

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

FORM 10Q

/ X / QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended SEPTEMBER 30, 1994  
-----

-- OR --

/ / 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  
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(Exact name of registrant as specified in its charter)

STATE OF CONNECTICUT 06-0397030  
-----

(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

584 DERBY MILFORD ROAD, ORANGE, CT 06477  
-----

(Address of principal executive offices) (Zip Code)

(203) 799-4100  
-----

(Registrant's telephone number, including area code)

N/A  
-----

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

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 X NO  
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The number of shares of registrant's classes of common stock outstanding as of  
November 8, 1994 were:

Class A (\$.01 par value) 5,892,000

Class B (\$.01 par value) 25,479,000

HUBBELL INCORPORATED  
PART I -- FINANCIAL INFORMATION

## ITEM 1 FINANCIAL STATEMENTS

Consolidated Balance Sheet  
(unaudited)  
(in thousands)

	September 30, 1994	December 31, 1993
	-----	-----
Assets		
- - - - -		
Current Assets:		
Cash and temporary cash investments	\$ 34,896	\$ 44,231
Accounts receivable (net)	142,539	109,987
Inventories	218,679	181,699
Prepaid taxes	25,196	15,875
Other	6,356	10,289
	-----	-----
TOTAL CURRENT ASSETS	427,666	362,081
Property, Plant and Equipment (net)	196,615	154,621
Other Assets:		
Investments	204,099	245,081
Purchase price in excess of net assets of companies acquired (net)	139,875	66,522
Property held as investment	10,938	7,794
Other	33,273	38,199
	-----	-----
	\$ 1,012,466	\$ 874,298
	=====	=====
Liabilities and Shareholders' Equity		
- - - - -		
Current Liabilities		
Notes payable	\$ 139,280	\$ 91,100
Accounts payable	28,716	20,964
Accrued salaries, wages and employee benefits	25,725	20,215
Accrued income taxes	26,410	35,617
Dividends payable	13,488	12,816
Accrued restructuring charge	14,000	14,000
Other accrued liabilities	72,702	35,494
	-----	-----
TOTAL CURRENT LIABILITIES	320,321	230,206
Long-Term Debt	2,700	2,700
Other Non-Current Liabilities	88,814	79,160
Deferred Income Taxes	5,938	4,572
Shareholders' Equity	594,693	557,660
	-----	-----
	\$ 1,012,466	\$ 874,298
	=====	=====

See notes to consolidated financial statements.

HUBBELL INCORPORATED  
Consolidated Statement of Income  
(unaudited)  
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994	1993
Net Sales	\$267,545	\$211,464	\$736,524	\$620,742
Cost of goods sold	189,206	146,883	515,908	426,224
Gross Profit	78,339	64,581	220,616	194,518
Selling & administrative expenses	41,998	35,235	118,645	104,483
Operating Income	36,341	29,346	101,971	90,035
Other Income (Expense):				
Investment income	3,411	3,713	10,831	11,428
Interest expense	(1,716)	(842)	(4,006)	(2,570)
Other income (expense), net	(655)	(607)	(1,843)	(1,019)
TOTAL OTHER INCOME, NET	1,040	2,264	4,982	7,839
Income Before Income Taxes	37,381	31,610	106,953	97,874
Provision for income taxes	10,092	8,222	28,877	25,450
Net Income	\$27,289	\$23,388	\$78,076	\$72,424
Earnings Per Share:	\$0.86	\$0.74	\$2.46	\$2.29

See notes to consolidated financial statements.

HUBBELL INCORPORATED  
Consolidated Statement of Cash Flows  
(unaudited)  
(in thousands)

	Nine Months Ended September 30	
	1994	1993
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
-----		
Net Income	\$78,076	\$72,424
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	28,243	23,942
Restructuring charge	(6,342)	--
Deferred income taxes	2,299	864
Changes in assets and liabilities, net of the effect of business acquisitions:		
(Increase)/Decrease in Accounts receivable	(11,009)	(7,281)
(Increase)/Decrease in Inventories	(11,841)	2,984
(Increase)/Decrease in Other current assets	5,915	278
Increase/(Decrease) in Current liabilities (excluding dividends payable)	941	(7,649)
(Increase)/Decrease in Other, net	2,554	606
	-----	-----
Net cash provided by operating activities	88,836	86,168
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
-----		
Acquisition of businesses	(110,000)	(16,245)
Additions to property, plant and equipment	(39,460)	(17,954)
Purchase of non-current investments	(9,624)	(15,267)
Sale of non-current investments	50,606	7,051
Other, net	(821)	688
	-----	-----
Net cash used in investing activities	(109,299)	(41,727)
	-----	-----
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
-----		
Payment of dividends	(39,134)	(37,755)
Short-term borrowing	48,180	7,500
Exercise of stock options	2,082	910
	-----	-----
Net cash provided (used) in financing activities	11,128	(29,345)
	-----	-----
Increase (Decrease) in cash and temporary cash investments	(9,335)	15,096
<b>CASH AND TEMPORARY CASH INVESTMENTS</b>		
-----		
Beginning of period	44,231	28,255
	-----	-----
End of period	\$ 34,896	\$ 43,351
	=====	=====

See notes to consolidated financial statements.

