First Quarter 2020 Earnings Call

April 30, 2020

HUBBELL

Forward Looking Statements

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

Key Messages

1. Utility Solutions delivering differentiated results; Electrical end markets mixed
2. Operational transformation on track; effective price/cost management
3. Strong Free Cash Flow and liquidity position [2]
4. COVID-19 creates significant disruptions and uncertainty in forward outlook

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

COVID-19 Impact and Action Plans

Ensure Health and Safety of Our Employees

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

Continue to Serve Our Customers

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

Operate with Discipline

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

Maintain Strong Liquidity Position

- ✓ Strong FCF performance
- ✓ $225M drawn on revolver
- ✓ Cutting non-essential capex
- ✓ Lowering raw material spend
- ✓ Daily collections monitoring

Aggressive Response to Manage Downside While Preserving Long-Term Value

1Q 2020 Results

Flat
Sales Growth
(Organic Flat)

- Utility Solutions strength offset softness in Electrical
- Recent acquisitions performing well and fully offset divestiture

12.7%
Adj. OP Margin (1)
(-10bps y/y)

- Continued operational execution driven by productivity from footprint optimization and price/cost
- Headwinds from COVID-19 disruption and LTI comp timing

$1.64
Adj. Diluted EPS (1)

- Solid operating performance
- Modest benefit from interest and other expense

$91M
Free Cash Flow (2)

