Hubbell Incorporated (HUBB)

Updated October 30th, 2025 by Quinn Mohammed

Key Metrics

Current Price:	$473	**5 Year CAGR Estimate:**	4.3%	**Market Cap:**	$25 B
Fair Value Price:	$373	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	11/28/25
% Fair Value:	127%	**5 Year Valuation Multiple Estimate:**	-4.6%	**Dividend Payment Date:**	12/15/25
Dividend Yield:	1.2%	**5 Year Price Target**	$548	**Years Of Dividend Growth:**	19
Dividend Risk Score:	A	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Hubbell Incorporated (HUBB), founded in 1888, designs, manufactures, and sells electrical and electronic products in the United States and internationally. The business operates through its Utility Solutions and Electrical Solutions segments, where in 2024, Utility Solutions made up 64% of sales and Electrical Solutions made up 36% of sales. The company is headquartered in Shelton, Connecticut.

On December 12th, 2023, Hubbell completed its acquisition of Northern Star Holdings (known as Systems Control) for $1.1 billion in cash. Systems Control manufactures substation control and relay panels, and turnkey substation control building solutions. It was added to the Utility Solutions segment.

On October 28th, 2025, Hubbell Inc reported third quarter 2025 results for the period ending September 30, 2025. The company reported third quarter sales of $1.50 billion, which missed estimates by $30 million, but represented a 4% year-over-year increase.

The company saw its adjusted operating margin rise to 23.9%, up 10 basis points year-over-year. Adjusted diluted earnings-per-share of $5.17 beat analysts' estimates by $0.19, and was a 12% increase from the year-ago period. These results were driven by a 10% year-over-year revenue increase and a 140 basis point adjusted operating margin increase in Electrical Solutions.

Hubbell updated its 2025 guidance, and now sees total sales growth and organic sales growth of 3% to 4% (down from 4% to 6% at previous guidance). Adjusted earnings-per-share is now expected to come in between $18.10 to $18.30 (up from $17.65 to $18.15 previously), for an $18.20 midpoint.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$5.07	$5.66	$5.93	$7.29	$8.12	$7.58	$8.05	$10.62	$15.33	$16.57	***$18.20***	***$26.74***
DPS	$2.31	$2.59	$2.87	$3.15	$3.43	$3.71	$3.99	$4.27	$4.58	$4.98	***$5.68***	***$8.35***
Shares	58	56	55	55	55	54	55	54	54	54	***53.4***	***52.0***

While earnings have ebbed and flowed in the last decade, they have moved steadily higher over the long term. Over the past nine and five years, Hubbell has seen earnings-per-share grow at an average annualized rate of 14.1% and 18.4%, respectively.

Moving forward, we expect the company will benefit from sales growth from its recent acquisitions as it continues to capitalize on megatrends like Grid Modernization, the move to upgrade the power grid to accommodate tech changes, and Electrification, where businesses are looking to replace technologies on fossil fuels with electric technologies. For 2025, we are using the midpoint of management's guidance, $18.20, along with an 8.0% expected annual growth rate over the intermediate term.

Dividend payments have grown at an annual rate of 8.9% over the last nine years and 7.3% over the last five. Over the next five years, we expect dividends to grow at a rate of 8% per year, in line with our expected earnings growth rate. Hubbell has a 19-year track record of increasing its dividend payments.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	20.4	18.4	20.0	16.2	15.7	18.1	22.5	19.5	18.5	23.9	***26.0***	***20.5***
Avg. Yld.	2.2%	2.5%	2.4%	2.7%	2.7%	2.7%	2.1%	1.9%	1.6%	1.2%	***1.2%***	***1.5%***

Hubbell's P/E ratio has averaged 19.3 over the last ten years, and 20.5 over the last five. Based on its steady history of valuation multiples, we estimate that a P/E ratio of 20.5 is fair for the business. Today, the stock offers a 1.2% dividend yield, which is low for income-oriented investors, but in line with the broader market.

