

# Third Quarter 2022 Earnings Call

October 25, 2022



*Energize and Electrify*

# Forward Looking Statements and Non-GAAP Measures

## 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 (including continued robustness and backlog build in the Utility Solutions segment (“HUS”)), the impact of recent acquisitions, our ability to execute on our strategy, continued strong price realization and volume growth in 2022, executing effectively through the supply chain environment, material costs easing, our ability to serve strong customer demand, having an expected seasonally strong fourth quarter, our ability to deliver attractive near-term and long-term results for our shareholders, anticipated 2022 total sales growth and organic net sales growth, expectations regarding accelerated investments in the fourth quarter of 2022, including in innovation and targeted capacity expansion, as well as restructuring and footprint optimization initiatives, other plans regarding restructuring and related investments, being well positioned heading into 2023, and all statements, including our projected financial results set forth in the “Summary & Outlook” section of our earnings press release and in the “Raising 2022 Outlook” and the “2023 Early Preview” slides within this presentation (including, but not limited to, statements regarding our markets being positioned to outperform GDP in 2023, managing price, cost and productivity across the board next year, continued elevated dividend levels in 2023, remaining below the anticipated 2023 economic headwinds, continued grid modernization in 2023, continued HUS backlog growth in 2023, supportive HUS infrastructure legislation, adequate planning in both of our segments for inflationary and supply chain pressures, continued acceleration of investments in both of our segments next year, approximately 20% of our Electrical Solutions segment (“HES”) remaining recession resilient, a solid HES industrial market next year, the state of the residential market next year and solid performance in 2023), 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. 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”, “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 lingering impact of the COVID-19 pandemic, including ongoing supply chain issues; business conditions; geopolitical conditions and changes in general economic conditions, such as economic slowdowns, inflation, stagflation and recessions and higher energy costs; our ability to offset increases in material and non-material costs through price recovery and volume growth; changes in product sales prices and material costs; effects of unfavorable 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; 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 trade tariffs, import quotas and other trade restrictions or actions taken by the U.S., U.K., and other countries, including changes in U.S. trade policies; 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; regulatory and legislative issues, including changes in tax laws; changes in geographic profit mix affecting tax rates and availability of tax incentives; the impact of and our ability to complete and integrate strategic acquisitions, including the integration of PCX Holdings LLC and Ripley Tools, LLC and Nooks Hill Road, LLC; the impact of certain divestitures, including the benefits and costs of, the sale of the Commercial and Industrial Lighting business to GE Current, a Daintree Company; 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”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Forward-Looking Statements” and “Quantitative and Qualitative Disclosures about Market Risk” sections in our Annual Report on Form 10-K for the year ended December 31, 2021 and Quarterly Reports on Form 10-Q.

## Non-GAAP Measures

Certain terms used in this presentation, including “Net debt”, “Free Cash Flow”, “Organic net sales”, “Organic net sales growth”, “Restructuring-related costs”, “EBITDA”, and certain “adjusted” measures, are defined under the section entitled “Non-GAAP Definitions.” See Appendix, our press releases and SEC filings for more information.



**1**

Strong third quarter operating performance

**2**

Continued strong price realization and volume growth; Utility markets remain robust

**3**

Executing effectively through dynamic supply chain environment; material costs easing

**4**

Raising 2022 outlook; well positioned heading into 2023

**\$1.32B**

**Sales**

*(Organic +20%)*

- Strong price realization and volumes
- Continued demand strength and backlog build in Utility Solutions

**17.0%**

**Adj. OP Margin**

*(+190bps y/y)*

- Significant y/y margin expansion on strong volume growth and favorable price/cost
- Material cost inflation easing; general inflationary and supply chain headwinds persist

**\$3.08**

**Adj. Diluted EPS**

*(+45% y/y)*

- Significant operating profit growth
- Lower share count from deployment of C&I lighting proceeds

**\$194M**

**Free Cash Flow**

- Working capital investment to serve strong customer demand
- Expect strong fourth quarter FCF generation

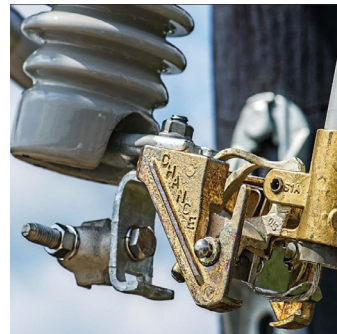
# Serving our Customer in Action

## STORM RESTORATION

- Hubbell Emergency Action Team
- Industry leading customer service and logistics supporting utility customers during critical storms
- 24/7 support gets customers material they need, where they need it – never charging expedite or drop ship fees
- Hurricane Ian/Fiona: Hubbell H.E.A.T. team critical in enabling successful restoration of >5M outages at peak
- *Industry leading scale of critical utility products with best-in-class reliability and service*

## SUPPLIER OF CHOICE AWARD

- Hubbell Power Systems awarded Supplier of Choice award by large IOU customer
- Award recognizes 25+ years of high-quality service
- Hubbell VIP alliances drive long-term customer loyalty
- Delivering on commitments to customers through a challenging supply chain environment
- *Industry leading scale of critical utility products with best-in-class reliability and service*