- Continued robust free cash flow generation supports sound liquidity position

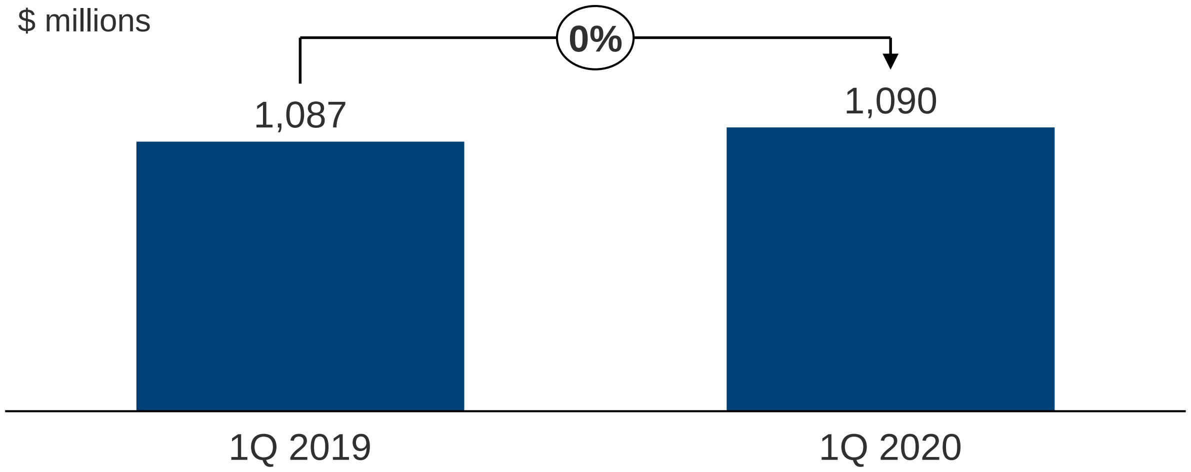
Solid 1Q Execution and Performance

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

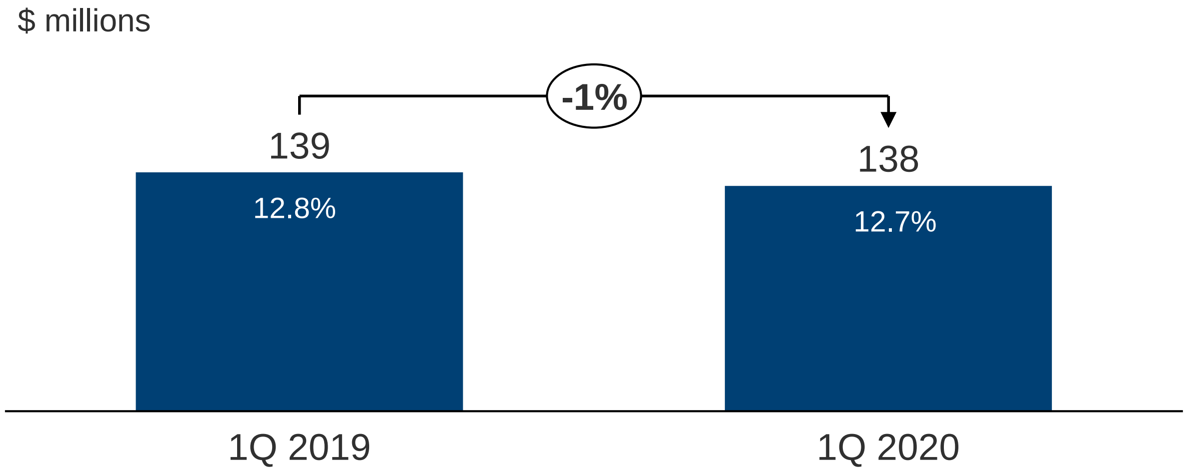
(2) Refer to the appendix for calculation of Free Cash Flow

1Q 2020 Results

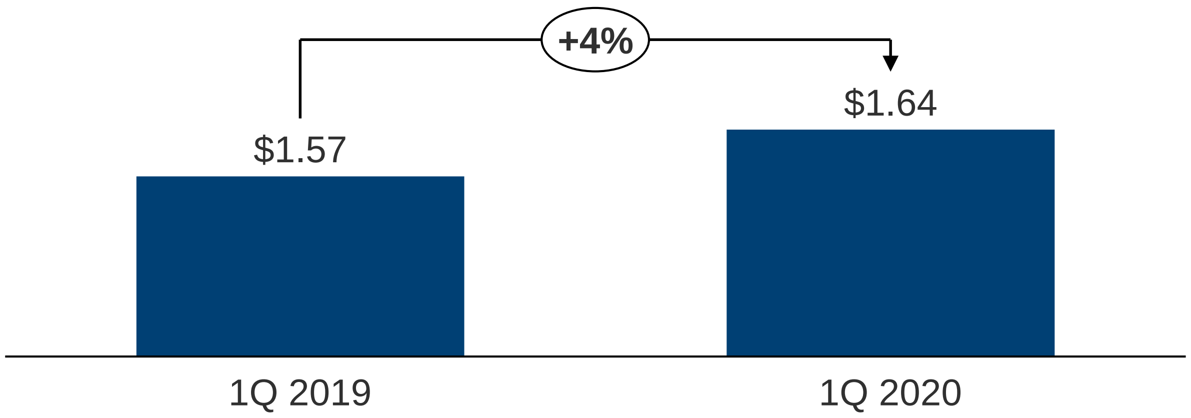
NET SALES



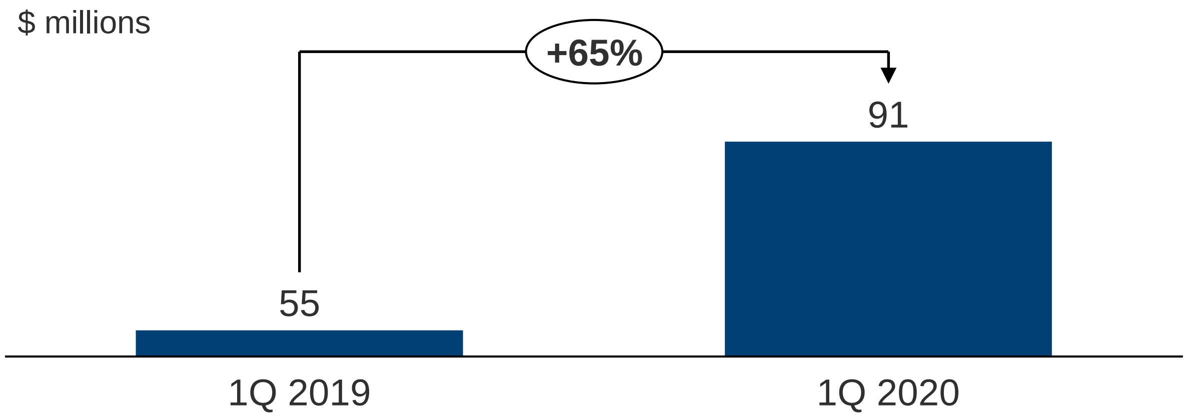
ADJUSTED OPERATING PROFIT (1)



