ 374.3	17.3%
Amortization of acquisition-related intangible assets	24.2		24.1	
Aclara transaction costs	—		9.0	
Adjusted S&A expenses	$ 352.7	15.4%	$ 341.2	15.8%
Operating income (GAAP measure)	$ 287.8	12.6%	$ 256.5	11.9%
Amortization of acquisition-related intangible assets	36.3		41.5	
Aclara transaction costs	—		9.0	
Adjusted operating income	$ 324.1	14.2%	$ 307.0	14.2%
Net income attributable to Hubbell (GAAP measure)	$ 168.3		$ 158.6	
Amortization of acquisition-related intangible assets, net of tax	27.1		31.4	
Multi-employer pension charge, net of tax	17.1		—	
Aclara transaction costs, net of tax	—		8.8	
Adjusted net income attributable to Hubbell	$ 212.5		$ 198.8	
Less: Earnings allocated to participating securities	(0.8)		(0.7)	
Adjusted net income available to common shareholders	$ 211.7		$ 198.1	
Average number of diluted shares outstanding	54.6		55.0	
ADJUSTED EARNINGS PER SHARE – DILUTED	$ 3.87		$ 3.60	

Net Sales

Net sales of $2.28 billion for the first six months of 2019 increased six percent compared to the first six months of 2018 primarily due to higher organic volume and the contribution of an additional month of net sales in 2019 associated with the the Aclara acquisition (February 2, 2018 acquisition date). Organic net sales growth contributed four percentage points, including favorable price realization, and acquisitions added two percentage points.

Cost of Goods Sold

As a percentage of net sales, cost of goods sold increased by 10 basis points to 70.9% for the first six months of 2019 compared to 70.8% for the first six months of 2018. The increase was primarily driven by an additional month of operating results of the Aclara business in the first half of 2019 and unfavorable net sales mix, as well as the effect of lower unit volume. The impact of those items was partially offset by favorable price realization and productivity which outpaced cost increases and lower amortization of acquisition-related intangibles in the first six months of 2019.

Gross Profit

The gross profit margin in the first six months of 2019 declined by 10 basis points to 29.1%. Excluding amortization of acquisition-related intangible assets, the adjusted gross profit margin declined by 40 basis points to 29.6% due primarily to an additional month of operating results of the Aclara business in the first half of 2019, higher restructuring and related costs, and unfavorable net sales mix, which were partially offset by favorable price realization and savings from our productivity initiatives that outpaced cost increases.

Selling & Administrative Expenses

S&A expense in the first six months of 2019 was $376.9 million and increased by $2.6 million compared to the prior year period. S&A expense as a percentage of net sales declined by 80 basis points to 16.5% in the first six months of 2019. Excluding amortization of acquisition-related intangible assets and Aclara transaction costs incurred in the first six months of 2018, adjusted S&A expense as a percentage of net sales declined by 40 basis points to 15.4% primarily due to volume leverage associated with higher net sales.

Total Other Expense

Total other expense increased by $19.5 million in the first six months of 2019 to $66.2 million primarily due to the impact of a $22.9 million charge in the second quarter of 2019 associated with the withdrawal from a multi-employer pension plan, partially offset by lower losses from the effects of foreign exchange and lower interest expense.

Income Taxes

The effective tax rate in the first six months of 2019 decreased to 22.5% from 22.7% in the first six months of 2018 due to the favorable impact of the expiration of certain uncertain tax positions and provision to return adjustments, offset partially by earnings mix and an increase in our state effective tax rate.

Net Income Attributable to Hubbell and Earnings Per Diluted Share

Net income attributable to Hubbell was $168.3 million in the first six months of 2019 and increased six percent compared to the same period of the prior year. Excluding amortization of acquisition-related intangibles, adjusted net income attributable to Hubbell was $212.5 million in the first six months of 2019 and increased seven percent as compared to the first six months of 2018, primarily as a result of higher operating income and a lower effective income tax rate, as discussed in more detail above. Earnings per diluted share in the first six months of 2019 increased seven percent as compared to the first six months of 2018. Adjusted earnings per diluted share in the first six months of 2019 increased eight percent as compared to the first six months of 2018 and reflects higher adjusted net income as well as a decline in the average number of diluted shares outstanding of 0.4 million as compared to the same period of the prior year.