## FOUNDATION

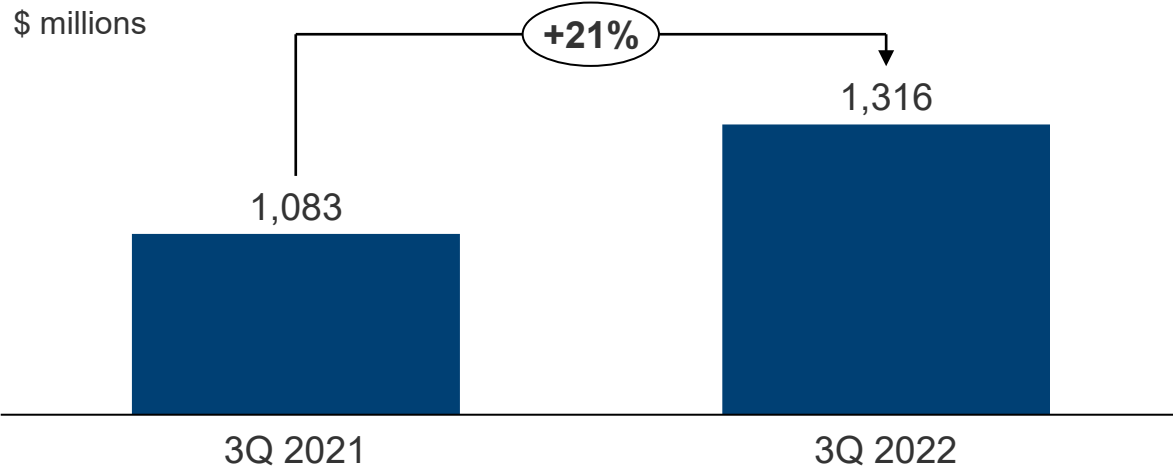
Premium brands with best-in-class quality, reliability, and service

Mission-critical Utility and Electrical solutions w/ low cost of ownership and high cost of failure to customer

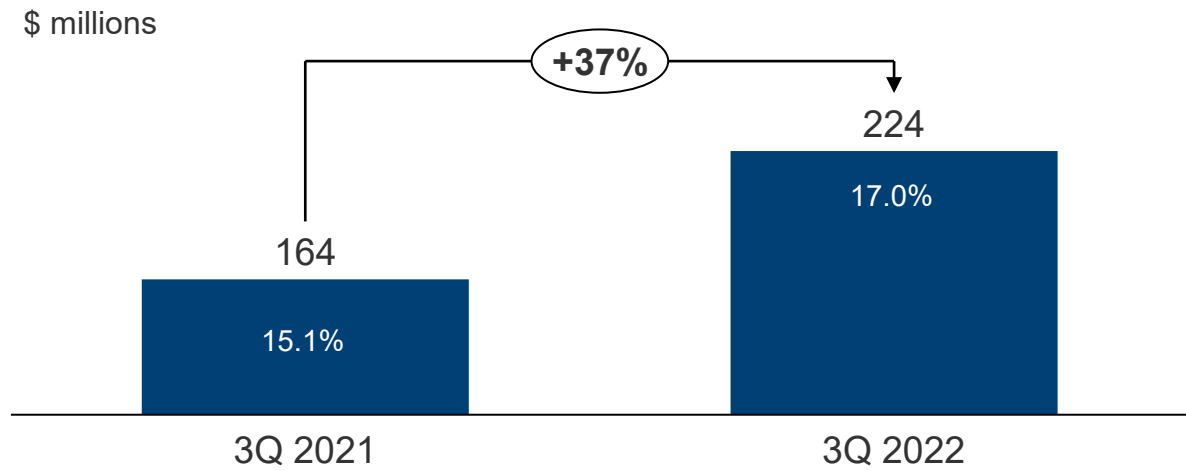
Dedicated and capable workforce with deep customer and channel relationships

Depth and breadth drives scale in our markets and enables solutions offerings for our customers