ADJUSTED DILUTED EPS (1)



FREE CASH FLOW (2)



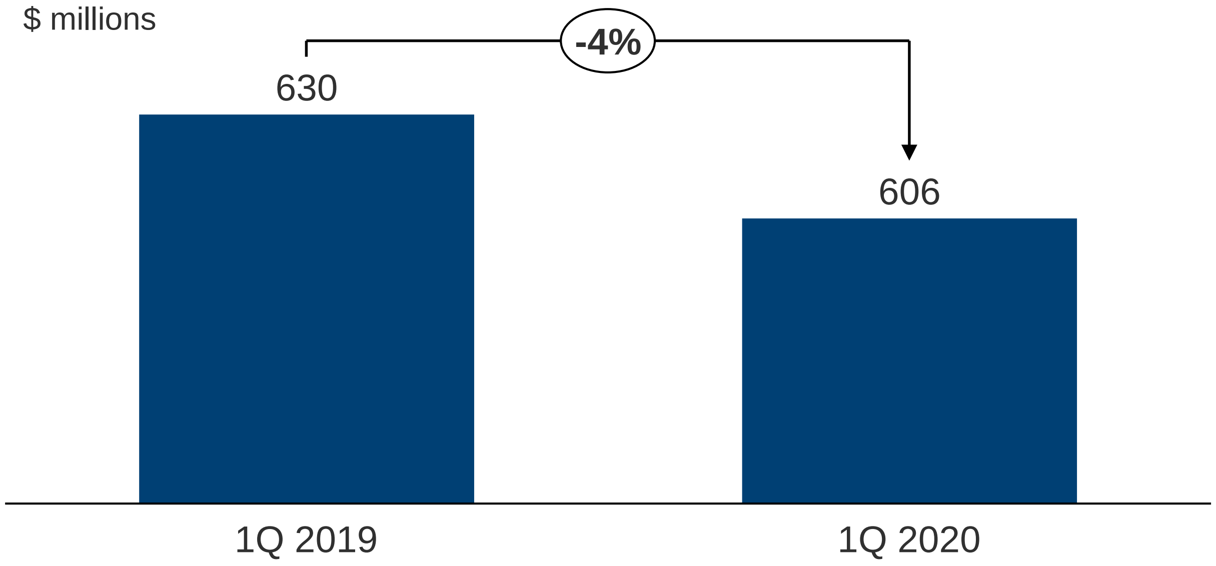
Solid 1Q Execution and Performance

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

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

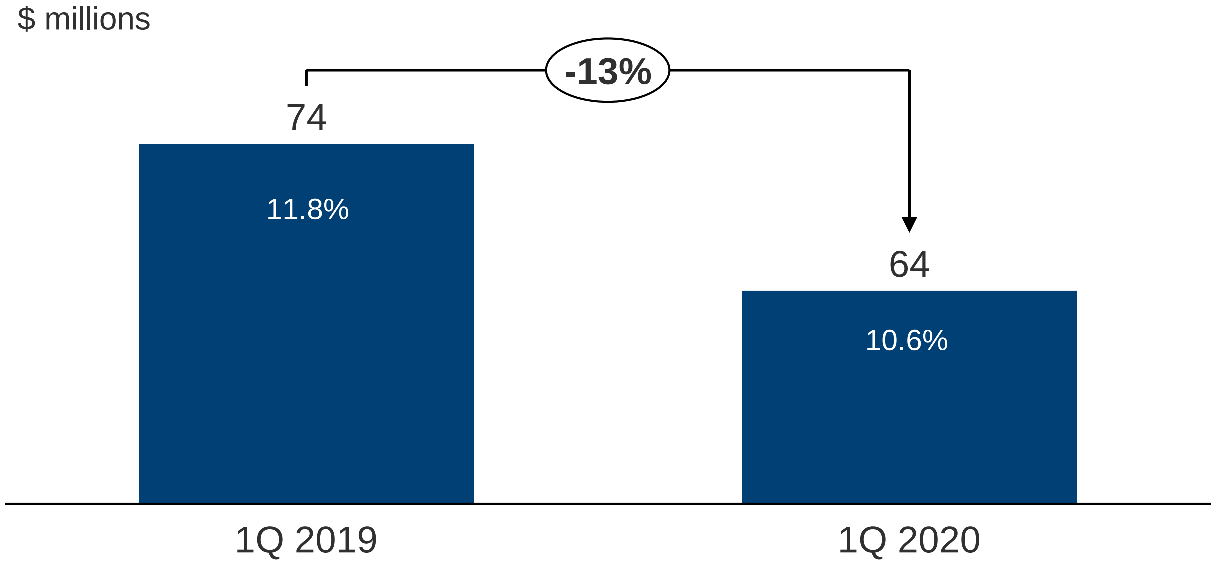
1Q 2020 Electrical Segment Results

ELECTRICAL NET SALES