Segment Results

ELECTRICAL

	Six Months Ended June 30,	
(In millions)	**2019**	**2018**
Net sales	$ 1,318.4	$ 1,306.7
Operating income	156.6	152.5
Amortization of acquisition-related intangible assets	11.4	12.0
Adjusted operating income	$ 168.0	$ 164.5
Operating margin	11.9%	11.7%
Adjusted operating margin	12.7%	12.6%

Net sales in the Electrical segment in the first six months of 2019 were $1.32 billion, up one percent as compared to the first six months of 2018 due to two percentage points of organic net sales growth, partially offset by one percentage point of unfavorable foreign currency translation.

Within the segment, the aggregate net sales of our Commercial and Industrial and Construction and Energy business groups increased by one percent in the first six months of 2019, due to approximately two percentage points of organic net sales, partially offset by one percentage point from the effect of of foreign currency translation. Net sales of our Lighting business group increased by one percent in the first six months of 2019 as favorable price realization outpaced the effect of lower unit volume. Within the Lighting business group, net sales of residential lighting products increased by approximately four percentage points and net sales of commercial and industrial lighting products were approximately flat compared to the first six months of 2018. Organic net sales growth of our products serving the natural gas distribution and industrial markets was strong in the first six months of the year, while oil related markets saw unfavorable volumes and non-residential markets were mixed.

Operating income in the Electrical segment for the first six months of 2019 was $156.6 million and increased three percent compared to the the first six months of 2018. Operating margin in the first six months of 2019 increased by 20 basis points to 11.9% as compared to the same period of 2018. Excluding amortization of acquisition-related intangibles, the adjusted operating margin increased by 10 basis points to 12.7% primarily due to the effect of price realization and productivity which were greater than cost increases, partially offset by the impact of lower unit volume and higher restructuring and related costs.

POWER

	Six Months Ended June 30, 2018	
(In millions)	**2019**	**2018**
Net sales	$ 965.3	$ 851.2
Operating income	131.2	104.0
Amortization of acquisition-related intangible assets	24.9	29.5
Aclara transaction costs	—	9.0
Adjusted operating income	$ 156.1	$ 142.5
Operating margin	13.6%	12.2%
Adjusted operating margin	16.2%	16.7%

Net sales in the Power segment in the first six months of 2019 were $965.3 million, up approximately thirteen percent versus the first six months of 2018, due to eight percentage points of growth from organic volume and six percentage points of growth from the Aclara acquisition, partially offset by a one percentage point impact from foreign currency translation.

Operating income in the Power segment increased twenty-six percent to $131.2 million in the first six months of 2019 and operating margin in the first six months of 2019 increased by 140 basis points to 13.6% . Excluding amortization of acquisition-related intangibles and Aclara transaction costs, the adjusted operating margin decreased by 50 basis points to 16.2% primarily driven by an additional month of operating results of the Aclara business in the first half of 2019 and higher restructuring and related costs, partially offset by favorable price realization and productivity which outpaced cost increases and a benefit from higher net sales volume.

Financial Condition, Liquidity and Capital Resources

Cash Flow

	Six Months Ended June 30,	
(In millions)	2019	2018
Net cash provided by (used in):		
Operating activities	$ 209.6	$ 152.3
Investing activities	(41.5)	(1,155.1)
Financing activities	(148.2)	826.3
Effect of foreign currency exchange rate changes on cash and cash equivalents	1.0	(3.4)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**$ 20.9**	**$ (179.9)**

Cash provided by operating activities for the six months ended June 30, 2019 was $209.6 million compared to cash provided by operating activities of $152.3 million for the same period in 2018 primarily due to cash provided by improvements in net working capital, primarily related to improved collections of receivables and higher net income, partially offset by higher cash settlement of current payables.

Cash used for investing activities was $41.5 million in the six months ended June 30, 2019 compared to cash used of $1,155.1 million during the comparable period in 2018 and primarily reflects the cash used for the Aclara acquisition in 2018.

Cash used by financing activities was $148.2 million in the six months ended June 30, 2019 as compared to cash provided of $826.3 million during the comparable period of 2018. The change in cash flows from financing activities reflects the proceeds of the $450 million public debt offering in February 2018 and $500 million Term Loan issued in February 2018, partially offset by the $20.0 million increase in share repurchases during 2019.

The favorable impact of foreign currency exchange rates on cash was $1.0 million in the six months ended June 30, 2019 and is primarily related to weakening in the U.S. dollar versus the Canadian Dollar and Mexican Peso in the six months ended June 30, 2019.

Investments in the Business

Investments in our business include cash outlays for the acquisition of businesses as well as expenditures to maintain the operation of our equipment and facilities and invest in restructuring activities.