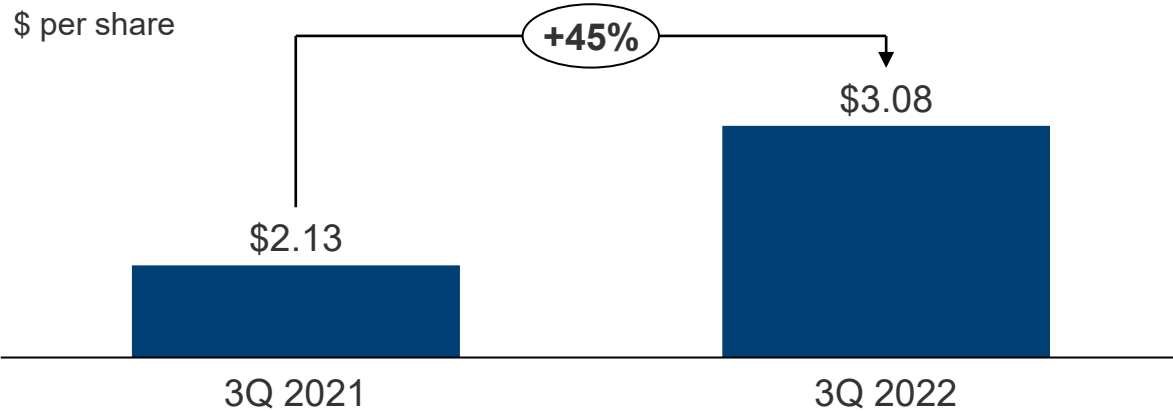
## NET SALES



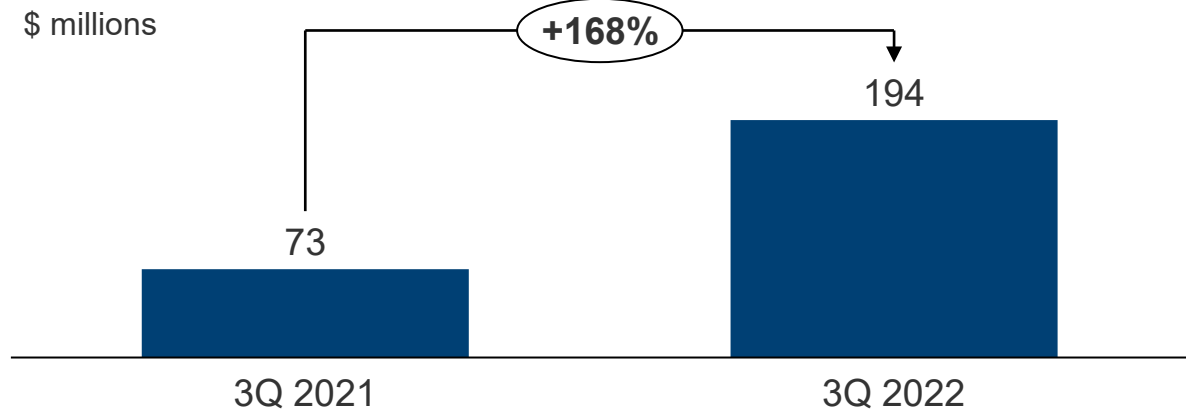
## ADJUSTED OPERATING PROFIT



## ADJUSTED DILUTED EPS



## FREE CASH FLOW

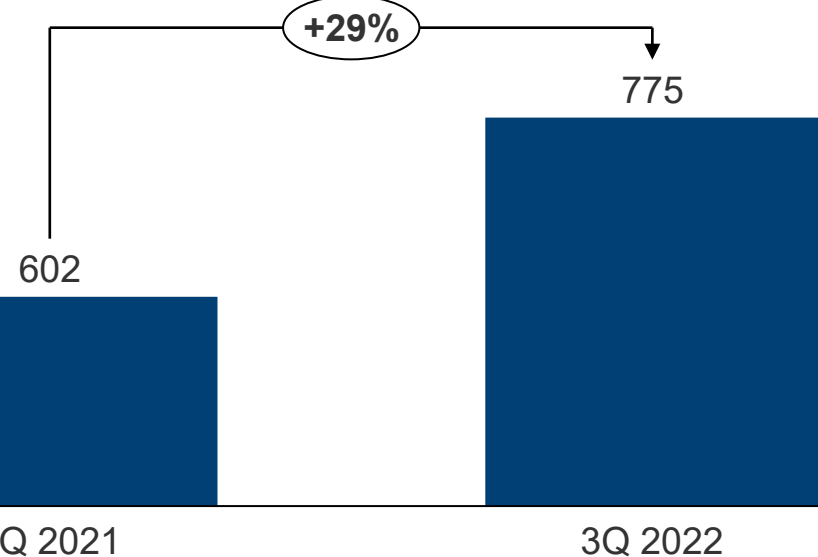


**Strong operating performance**

# 3Q 2022 Hubbell Utility Solutions (HUS) Segment Results

## UTILITY SOLUTIONS NET SALES

\$ millions



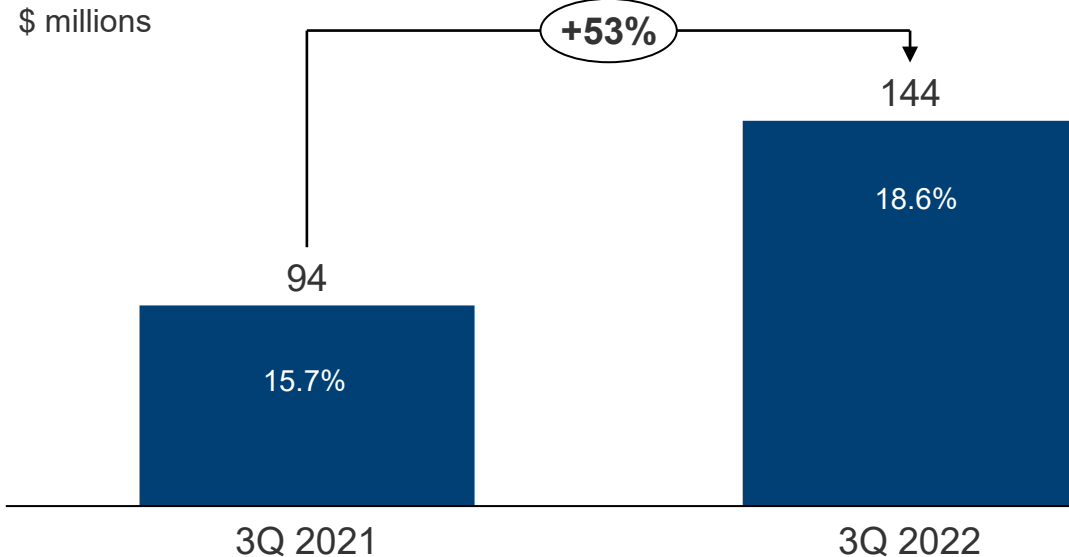
3Q 2021

3Q 2022

- Organic +28%; Acquisition +1%
- T&D Components up 38%
  - Continued robust utility investment in grid hardening and modernization
  - 5G/fiber rollouts and rural broadband access driving strong telecom growth
  - Infrastructure legislation further supporting long term utility investment needs
- Communications & Controls up 3%
  - Chip shortages continue to constrain shipments