HUBBELL INCORPORATED  
Notes to Consolidated Financial Statements  
September 30, 1994  
(unaudited)

1. Inventories are classified as follows: (in thousands)

	September 30, 1994	December 31, 1993
	-----	-----
Raw Material	\$ 75,968	\$ 58,359
Work-in-Process	54,479	49,653
Finished Goods	129,524	113,312
	-----	-----
	\$ 259,971	\$ 221,324
Excess of current Production costs over LIFO cost basis	41,292	39,625
	-----	-----
	\$ 218,679	\$ 181,699
	=====	=====

2. Shareholders' Equity comprises: (in thousands)

	September 30, 1994	December 31, 1993
	-----	-----
Common Stock, \$.01 par value: -----		
Class A--authorized 50,000,000 shares, outstanding 5,892,172 and 5,869,546 shares	\$ 59	\$ 59
Class B--authorized 150,000,000 shares, outstanding 25,474,828 and 25,365,531 shares	254	254
Additional paid-in capital	359,667	358,219
Retained earnings	242,057	203,787
Unrealized holding gains (losses) on securities	(2,700)	-----
Cumulative translation adjustments	(4,644)	(4,659)
	-----	-----
	\$ 594,693	\$ 557,660
	=====	=====

3. In the opinion of management, the information furnished in Part I--Financial Information on Form 10-Q reflects all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial statements for the periods indicated.
4. The results of operations for the three and nine month periods ended September 30, 1994 and 1993 are not necessarily indicative of the results to be expected for the full year.
5. On April 19, 1994 the Company completed its acquisition of A. B. Chance Industries Inc., a manufacturer of electrical apparatus, anchors, hardware, insulators, hot-line tools, and other safety equipment. The acquisition was for \$110 million in cash, of which the Company borrowed \$45 million on a short-term basis, and will be recorded under the purchase method of accounting.

HUBBELL INCORPORATED  
Notes to Consolidated Financial Statements  
September 30, 1994  
(unaudited)

Presented below is the unaudited pro forma combined balance sheet of Hubbell Incorporated and A. B. Chance Industries, Inc. as of March 31, 1994 and combined summary of operations as if the transaction had occurred as of the beginning of 1993 (in 000's except per share):

	HUBBELL INCORPORATED	A. B. CHANCE INDUSTRIES INC.	ADJUSTMENTS	PRO FORMA COMBINED
	-----	-----	-----	-----
<b>ASSETS</b>				
-----				
Accounts Receivable	\$117,019	\$ 22,284	\$ (741)	\$138,562
Inventories	183,566	26,539	(1,400)	208,705
Other Current Assets	80,416	2,549	(24,228)	58,737
Property, Plant, and Equipment (Net)	153,049	29,593	399	183,041
Investments	249,556	--	(30,000)	219,556
Goodwill	65,696	32,997	42,948	141,641
Other Assets	46,934	2,797	(1,125)	48,606
	-----	-----	-----	-----
<b>TOTAL</b>	<b>\$896,236</b>	<b>\$116,759</b>	<b>\$ (14,147)</b>	<b>\$998,848</b>
	=====	=====	=====	=====
<b>LIABILITIES AND COMMON SHAREHOLDERS' EQUITY</b>				
-----				
Notes Payable	\$ 99,200	\$ --	\$ 45,000	\$144,200
Other Current Liabilities	142,940	30,508	12,768	186,216
Long-Term Debt	2,700	62,264	(62,264)	2,700
Other Liabilities and Deferred Taxes	81,580	6,736	7,600	95,916
Common Shareholders' Equity	569,816	17,251	(17,251)	569,816
	-----	-----	-----	-----
<b>TOTAL</b>	<b>\$896,236</b>	<b>\$116,759</b>	<b>\$ (14,147)</b>	<b>\$998,848</b>
	=====	=====	=====	=====
<b>SUMMARY OF OPERATIONS</b>				
-----				
<b>1994 YEAR-TO-DATE</b>				
Net Sales	\$656,312	\$121,862	\$ --	\$778,174
Income Before Income Taxes	\$104,025	\$ 8,980	\$ (3,053)	\$109,952
Net Income	\$ 76,161	\$ 5,402	\$ (2,428)	\$ 79,135
Earnings Per Share	\$ 2.40	\$ --	\$ --	\$ 2.50
<b>1993 FULL YEAR</b>				
Net Sales	\$832,423	\$156,830	\$ --	\$989,253
Income Before Income Taxes	\$ 81,494	\$ 7,114	\$ 2,664	\$ 91,272
Net Income	\$ 66,306	\$ 4,058	\$ 1,063	\$ 71,427
Earnings Per Share	\$ 2.10	\$ --	\$ --	\$ 2.26