We continually invest in restructuring and related programs to maintain a competitive cost structure, drive operational efficiency and mitigate the impact of rising material costs and administrative cost inflation. As a result of these programs we have exited a total of 31 manufacturing and warehousing facilities since those programs began in late 2014. We expect our investment in restructuring and related spend in 2019 and 2020 to continue as we initiate further footprint consolidation and cost reduction initiatives.

In connection with our restructuring and related actions, we have incurred restructuring costs as defined by U.S. GAAP, which are primarily severance and employee benefits, asset impairments, accelerated deprecation, as well as facility closure, contract termination and certain pension costs that are directly related to restructuring actions. We also incur restructuring-related costs, which are costs associated with our business transformation initiatives, including the consolidation of back-office functions and streamlining our processes, and certain other costs and gains associated with restructuring actions. We refer to these costs on a combined basis as "restructuring and related costs", which is a non-GAAP measure.

Restructuring costs are predominantly settled in cash from our operating activities and are generally settled within one year, with the exception of asset impairments, which are non-cash, and certain pension obligations, which may be cash settled over multiple years.

The table below presents restructuring and related costs incurred in the first six months of 2019, additional expected costs, and the expected completion date for those restructuring actions that were initiated in 2018 and prior years (in millions):

	Costs incurred in the six months ended June 30, 2019	Additional expected costs	Expected completion date
2019 Restructuring Actions	$ 9.2	$ 8.3	2020
2018 and Prior Restructuring Actions	1.2	5.3	2019
Total Restructuring cost (GAAP measure)	**$ 10.4**	**$ 13.6**	
Restructuring-related costs	0.7	2.5	
Restructuring and related costs (Non-GAAP)	**$ 11.1**	**$ 16.1**	

During the first six months of 2019, we invested $47.7 million in capital expenditures, an increase of $0.2 million from the comparable period of 2018 as we continue to make investments in facilities and equipment to support our on-going focus on productivity.

Stock Repurchase Program

On October 20, 2017, the Board of Directors approved a new stock repurchase program (the “October 2017 program”) that authorized the repurchase of up to $400 million of Common Stock and expires on October 20, 2020. As of June 30, 2019, the Company has repurchased $70.0 million of shares of Common Stock bringing the remaining share repurchase authorization to $330 million. Subject to numerous factors, including market conditions and alternative uses of cash, we may conduct discretionary repurchases through open market or privately negotiated transactions, which may include repurchases under plans complying with Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended.

Debt to Capital

At June 30, 2019 and December 31, 2018, the Company had $1,722.8 million and $1,737.1 million, respectively, of long-term debt, net of unamortized discount and the unamortized balance of capitalized debt issuance costs. At June 30, 2019 and December 31, 2018, the Company also had $28.1 million and $25.0 million, respectively of long-term debt classified as short-term on the Condensed Consolidated Balance Sheets, reflecting maturities within the next twelve months.

On January 31, 2018, the Company entered into a Term Loan Agreement (the “Term Loan Agreement”) with a syndicate of lenders under which the Company borrowed $500 million on an unsecured basis to partially finance the Aclara acquisition on February 2, 2018. The interest rate applicable to borrowings under the Term Loan Agreement is generally either adjusted LIBOR plus an applicable margin (determined by a ratings based grid) or the alternate base rate. The sole financial covenant in the Term Loan Agreement requires that total debt not exceed 65% of total capitalization as of the last day of each fiscal quarter of the Company.

The principal amount of borrowings under the Term Loan Agreement amortize in equal quarterly installments of 5% per year in year one, 5% per year in year two, 7.5% per year in year three, 10% per year in year four, 10% per year in year five, and any remaining borrowings under the Term Loan Agreement are due and payable in full in February 2023. The Company may also make principal payments in excess of the amortization schedule at its discretion and, during 2018, the Company made $150 million of such payments.

Pursuant to the contractual loan amortization schedule, $28.1 million and $25.0 million, respectively of borrowings under the Term Loan are classified as short-term within current liabilities on the June 30, 2019 and December 31, 2018 Condensed Consolidated Balance Sheets.

At June 30, 2019 and December 31, 2018 long-term debt consisted of unsecured, senior notes in principal amounts of $300 million due in 2022 (the "2022 Notes"), $400 million due in 2026 (the "2026 Notes"), $300 million due in 2027 (the "2027 Notes"), $450 million due in 2028 (the "2028 Notes") and the remaining outstanding balance on the Term Loan.