## UTILITY SOLUTIONS ADJ. OPERATING PROFIT

\$ millions



3Q 2021

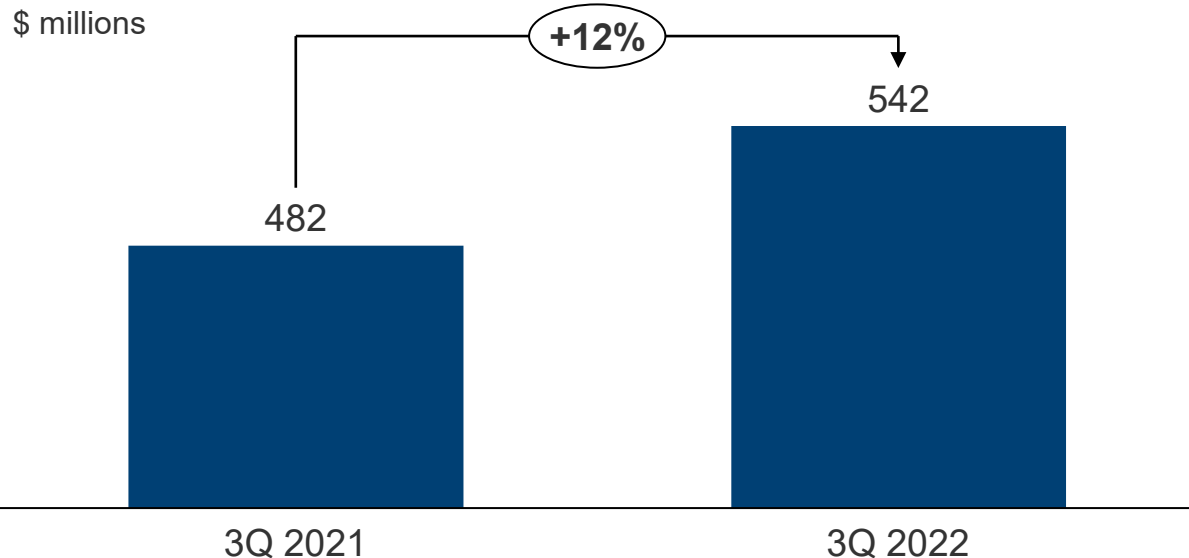
3Q 2022

- Price | Material positive
- Strong volume growth
- Supply chain and inflationary headwinds

**Best-in-class franchise with secular growth drivers delivering exceptional performance**

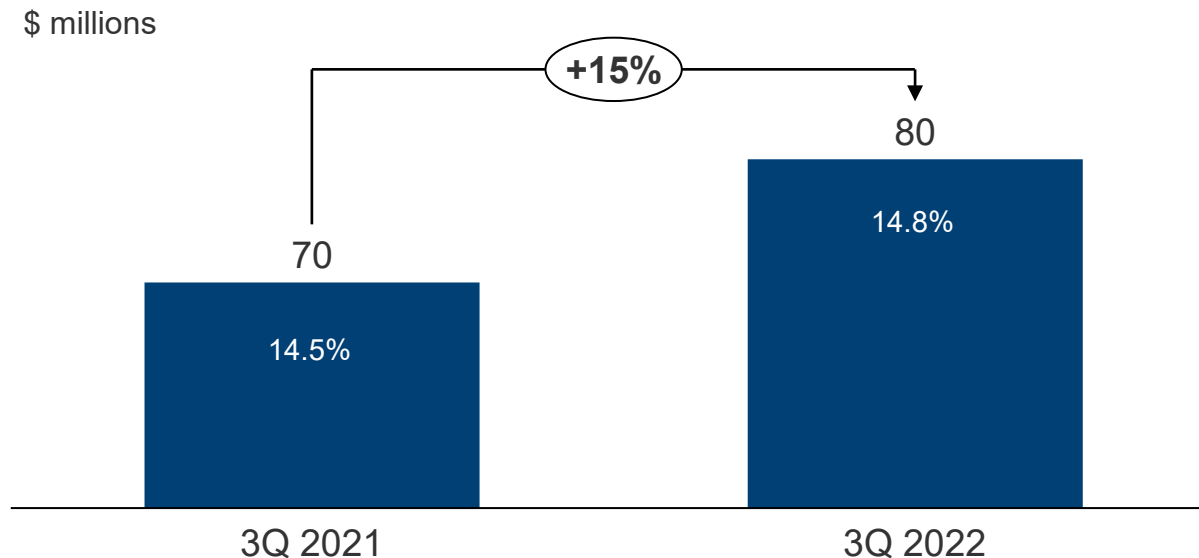
# 3Q 2022 Hubbell Electrical Solutions (HES) Segment Results

## ELECTRICAL SOLUTIONS NET SALES



- Organic +10%; Acquisitions +3%; Foreign exchange -1%
  - Executing on vertical market strategy
  - Strong performance in datacenter, communications and renewables
  - Continued broad-based growth across light and heavy industrial markets
  - Residential sales down double-digits

## ELECTRICAL SOLUTIONS ADJ. OPERATING PROFIT



- Price | Material positive
- Volume growth
- Supply chain and inflationary headwinds
- Higher y/y restructuring investment