Safety, Quality, Competitive Advantage, & Recession Resiliency

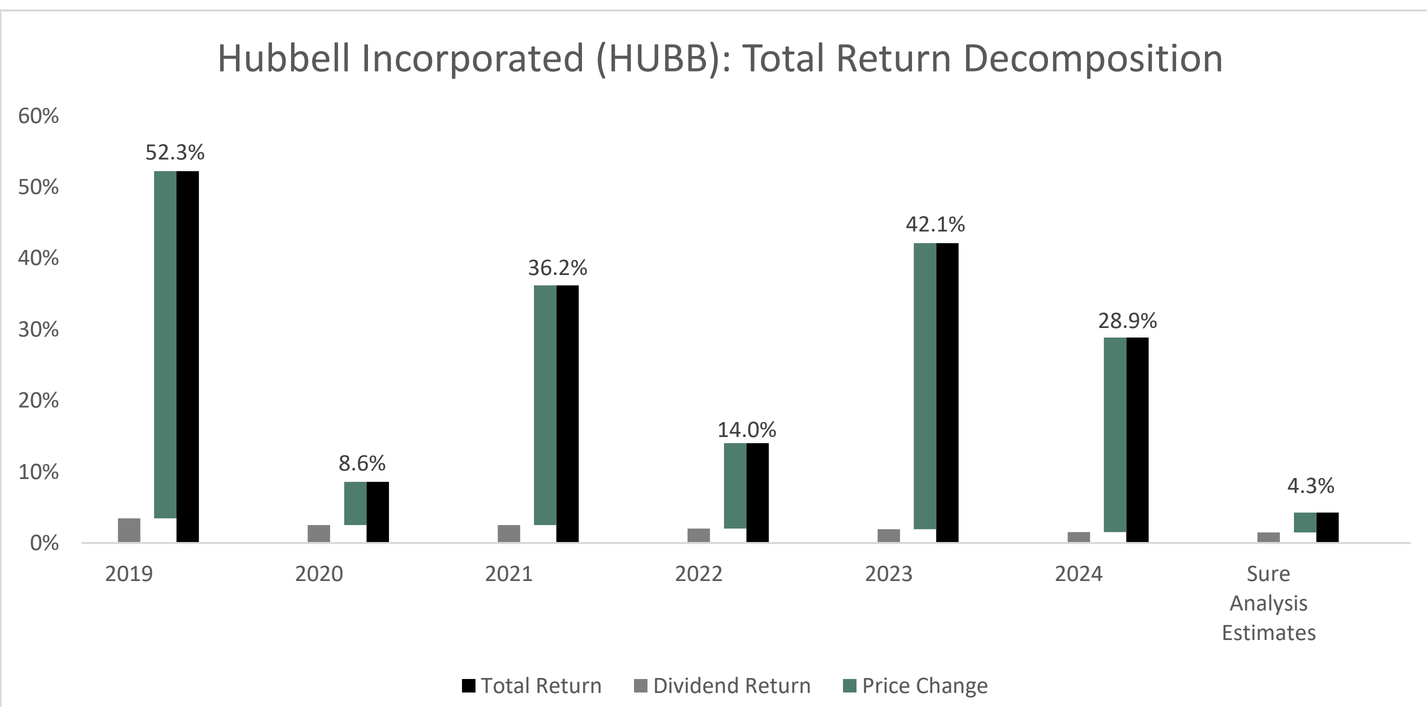
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	46%	46%	48%	43%	42%	49%	50%	40%	30%	30%	***31%***	***31%***

Hubbell has averaged a payout ratio of 30% over the past ten years. We consider this to be a conservative payout ratio, where dividends are well supported by earnings, and this should remain around here as earnings growth matches dividend growth. Additionally, the company has a strong balance sheet, with about $2.79 billion in current assets and $7.5 billion in total assets compared to about $2.1 billion in current liabilities, $3.8 billion in total liabilities, and $3.7 billion in shareholders' equity. Hubbell has a proven track record of strong organic growth, as well as growth through acquisitions. Hubbell saw a small dip in earnings-per-share in 2020 but has since grown strongly. The company appears to possess some recession resiliency.

Final Thoughts & Recommendation

Hubbell is a leader in the Utility and Electrical Solutions space and is poised to see organic growth over the intermediate term from Grid Modernization and Electrification tailwinds. The stock could offer 4.3% annual total returns over the next five years, comprised of 8.0% earnings-per-share growth and the starting 1.2% dividend yield, partly offset by -4.6% multiple compression. We are reiterating HUBB as a hold.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3,390	3,505	3,669	4,482	3,947	3,683	4,194	4,948	5,373	5628
Gross Profit	1,092	1,105	1,155	1,300	1,172	1,086	1,152	1,472	1,888	1904
Gross Margin	32.2%	31.5%	31.5%	29.0%	29.7%	29.5%	27.5%	29.7%	35.1%	33.8%
SG&A Exp.	617	615	636	744	645	591	619	763	850	813
D&A Exp.	85	91	98	148	138	145	149	149	150	212
Operating Profit	475	490	519	557	527	495	532	709	1,038	1092
Op. Margin	14.0%	14.0%	14.1%	12.4%	13.3%	13.4%	12.7%	14.3%	19.3%	19.4%
Net Profit	277	293	243	360	362	330	365	511	760	778
Net Margin	8.2%	8.4%	6.6%	8.0%	9.2%	9.0%	8.7%	10.3%	14.1%	13.8%
Free Cash Flow	262	344	299	421	505	565	454	454	715	811
Income Tax	137	133	193	101	101	90	88	140	217	222

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	3,209	3,525	3,721	4,872	4,903	5,085	5,282	5,403	6,914	6679
Cash & Equivalents	344	438	375	189	182	259	286	441	336	329
Acc. Receivable	492	566	576	739	697	574	696	742	785	756
Inventories	540	532	635	651	633	527	662	741	833	842
Goodwill & Int.	1,301	1,423	1,549	2,604	2,593	2,644	2,553	2,640	3,729	3581
Total Liabilities	1,460	1,922	2,073	3,073	2,943	3,000	3,041	3,032	4,025	3396
Accounts Payable	290	292	327	394	348	339	533	530	564	542
Long-Term Debt	644	994	1,055	1,793	1,571	1,590	1,445	1,443	2,141	1568
Total Equity	1,741	1,593	1,634	1,781	1,947	2,070	2,230	2,361	2,877	3268
LTD/E Ratio	0.37	0.62	0.65	1.01	0.81	0.77	0.65	0.61	0.74	0.48

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	8.5%	8.7%	6.7%	8.4%	7.4%	6.6%	7.0%	9.6%	12.3%	11.4%
Return on Equity	15.1%	17.6%	15.1%	21.1%	19.4%	16.4%	17.0%	22.3%	29.0%	25.2%
ROIC	11.3%	11.7%	9.2%	11.4%	10.1%	9.2%	9.9%	13.6%	17.2%	15.7%
Shares Out.	58	56	55	55	55	54	52	54	54	54
Revenue/Share	58.46	62.93	66.58	81.63	72.15	67.57	76.67	91.46	99.50	104.23
FCF/Share	4.52	6.17	5.43	7.67	9.23	10.37	8.29	8.39	13.24	15.01

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.