- Organic -3%; Net Divestiture -1%
- C&I lighting and heavy industrial weak
- Pockets of strength in light industrial and residential

ELECTRICAL ADJUSTED OPERATING PROFIT (1)



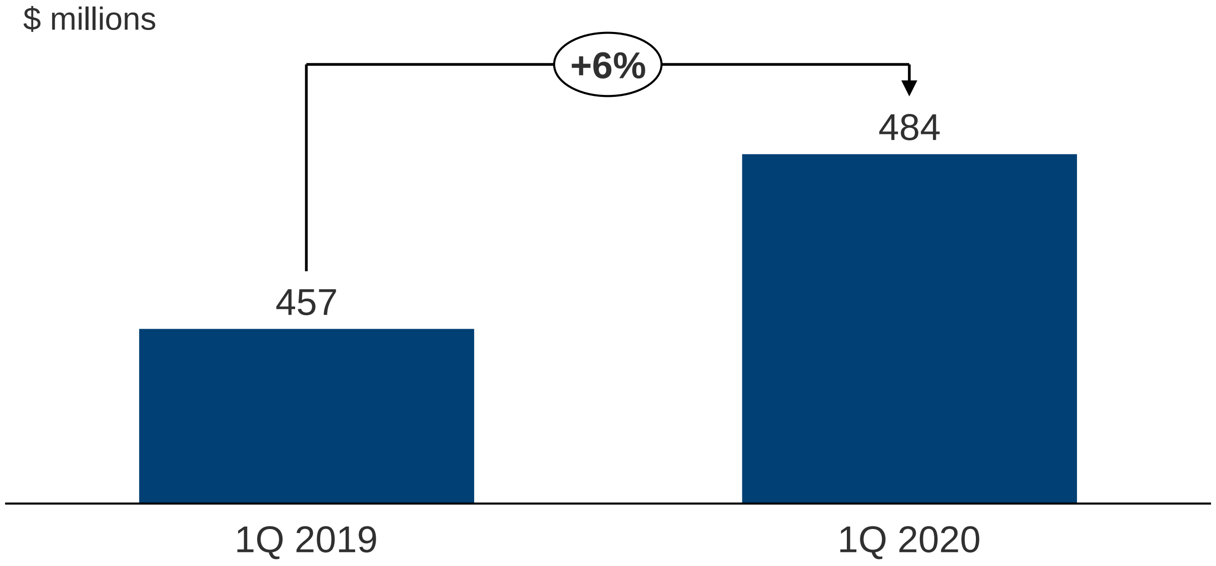
- Lower volumes
- COVID-19 impact
- Impact of LTI compensation timing
- Price | Cost positive
- Restructuring and footprint optimization savings