**Double digit sales and adjusted operating profit growth**



# Raising 2022 Outlook

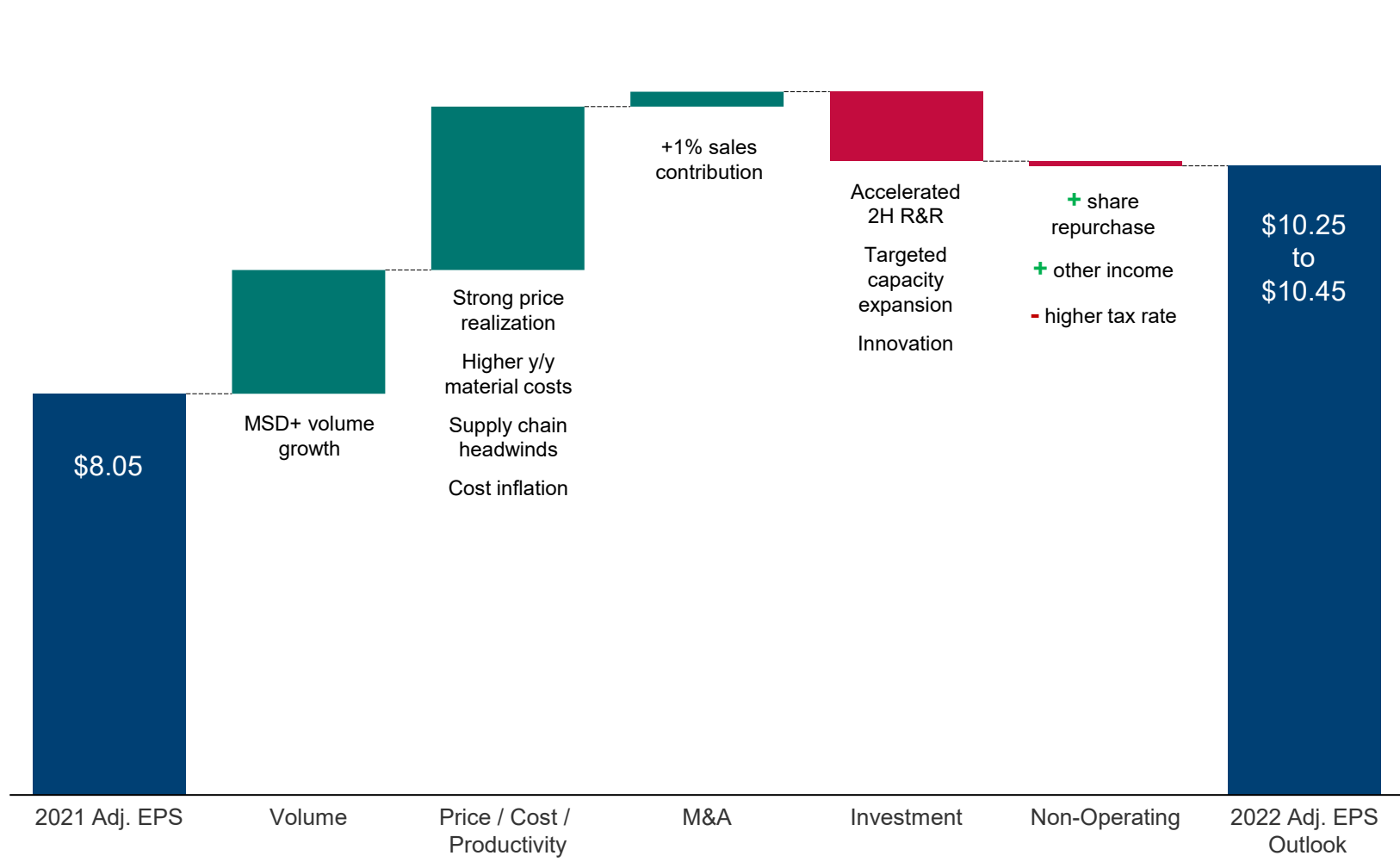
## 2022 HUBBELL OUTLOOK

**+18-19%**  
**Total Sales Growth y/y**  
*+17-18% Organic*  
*+1% net M&A*

**\$10.25 to \$10.45**  
**Adjusted EPS**

**~90%**  
**Free Cash Flow conversion on Adj. Net Income**

## 2022 EPS BRIDGE



**Anticipate >25% full year adjusted EPS growth**

## 2023 Early Preview

- **Markets positioned to continue outperforming GDP**
- **Expect to manage Price | Cost | Productivity to neutral or better**
- **Planning for persisting inflationary and supply chain pressures**
- **Continued elevated investment levels**
- **Below the line headwinds**