The 2022 Notes, 2026 Notes, 2027 Notes and 2028 Notes are callable at any time at specified prices and are only subject to accelerated payment prior to maturity upon customary event of default under the indenture governing such Notes, as modified by the supplemental indentures creating such notes, or upon a change in control triggering event as defined in such indenture. The Company was in compliance with all covenants (none of which is financial) as of June 30, 2019.

At June 30, 2019 and December 31, 2018 the Company had $54.2 million and $56.1 million, respectively, of short-term debt outstanding composed of:

- $23.0 million and $26.0 million of commercial paper borrowings outstanding at June 30, 2019 and December 31, 2018, respectively.
- $28.1 million at June 30, 2019 and $25.0 million at December 31, 2018 of long-term debt classified as short-term within current liabilities in the Condensed Consolidated Balance sheets, reflecting maturities within the next twelve months relating to our borrowing under the Term Loan.
- $3.1 million at June 30, 2019 and $5.1 million at December 31, 2018, respectively, of borrowings to support our international operations in China.

Net debt, defined as total debt less cash and investments, is a non-GAAP measure that may not be comparable to definitions used by other companies. We consider net debt to be a useful measure of our financial leverage for evaluating the Company’s ability to meet its funding needs.

(In millions)	**June 30, 2019**	**December 31, 2018**
Total Debt	$ 1,777.0	$ 1,793.2
Total Hubbell Shareholders’ Equity	1,835.9	1,780.6
TOTAL CAPITAL	**$ 3,612.9**	**$ 3,573.8**
Total Debt to Total Capital	49%	50%
Cash and Investments	277.3	254.5
Net Debt	**$ 1,499.7**	**$ 1,538.7**
Net Debt to Total Capital	42%	43%

Liquidity

We measure liquidity on the basis of our ability to meet short-term and long-term operational funding needs, fund additional investments, including acquisitions, and make dividend payments to shareholders. Significant factors affecting the management of liquidity are cash flows from operating activities, capital expenditures, cash dividend payments, stock repurchases, access to bank lines of credit and our ability to attract long-term capital with satisfactory terms. In the first six months of 2019, we returned capital to our shareholders, by paying $91.5 million of dividends on our common stock and using $30.0 million of cash for share repurchases. Those activities were funded primarily with cash flow from operations.

We also require cash outlays to fund our operations, our capital expenditures, our working capital requirements to accommodate anticipated levels of business activity, as well as our rate of cash dividends, and potential future acquisitions. We have contractual obligations for long-term debt, operating leases, purchase obligations, and certain other long-term liabilities that are summarized in the table of Contractual Obligations in our Annual Report on Form 10-K for the year ended December 31, 2018. As described in Note 15 - Commitments and Contingencies in the Notes to Condensed Consolidated Financial Statements, during the second quarter of 2019 the Company recorded a charge of $22.9 million related to a multi-employer pension plan. The associated liability is required to be paid in regularly scheduled installment payments over the next 58 years, unless otherwise settled in a lump sum. As of June 30, 2019, the company has made payments of $0.6 million in the first six months of 2019. As a result of the TCJA, we also have an obligation to fund, over the next seven years, the Company's liability for the transition tax on the deemed repatriation of foreign earnings.

Our sources of funds and available resources to meet these funding needs are as follows:

- Cash flows from operations and existing cash resources: In addition to cash flows from operations, we also had $209.9 million of cash and cash equivalents at June 30, 2019, of which approximately 7% was held inside the United States and the remainder held internationally.

- On January 31, 2018, the Company entered into a five-year revolving credit agreement (the "2018 Credit Facility") with a syndicate of lenders that provides a $750 million committed revolving credit facility and terminated all commitments under the 2015 Credit Facility. Commitments under the 2018 Credit Facility may be increased (subject to certain conditions) to an aggregate amount not to exceed $1.250 billion. The interest rate applicable to borrowings under the 2018 Credit Facility is generally either the adjusted LIBOR plus an applicable margin (determined by a ratings based grid) or the alternate base rate. The single financial covenant in the 2018 Credit Facility requires that total debt not exceed 65% of total capitalization as of the last day of each fiscal quarter of the Company. The 2018 Credit Facility expires in February 2023. As of June 30, 2019 the Company had not drawn against the facility.