Effectively Managing Through Challenging Environment

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

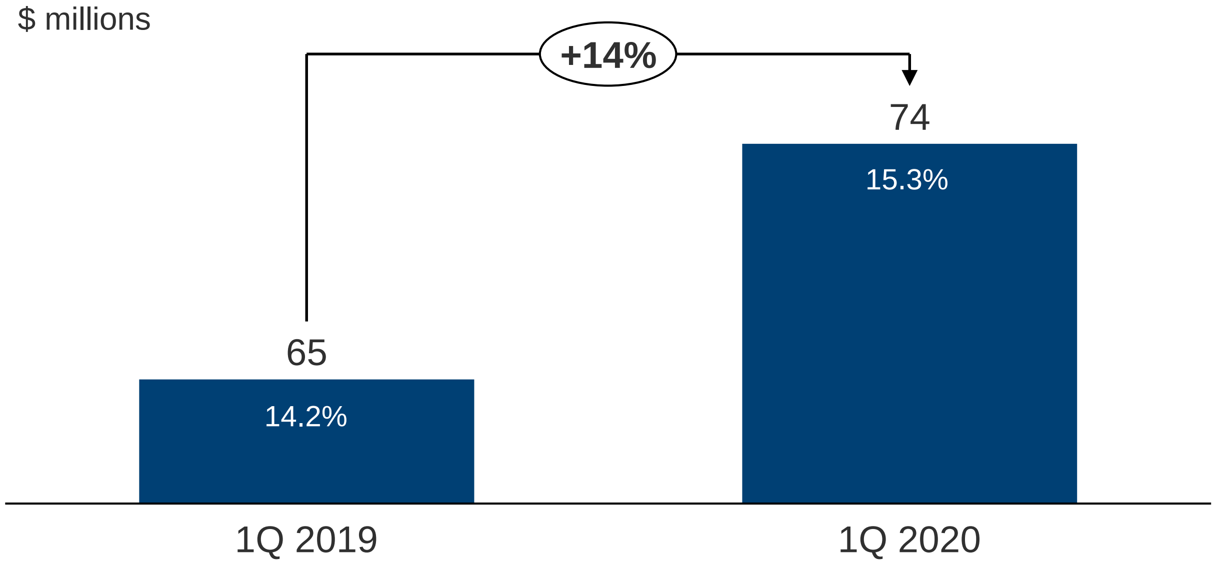
1Q 2020 Utility Solutions Segment Results

UTILITY SOLUTIONS NET SALES



- Organic +5%, Acquisitions +1.5%, Forex slight headwind
- Power Systems up DD and Aclara down MSD
- Grid hardening/modernization and renewables driving T&D strength

UTILITY SOLUTIONS ADJUSTED OPERATING PROFIT (1)



- Higher volumes
- Price | Cost positive
- Impact of LTI compensation timing
- COVID-19 impact

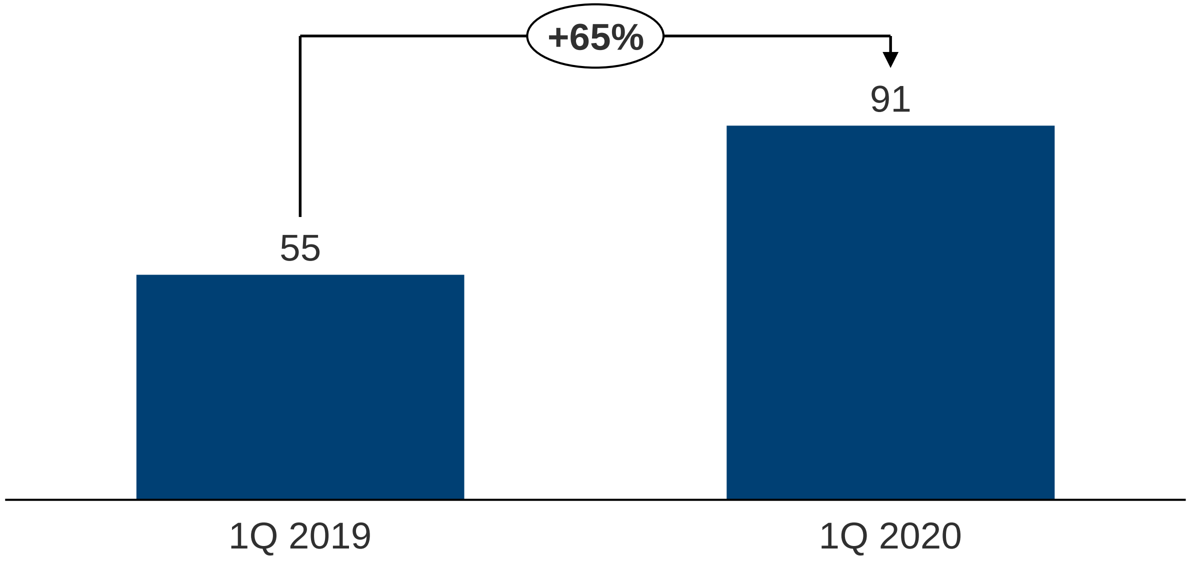
Unique Utility Solutions Platform Delivering Differentiated Results