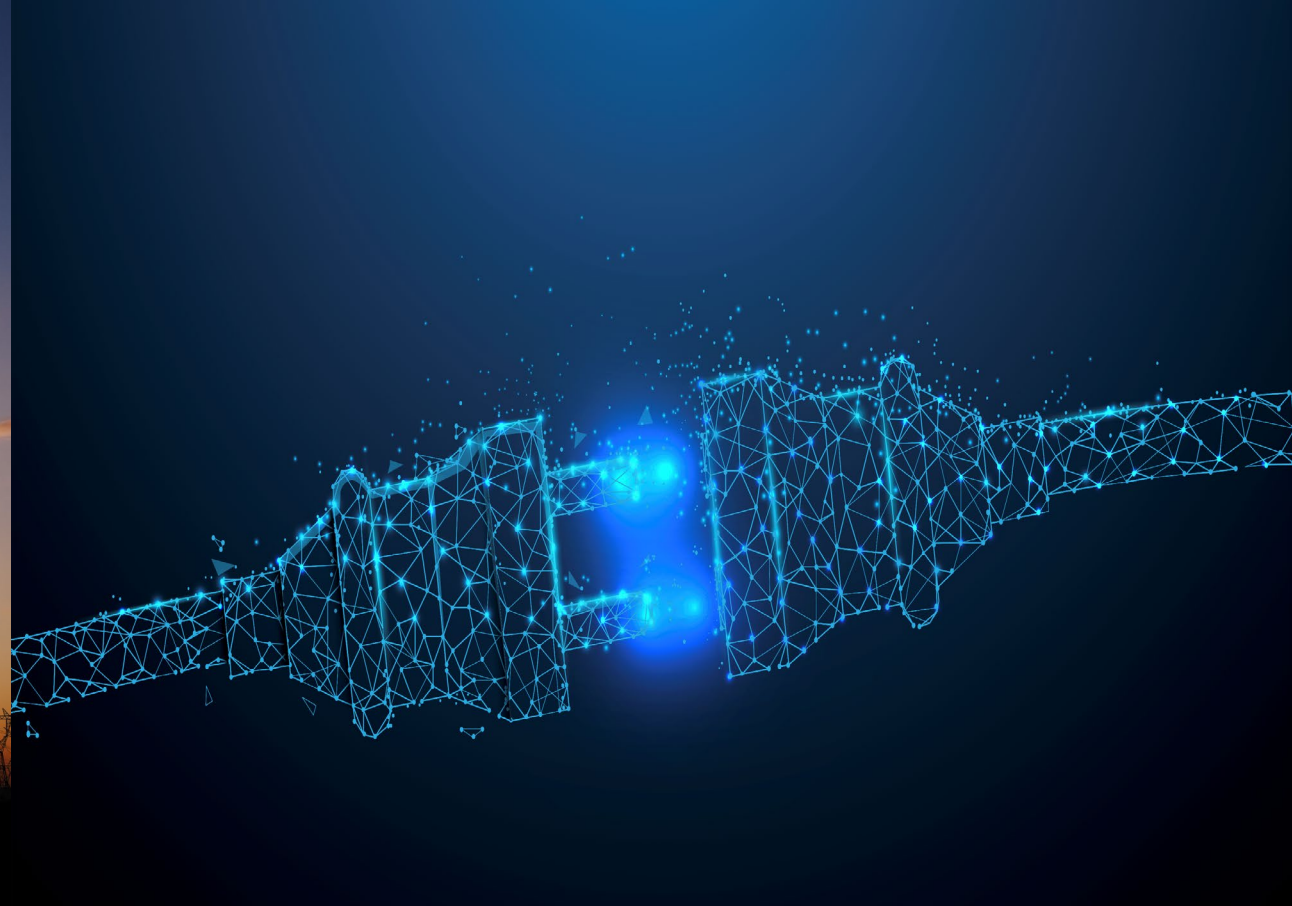
### HUBBELL UTILITY SOLUTIONS (HUS)

- Secular grid modernization trends intact and in early-mid innings
- Backlog provides above average visibility to continued growth
- Infrastructure legislation supporting customer investment needs
- Continued acceleration of investments to service visible growth

### HUBBELL ELECTRICAL SOLUTIONS (HES)

- ~20% of HES recession resilient (*T&D, renewables, datacenter, comms*)
- Industrial/non-res solid, but dependent on uncertain macro
- Expect residential markets to remain challenging
- Continued elevated investment supporting footprint optimization

**Expect to deliver solid performance in a range of macroeconomic scenarios**



# Appendix



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 are non-GAAP measures, and include adjusted operating income, adjusted operating margin, adjusted net income from continuing operations attributed to Hubbell Incorporated, adjusted net income from continuing operations available to common shareholders, adjusted net income attributable to Hubbell, adjusted earnings per diluted share from continuing operations, and adjusted EBITDA. These non-GAAP measures exclude, where applicable:

- Amortization of all intangible assets associated with our business acquisitions, including inventory step-up amortization associated with those acquisitions. The intangible assets associated with our business acquisitions arise from the allocation of the purchase price using the acquisition method of accounting in accordance with Accounting Standards Codification 805, "Business Combinations." These assets consist primarily of customer relationships, developed technology, trademarks and tradenames, and patents, as reported in Note 7—Goodwill and Other Intangible Assets, under the heading "Total Definite-Lived Intangibles," within the Company's audited consolidated financial statements set forth in its Annual Report on Form 10-K for Fiscal Year Ended December 31, 2021. The Company excludes these non-cash expenses because we believe it (i) enhances management's and investors' ability to analyze underlying business performance, (ii) facilitates comparisons of our financial results over multiple periods, and (iii) provides more relevant comparisons of our results with the results of other companies as the amortization expense associated with these assets may fluctuate significantly from period to period based on the timing, size, nature, and number of acquisitions. Although we exclude amortization of these acquired intangible assets and inventory step-up from our non-GAAP results, we believe that it is important for investors to understand that revenue generated, in part, from such intangibles is included within revenue in determining adjusted net income attributable to Hubbell Incorporated.
- Pension charges including settlement charges in the nine months ended September 30, 2022.
- Losses recognized in the second quarter of 2021 from the early extinguishment of long-term debt and the disposition of a business. The Company excludes these losses because we believe it enhances management's and investors' ability to analyze underlying business performance and facilitates comparisons of our financial results over multiple periods.
- Income tax effects of the above adjustments which are calculated using the statutory tax rate, taking into consideration the nature of the item and the relevant taxing jurisdiction, unless otherwise noted.