  Annual commitment fees to support availability under the 2018 Credit Facility are not material. Although not the principal source of liquidity, we believe our 2018 Credit Facility is capable of providing significant financing flexibility at reasonable rates of interest. However, an increase in usage of the 2018 Credit Facility related to growth or a significant deterioration in the results of our operations or cash flows, could cause our borrowing costs to increase and/or our ability to borrow could be restricted. We have not entered into any guarantees that could give rise to material unexpected cash requirements.

- In addition to our commercial paper program and existing revolving credit facility, we also have the ability to obtain additional financing through the issuance of long-term debt. Considering our current credit rating, historical earnings performance, and financial position, we believe that we would be able to obtain additional long-term debt financing on attractive terms.

Critical Accounting Estimates

A summary of our critical accounting estimates is included in Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2018. We are required to make estimates and judgments in the preparation of our financial statements that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures. We continually review these estimates and their underlying assumptions to ensure they are appropriate for the circumstances. Changes in the estimates and assumptions we use could have a material impact on our financial results. During the first six months of 2019, there were no material changes in our estimates and critical accounting policies.

Forward-Looking Statements

Some of the information included in this Management's Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere in this Form 10-Q, contain "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. These include statements about our expected capital resources, liquidity, financial performance, pension funding, and results of operations and are based on our reasonable current expectations. In addition, all statements regarding the expected financial impact of the integration of Aclara, adoption of updated accounting standards and any expected effects of such adoption, restructuring plans and expected associated costs and benefits, intent to repurchase shares of Common Stock, intentions regarding pension withdrawal liability, and changes in operating results, anticipated market conditions and productivity initiatives are forward looking. Forward-looking statements may be identified by the use of words, such as "believe", "expect", "anticipate", "intend", "depend", "should", "plan", "estimated", "predict", "could", "may", "subject to", "continues", "growing", "prospective", "forecast", "projected", "purport", "might", "if", "contemplate", "potential", "pending," "target", "goals", "scheduled", "will likely be", and similar words and phrases. Discussions of strategies, plans or intentions often contain forward-looking statements. Important factors, among others, that could cause our actual results and future actions to differ materially from those described in forward-looking statements include, but are not limited to:

- Changes in demand for our products, market conditions, product quality, or product availability affecting sales levels.
- Changes in markets or competition adversely affecting realization of price increases.
- Failure to achieve projected levels of efficiencies, cost savings and cost reduction measures, including those expected as a result of our lean initiatives and strategic sourcing plans.
- Impacts of trade tariffs, import quotas or other trade restrictions or measures taken by the U.S., U.K. and other countries.
- Availability and costs of raw materials, purchased components, energy and freight.
- Changes in expected or future levels of operating cash flow, indebtedness and capital spending.
- General economic and business conditions in particular industries, markets or geographic regions, as well as inflationary trends.
- Regulatory issues, changes in tax laws including the TCJA, or changes in geographic profit mix affecting tax rates and availability of tax incentives.
- A major disruption in one or more of our manufacturing or distribution facilities or headquarters, including the impact of plant consolidations and relocations.
- Changes in our relationships with, or the financial condition or performance of, key distributors and other customers, agents or business partners which could adversely affect our results of operations.
- Impact of productivity improvements on lead times, quality and delivery of product.
- Anticipated future contributions and assumptions including changes in interest rates and plan assets with respect to pensions, as well as pension withdrawal liabilities.
- Adjustments to product warranty accruals in response to claims incurred, historical experiences and known costs.
- Unexpected costs or charges, certain of which might be outside of our control.
- Changes in strategy, economic conditions or other conditions outside of our control affecting anticipated future global product sourcing levels.
- Ability to carry out future acquisitions and strategic investments in our core businesses as well as the acquisition related costs.
- Ability to successfully execute, manage and integrate key acquisitions and mergers.
- The ability to effectively implement ERP systems without disrupting operational and financial processes.
- Unanticipated difficulties integrating acquisitions as well as the realization of expected synergies and benefits anticipated when we make an acquisition.
- The ability of government customers to meet their financial obligations.
- Political unrest in foreign countries.
- The impact of Brexit and other world economic and political issues.
- Natural disasters.
- Failure of information technology systems or security breaches resulting in unauthorized disclosure of confidential information.
- Future revisions or clarifications of the TCJA.
- Future repurchases of common stock under our common stock repurchase program.
- Changes in accounting principles, interpretations, or estimates.
- The outcome of environmental, legal and tax contingencies or costs compared to amounts provided for such contingencies including contingencies or costs with respect to pension withdrawal liabilities.
- Adverse changes in foreign currency exchange rates and the potential use of hedging instruments to hedge the exposure to fluctuating rates of foreign currency exchange on inventory purchases.
- Transitioning from LIBOR to a replacement alternative reference rate.
- 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 Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Any such forward-looking statements are not guarantees of future performances and actual results, developments and business decisions may differ from those contemplated by such forward-looking statements. The Company disclaims any duty to update any forward-looking statement, all of which are expressly qualified by the foregoing, other than as required by law.