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

Free Cash Flow and Liquidity

1Q FREE CASH FLOW PERFORMANCE (2)

$ millions



CAPITAL STRUCTURE

	12/31/2019	3/31/2020
Cash	**$182**	**$300**
Investments	$70	$67
Commercial Paper and Other	$31	$69
Term Loan Outstanding	$106	$100
Senior Notes	$1,434	$1,435
-Due between 2022 and 2028		
-Rates between 3.15% and 3.625%		
Revolving Credit Facility	$0	$100
Total Debt	**$1,571**	**$1,704**
Debt to Capital	*45%*	*47%*
Net Debt to Capital (3)	*38%*	*37%*
Revolver		
-Available	$750	$650
-Outstanding	$0	$100

Note: Additional $125M drawn on revolver post 1Q close

Strong Cash and Liquidity Position

(2) Refer to the appendix for calculation of Free Cash Flow (3) Refer to the appendix for calculation of Net Debt

2020 Outlook Considerations

1. End Market Demand
2. Supply Chain and Manufacturing
3. Outlook Framework

End Markets

End Market	Outlook Considerations
Electrical T&D	▪ Grid modernization growth drivers intact; double digit orders growth in 1Q/April supports demand resilience
AMI / Smart Meters	▪ Grid modernization growth drivers intact; project pushouts and deployment delays dampen short-term outlook
Non-residential	▪ Typically follows broader macro environment on a lag; expect declines in 2Q and 2H
Industrial	▪ Planning for a broad industrial slowdown
Residential	▪ Recent broad-based strength across channels, but expect market to soften in 2Q and 2H
Oil	▪ Weak market environment; expect further declines off already low levels
Gas Distribution	▪ New builds and conversions likely pushed out, but critical maintenance activity provides some support

Significant Uncertainty in End Market Outlook

Supply Chain

Facilities

- Essential manufacturing supporting critical infrastructure; almost all sites fully operational
  - US – Limited closures in 1Q/April; largely returned to full production capacity
  - Europe – Limited closures in 1Q/April; largely returned to full production capacity
  - Asia – Disruptions in 1Q; largely returned to full production capacity
  - Mexico – Local regulatory closures temporarily instituted in late April

Capacity

- Almost all sites fully operational
- Mexico closures impact Power Systems capacity
- Aggressively working mitigation actions

Cost

- Fixed cost absorption headwinds
- Productivity challenges and inefficiencies
  - Capacity shifts
  - Restarting facilities
  - Costs to ensure employee safety (cleaning, social-distancing, etc.)

COVID-19 Creates Short-Term Capacity and Productivity Headwinds

2020 Outlook Framework

HUBBELL

Volumes

Electrical

- Planning for ~20% organic declines in 2Q, consistent with April MTD orders

Utility Solutions

- Power Systems
  - Capacity constraints could shift volumes to 2H
  - Planning for LSD organic declines in 2Q
- Aclara
  - Project delays
  - Planning for DD organic declines in 2Q

Margins

Manufacturing Output

- Expect 2Q absorption/productivity headwinds
- Inefficiencies from operational disruption

Cost Base

- Salary actions *(~$20M 2Q benefit)*
- R&R savings *(~$5M 2Q benefit)*
- Positive price/cost
- Other discretionary cost actions

Cash

Capex

- Eliminating non-essential investment
- Expect ~20% reduction in 2020

Working Capital

- Aggressive inventory reductions
- Daily collections monitoring

Targeting ~30% Decremental Margins; Countermeasures Offsetting Headwinds

Recession Playbook

- **Power markets historically more resilient in a downturn**
  - 2008/09: Power rolled over 1-2 quarters later than Electrical and recovered at similar pace
  - Current setup: Power demand remains strong, but Aclara impacted by project delays
- **Margins tend to correlate with price/cost performance**
  - 2008/09: Segment OP margins were stable due to significant commodity tailwind and R&R actions
  - Current setup: Potential tailwind from lower commodities in addition to footprint optimization savings
- **Free Cash Flow historically outperforms net income and supports strong liquidity position (2)**
  - 2008/09: Strong FCF on inventory and capex reduction; liquidity position supported largest acquisition in history at the time in mid-2009
  - Current setup: Well positioned under wide range of scenarios