Adjusted EBITDA is a non-GAAP measure that excludes the items noted above and also excludes the Other income (expense), net, Interest expense, net, and Provision for income taxes captions of the Condensed Consolidated Statement of Income, as well as depreciation and amortization expense.

Net debt (defined as total debt less cash and investments) to total capital is a non-GAAP measure that we believe is a useful measure for evaluating the Company's financial leverage and the ability to meet its funding needs.

Free cash flow is a non-GAAP measure that we believe provides useful information regarding the Company'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.

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 depreciation, 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.

Organic net sales, a non-GAAP measure, represent net sales according to U.S. GAAP, less net sales from acquisitions and divestitures during the first twelve months of ownership or divestiture, respectively, less the effect of fluctuations in net sales from foreign currency exchange. The period-over-period effect of fluctuations in net sales from foreign currency exchange is calculated as the difference between local currency net sales of the prior period translated at the current period exchange rate as compared to the same local currency net sales translated at the prior period exchange rate. We believe this measure provides management and investors with a more complete understanding of underlying operating results and trends of established, ongoing operations by excluding the effect of acquisitions, dispositions and foreign currency, as these activities can obscure underlying trends. When comparing net sales growth between periods excluding the effects of acquisitions, business dispositions and currency exchange rates, those effects are different when comparing results for different periods. For example, because net sales from acquisitions are considered inorganic from the date we complete an acquisition through the end of the first year following the acquisition, net sales from such acquisition are reflected as organic net sales thereafter.

There are limitations to the use of non-GAAP measures. Non-GAAP measures do not present complete financial results. We compensate for this limitation by providing a reconciliation between our non-GAAP financial measures and the respective most directly comparable financial measure calculated and presented in accordance with GAAP. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. These financial measures should not be considered in isolation from, as substitutes for, or alternative measures of, reported GAAP financial results, and should be viewed in conjunction with the most comparable GAAP financial measures and the provided reconciliations thereto. We believe, however, that these non-GAAP financial measures, when viewed together with our GAAP results and related reconciliations, provide a more complete understanding of our business. We strongly encourage investors to review our consolidated financial statements and publicly filed reports in their entirety and not rely on any single financial measure.

Reconciliations of each of these non-GAAP measures to the most directly comparable GAAP measure can be found in the tables below.

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

Hubbell Incorporated	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Net income from continuing operations attributable to Hubbell (GAAP measure)	\$ 150.3	\$ 103.4	45 %	\$ 388.4	\$ 265.5	46 %
Amortization of acquisition-related intangible assets	20.8	17.9		55.7	58.9	
Loss on disposition of business	—	0.1		—	6.9	
Loss on extinguishment of debt	—	—		—	16.8	
Pension charge	1.5	—		5.9	—	
Subtotal	\$ 22.3	\$ 18.0		\$ 61.6	\$ 82.6	
Income tax effects	5.5	4.4		15.3	20.0	
Adjusted net income from continuing operations	\$ 167.1	\$ 117.0	43 %	\$ 434.7	\$ 328.1	32 %

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

Hubbell Incorporated	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
<b>Numerator:</b>						
Net income from continuing operations attributable to Hubbell (GAAP measure)	\$ 150.3	\$ 103.4		\$ 388.4	\$ 265.5	
Less: Earnings allocated to participating securities	(0.4)	(0.3)		(1.0)	(0.9)	
Net income from continuing operations available to common shareholders (GAAP measure) [a]	\$ 149.9	\$ 103.1	45 %	\$ 387.4	\$ 264.6	46 %
Adjusted net income from continuing operations	\$ 167.1	\$ 117.0		\$ 434.7	\$ 328.1	
Less: Earnings allocated to participating securities	(0.4)	(0.4)		(1.1)	(1.1)	
Adjusted net income from continuing operations available to common shareholders [b]	\$ 166.7	\$ 116.6	43 %	\$ 433.6	\$ 327.0	33 %
<b>Denominator:</b>						
Average number of common shares outstanding [c]	53.7	54.3		53.8	54.3	
Potential dilutive shares	0.3	0.4		0.3	0.4	
Average number of diluted shares outstanding [d]	54.0	54.7		54.1	54.7	
<b>Earnings per share from continuing operations (GAAP measure):</b>						
Basic [a] / [c]	\$ 2.79	\$ 1.89		\$ 7.20	\$ 4.88	
Diluted [a] / [d]	\$ 2.78	\$ 1.88	48 %	\$ 7.16	\$ 4.84	48 %
Adjusted earnings per diluted share from continuing operations [b] / [d]	\$ 3.08	\$ 2.13	45 %	\$ 8.01	\$ 5.98	34 %