In preparing the unaudited pro forma combined balance sheet and summary of operations, adjustments were made to the historical financial statements to reflect the reduction in the securities portfolio and investment income; increase in short-term borrowing and interest expense; amortization of the estimated goodwill of \$76 million over 40 years; the repayment of existing debt of A. B. Chance Industries, Inc.; and other estimated purchase accounting entries. The pro forma statements are not indicative of the results that would have been obtained if the operations would have been combined during 1993, nor are they necessarily indicative of the results that may occur in the future.

HUBBELL INCORPORATED  
ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS  
September 30, 1994

Results of Operations  
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Consolidated net sales for the third quarter of 1994 increased 27% over the comparable period in 1993 due to the inclusion of A. B. Chance Industries, Inc. and improved sales at the Wiring Device, Industrial Controls, Premise Wiring, Lighting and Raco operations partially offset by lower activity at the Pulse Communications subsidiary. Operating income increased 24%. Year-to-date results were similar with increases of 19% in net sales and 13% in operating income.

Low Voltage segment sales increased 7% and 4% for the quarter and year-to-date periods on higher shipments of wiring device, lighting, and industrial control products as demand in the industrial and commercial markets improved. Segment operating income increased in line with the higher sales volumes.

Sales of the High Voltage segment increased more than 70% for the quarter and more than 45% year-to-date due to the inclusion of A. B. Chance Industries, Inc. and higher sales of insulators and surge arresters while demand for power cable remained flat. Operating income increased at approximately one-half the rate of growth in sales volume reflecting the lower-margined products of the acquired business.

Other Industry segment sales increased 36% for the quarter and 28% year-to-date reflecting the inclusion of certain product lines of A. B. Chance (line construction hardware and support and foundation anchors), as well as, improved shipments of enclosures, fittings, switch and outlet boxes, and wire management products which offset the lower sales of telecommunication products. Segment operating income increased by 20% for the periods reflecting the impact of the reduced shipment of the higher-margined telecommunications products. Due to changed market conditions, the Company has reduced the scope of its development program for telecommunication products and the Pulse Communications subsidiary and Raynet Corporation terminated their joint development project.

Interest expense increased reflecting a higher level of short-term borrowings which have been utilized by the Company to maintain its long-term investment positions which have a current yield higher than the cost of short-term funds. The effective tax rate for 1994 was 27% versus 26% in 1993. Net income and earnings per share increased by more than 16% for the third quarter and more than 7% year-to-date, reflecting the acquisition of A.B.Chance in April and gradual improvement in existing operations.

Liquidity and Capital Resources  
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At September 30, 1994, notes payable of \$139.3 million and long-term debt of \$2.7 million were 23.9% of shareholders' equity. Working capital was \$107.3 million and the current ratio was 1.3 to 1.0.

HUBBELL INCORPORATED  
PART II -- OTHER INFORMATION

ITEM 6        EXHIBITS AND REPORTS ON FORM 8-K  
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EXHIBITS

- 11.    Computation of Earnings Per Share.
- 27.    Financial Data Schedule

REPORTS ON FORM 8-K

There were no reports on Form 8-K filed for the three months ended September 30, 1994.

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.

HUBBELL INCORPORATED

Dated: November 10, 1994  
-----

/s/ Harry B. Rowell, Jr.  
-----  
Harry B. Rowell, Jr.  
Executive Vice President  
(Chief Financial and Accounting Officer)



EXHIBITS INDEX  
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Exhibit No. -----	Description -----	Page No. -----
11	Computation of Earnings Per Share.	
27	Financial Data Schedule	

Exhibit 11  
HUBBELL INCORPORATED  
Computation of Earnings Per Share  
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1994	1993	1994	1993
Net Income	\$27,289 =====	\$23,388 =====	\$78,076 =====	\$72,424 =====
Weighted average number of common shares outstanding during the year	31,333	31,211	31,310	31,202
Common equivalent shares	388 -----	434 -----	407 -----	432 -----
Average number of shares outstanding	31,721 =====	31,645 =====	31,717 =====	31,634 =====
Earnings per share	\$0.86 =====	\$0.74 =====	\$2.46 =====	\$2.29 =====

ART. 5 FDS FOR 3RD QUARTER 10-Q

1,000

9-MOS

DEC-31-1994

SEP-30-1994

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