Confident in Experienced Team Executing Successfully

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

Appendix

Appendix

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

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

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

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

Appendix

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

Hubbell Incorporated	Three Months Ended March 31,		
	2020	2019	Change
Net Sales [a]	$ 1,090.3	$ 1,087.3	—%
Operating Income $			
GAAP measure [b]	$ 118.8	$ 120.9	(2)%
Amortization of acquisition-related intangible assets	19.5	18.2	
Adjusted Operating Income $ [c]	$ 138.3	$ 139.1	(1)%
Operating Margin %			
GAAP measure [b] / [a]	10.9%	11.1%	-20 bps
Adjusted Operating Margin % [c] / [a]	12.7%	12.8%	-10 bps

Electrical segment	Three Months Ended March 31,		
	2020	2019	Change
Net Sales [a]	$ 606.1	$ 630.2	(4)%
Operating Income $			
GAAP measure [b]	$ 58.0	$ 68.6	(15)%
Amortization of acquisition-related intangible assets	6.4	5.7	
Adjusted Operating Income $ [c]	$ 64.4	$ 74.3	(13)%
Operating Margin %			
GAAP measure [b] / [a]	9.6%	10.9%	-130 bps
Adjusted Operating Margin % [c] / [a]	10.6%	11.8%	-120 bps

Utility Solutions segment	Three Months Ended March 31,		
	2020	2019	Change
Net Sales [a]	$ 484.2	$ 457.1	6%
Operating Income $			
GAAP measure [b]	$ 60.8	$ 52.3	16%
Amortization of acquisition-related intangible assets	13.1	12.5	
Adjusted Operating Income $ [c]	$ 73.9	$ 64.8	14%
Operating Margin %			
GAAP measure [b] / [a]	12.5%	11.4%	+110 bps
Adjusted Operating Margin % [c] / [a]	15.3%	14.2%	+110 bps

Appendix

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

Hubbell Incorporated	Three Months Ended March 31,		
	2020	2019	Change
Net income attributable to Hubbell (GAAP measure)	$ 75.0	$ 72.3	4%
Amortization of acquisition-related intangible assets, net of tax	14.6	13.6	
Adjusted Net Income	$ 89.6	$ 85.9	4%

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

Hubbell Incorporated	Three Months Ended March 31,		
	2020	2019	Change
Numerator:			
Net income attributable to Hubbell	$ 75.0	$ 72.3	
Less: Earnings allocated to participating securities	(0.3)	(0.3)	
Net income available to common shareholders (GAAP measure) [a]	$ 74.7	$ 72.0	4%
Adjusted Net Income	$ 89.6	$ 85.9	
Less: Earnings allocated to participating securities	(0.3)	(0.3)	
Adjusted net income available to common shareholders [b]	$ 89.3	$ 85.6	4%
Denominator:			
Average number of common shares outstanding [c]	54.3	54.4	
Potential dilutive shares	0.3	0.2	
Average number of diluted shares outstanding [d]	54.6	54.6	
Earnings per share (GAAP measure):			
Basic [a] / [c]	$ 1.38	$ 1.32	
Diluted [a] / [d]	$ 1.37	$ 1.32	4%
Adjusted Earnings Per Diluted Share [b] / [d]	$ 1.64	$ 1.57	4%

Appendix

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

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

Hubbell Incorporated	Three Months Ended March 31,		Twelve Months Ended December 31,		
	2020	2019	2019	2018	2017
Net Cash Provided By Operating Activities (GAAP measure)	$ 108.4	$ 78.1	$ 591.6	$ 517.1	$ 379.0
Capital Expenditures	(17.8)	(23.3)	(93.9)	(96.2)	(79.7)
Free Cash Flow	$ 90.6	$ 54.8	$ 497.7	$ 420.9	$ 299.3

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

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

Hubbell Incorporated	March 31, 2020	December 31, 2019
Total Debt	$ 1,704.0	$ 1,571.4
Total Hubbell Shareholders' Equity	1,914.9	1,947.1
Total Capital	$ 3,618.9	$ 3,518.5
Total Debt to Total Capital	47%	45%
Less: Cash and Investments	$ 366.7	$ 251.9
Net Debt	$ 1,337.3	$ 1,319.5
Net Debt to Total Capital	37%	38%