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

Hubbell Incorporated	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Net Sales [a]	\$ 1,316.2	\$ 1,083.4	21 %	\$ 3,728.3	\$ 3,094.0	21 %
<b>Operating Income</b>						
GAAP measure [b]	\$ 203.6	\$ 145.9	40 %	\$ 537.1	\$ 398.0	35 %
Amortization of acquisition-related intangible assets	20.8	17.9		55.7	58.9	
Adjusted operating income [c]	\$ 224.4	\$ 163.8	37 %	\$ 592.8	\$ 456.9	30 %
<b>Operating margin</b>						
GAAP measure [b] / [a]	15.5 %	13.5 %	+200 bps	14.4 %	12.9 %	+150 bps
Adjusted operating margin [c] / [a]	17.0 %	15.1 %	+190 bps	15.9 %	14.8 %	+110 bps
Utility Solutions	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Net sales	\$ 774.5	\$ 601.8	29 %	\$ 2,154.8	\$ 1,722.8	25 %
<b>Operating Income</b>						
GAAP measure [b]	\$ 129.8	\$ 79.6	63 %	\$ 329.3	\$ 213.2	54 %
Amortization of acquisition-related intangible assets	14.3	14.6		42.2	48.9	
Adjusted operating income [c]	\$ 144.1	\$ 94.2	53 %	\$ 371.5	\$ 262.1	42 %
<b>Operating margin</b>						
GAAP measure [b] / [a]	16.8 %	13.2 %	+360 bps	15.3 %	12.4 %	+290 bps
Adjusted operating margin [c] / [a]	18.6 %	15.7 %	+290 bps	17.2 %	15.2 %	+200 bps
Electrical Solutions	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Net Sales [a]	\$ 541.7	\$ 481.6	12 %	\$ 1,573.5	\$ 1,371.2	15 %
<b>Operating Income</b>						
GAAP measure [b]	\$ 73.8	\$ 66.3	11 %	\$ 207.8	\$ 184.8	12 %
Amortization of acquisition-related intangible assets	6.5	3.3		13.5	10.0	
Adjusted operating income [c]	\$ 80.3	\$ 69.6	15 %	\$ 221.3	\$ 194.8	14 %
<b>Operating margin</b>						
GAAP measure [b] / [a]	13.6 %	13.8 %	-20 bps	13.2 %	13.5 %	-30 bps
Adjusted operating margin [c] / [a]	14.8 %	14.5 %	+30 bps	14.1 %	14.2 %	-10 bps

## Reconciliation of Organic Net Sales Growth to Net Sales Growth (millions):

Hubbell Incorporated	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	Inc/(Dec)%	2021	Inc/(Dec)%	2022	Inc/(Dec)%	2021	Inc/(Dec)%
Net sales growth (GAAP measure)	\$ 232.8	21.5	\$ 113.1	11.7	\$ 634.3	20.5	\$ 328.6	11.9
Impact of acquisitions	20.5	1.9	40.5	4.2	20.5	0.7	109.2	3.9
Impact of divestitures	—	—	(2.2)	(0.2)	(4.0)	(0.1)	(2.8)	(0.2)
Foreign currency exchange	(6.5)	(0.6)	6.3	0.6	(10.0)	(0.4)	15.3	0.7
Organic net sales growth (decline)	\$ 218.8	20.2	\$ 68.5	7.1	\$ 627.8	20.3	\$ 206.9	7.5

Utility Solutions	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	Inc/(Dec)%	2021	Inc/(Dec)%	2022	Inc/(Dec)%	2021	Inc/(Dec)%
Net sales growth (GAAP measure)	\$ 172.7	28.7	\$ 44.1	7.9	\$ 432.0	25.1	\$ 158.6	10.1
Impact of acquisitions	4.9	0.9	33.2	6.0	4.9	0.3	90.7	5.8
Impact of divestitures	—	—	(2.2)	(0.4)	(4.0)	(0.2)	(2.8)	(0.2)
Foreign currency exchange	(2.8)	(0.5)	2.3	0.4	(1.8)	(0.1)	2.9	0.2
Organic net sales growth (decline)	\$ 170.6	28.3	\$ 10.8	1.9	\$ 432.9	25.1	\$ 67.8	4.3

Electrical Solutions	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	Inc/(Dec)%	2021	Inc/(Dec)%	2022	Inc/(Dec)%	2021	Inc/(Dec)%
Net sales growth (GAAP measure)	\$ 60.1	12.5	\$ 69.0	16.7	\$ 202.3	14.8	\$ 170.0	14.2
Impact of acquisitions	15.6	3.2	7.3	1.7	15.6	1.1	18.5	1.6
Impact of divestitures	—	—	—	—	—	—	—	—
Foreign currency exchange	(3.7)	(0.7)	4.0	1.0	(8.2)	(0.5)	12.4	1.0
Organic net sales growth (decline)	\$ 48.2	10.0	\$ 57.7	14.0	\$ 194.9	14.2	\$ 139.1	11.6

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

Hubbell Incorporated	September 30, 2022		December 31, 2021	
Total Debt	\$	1,441.3	\$	1,445.2
Total Hubbell Shareholders' Equity		2,318.7		2,229.8
Total Capital	\$	3,760.0	\$	3,675.0
Total Debt to Total Capital		38 %		39 %
Less: Cash and Investments	\$	446.0	\$	364.7
Net Debt	\$	995.3	\$	1,080.5
Net Debt to Total Capital		26 %		29 %

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

Hubbell Incorporated	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash provided by operating activities from continuing operations	\$ 219.6	\$ 98.4	\$ 393.8	\$ 288.2
Less: Capital expenditures	(25.3)	(25.9)	(67.2)	(62.8)
Free cash flow	\$ 194.3	\$ 72.5	\$ 326.6	\$ 225.4