ITEM 3 Quantitative and Qualitative Disclosures About Market Risk

In the operation of its business, the Company has exposures to fluctuating foreign currency exchange rates, availability of purchased finished goods and raw materials, changes in material prices, foreign sourcing issues, and changes in interest rates. There have been no significant changes in our exposure to these market risks during the first six months of 2019. For a complete discussion of the Company’s exposure to market risk, refer to Item 7A, “Quantitative and Qualitative Disclosures about Market Risk”, contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 4 Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed under the Securities Exchange Act of 1934, as amended, the (“Exchange Act”) is recorded, processed, summarized and reported within the time periods specified and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Our management carried out an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company’s disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), as of the end of the period covered by this report on Form 10-Q. Based upon that evaluation, each of the Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2019, the Company’s disclosure controls and procedures were effective at the reasonable assurance level.

There have been no changes in the Company’s internal control over financial reporting that occurred during the Company’s most recently completed quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1A Risk Factors

There have been no material changes in the Company's risk factors from those disclosed in the Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

On October 20, 2017, the Board of Directors approved a new stock repurchase program (the "October 2017 program") that authorized the repurchase of up to $400 million of Common Stock and expires on October 20, 2020. In the six months ended June 30, 2019 , the Company repurchased shares for an aggregate purchase price of approximately $30.0 million. Our remaining share repurchase authorization under the October 2017 program is $330.0 million. Subject to numerous factors, including market conditions and alternative uses of cash, we may conduct discretionary repurchases through open market or privately negotiated transactions, which may include repurchases under plans complying with Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended.

The following table summarizes the Company's repurchase activity of Common Stock during the quarter ended June 30, 2019:

Period	Total Number of Shares of Common Stock Purchased [a] (000's)	Average Price Paid per share of Common Stock Share	Approximate Value of Shares that May Yet Be Purchased Under the Programs *(in millions)*
BALANCE AS OF MARCH 31, 2019			**$ 350.0**
April 2019	—	$ —	$ 350.0
May 2019	165	$ 121.09	$ 330.0
June 2019	—	$ —	$ 330.0
TOTAL FOR THE QUARTER ENDED JUNE 30, 2019	**165**	**$ 121.09**	

[a] - Purchased under our 2017 share repurchase program authorizing the repurchase of up to $400 million shares of Common Stock, which was publicly announced in October 2017.

ITEM 6 Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
31.1	Certification of Chief Executive Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
31.2	Certification of Chief Financial Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
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 Taxonomy Extension Schema Document					*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					*

* *Filed herewith*

** *Furnished herewith*

Back to Contents

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: July 31, 2019

HUBBELL INCORPORATED

By	/s/ William R. Sperry	By	/s/ Joseph A. Capozzoli
	William R. Sperry		**Joseph A. Capozzoli**
	Executive Vice President, Chief Financial Officer and Treasurer		*Vice President, Controller (Principal Accounting Officer)*

EXHIBIT 31.1

I, David G. Nord, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hubbell Incorporated (the “registrant”);
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(s) 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(s) 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.

/s/ David G. Nord

David G. Nord

Chairman of the Board and Chief Executive Officer

Date: July 31, 2019

EXHIBIT 31.2

I, William R. Sperry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hubbell Incorporated (the “registrant”);

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(s) 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(s) 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.

/s/ William R. Sperry

William R. Sperry

Executive Vice President, Chief Financial Officer and Treasurer

Date: July 31, 2019

EXHIBIT 32.1 Certification Pursuant to 18 U.S.C Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Hubbell Incorporated (the “Company”) on Form 10-Q for the period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David G. Nord, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David G. Nord

David G. Nord

Chairman of the Board and Chief Executive Officer

July 31, 2019

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2 Certification Pursuant to 18 U.S.C Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Hubbell Incorporated (the “Company”) on Form 10-Q for the period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William R. Sperry, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William R. Sperry

William R. Sperry

Executive Vice President, Chief Financial Officer and Treasurer

July 31, 2019

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.