Hubbell Incorporated (HUBB)

Updated February 5th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$481	**5 Year CAGR Estimate:**	8.6%	**Market Cap:**	$26 B
Fair Value Price:	$429	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	02/27/26
% Fair Value:	112%	**5 Year Valuation Multiple Estimate:**	-2.3%	**Dividend Payment Date:**	03/16/26
Dividend Yield:	1.2%	**5 Year Price Target**	$691	**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 2025, Utility Solutions made up 63% of sales and Electrical Solutions made up 37% 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 February 3rd, 2026, Hubbell Inc reported fourth quarter 2025 results for the period ending December 31, 2025. The company reported fourth quarter sales of $1.50 billion, which was in line with estimates, and represented a 12% year-over-year increase. Utility Solutions and Electrical Solutions sales rose 10% and 14%, respectively. Furthermore, Electrical Solutions segment adjusted margin rose 60 basis points to 20.5%, marking a segment record.

The company saw its adjusted operating margin rise to 23.4%, up 140 basis points year-over-year. Adjusted diluted earnings-per-share of $4.73 beat analysts' estimates by $0.01, and was a 15% increase from the year-ago period.

Hubbell initiated its 2026 guidance, seeing total sales growth of 7% to 9% and organic sales growth of 5% to 7%. Adjusted earnings-per-share is expected to come in between $19.15 to $19.85. At the midpoint, this reflects a 7% increase in EPS.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$5.66	$5.93	$7.29	$8.12	$7.58	$8.05	$10.62	$15.33	$16.59	$18.21	***$19.50***	***$31.40***
DPS	$2.59	$2.87	$3.15	$3.43	$3.71	$3.99	$4.27	$4.58	$4.98	$5.38	***$5.68***	***$8.35***
Shares	55.5	54.9	54.7	54.5	54.4	54.7	54.1	54.1	54.0	53.5	***53.2***	***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 13.9% and 19.2%, 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 2026, we are using the midpoint of management's guidance, $19.50, along with a 10% expected annual growth rate over the intermediate term.

Dividend payments have grown at an annual rate of 8.5% over the last nine years and 7.7% 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	18.4	20.0	16.2	15.7	18.1	22.5	19.5	18.5	25.2	24.4	***24.7***	***22.0***
Avg. Yld.	2.5%	2.4%	2.7%	2.7%	2.7%	2.1%	1.9%	1.6%	1.2%	1.2%	***1.2%***	***1.2%***

Hubbell's P/E ratio has averaged 19.9 over the last ten years, and 22.0 over the last five. Based on its steady history of valuation multiples, we estimate that a P/E ratio of 22 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	46%	48%	43%	42%	49%	50%	40%	30%	30%	30%	***29%***	***27%***

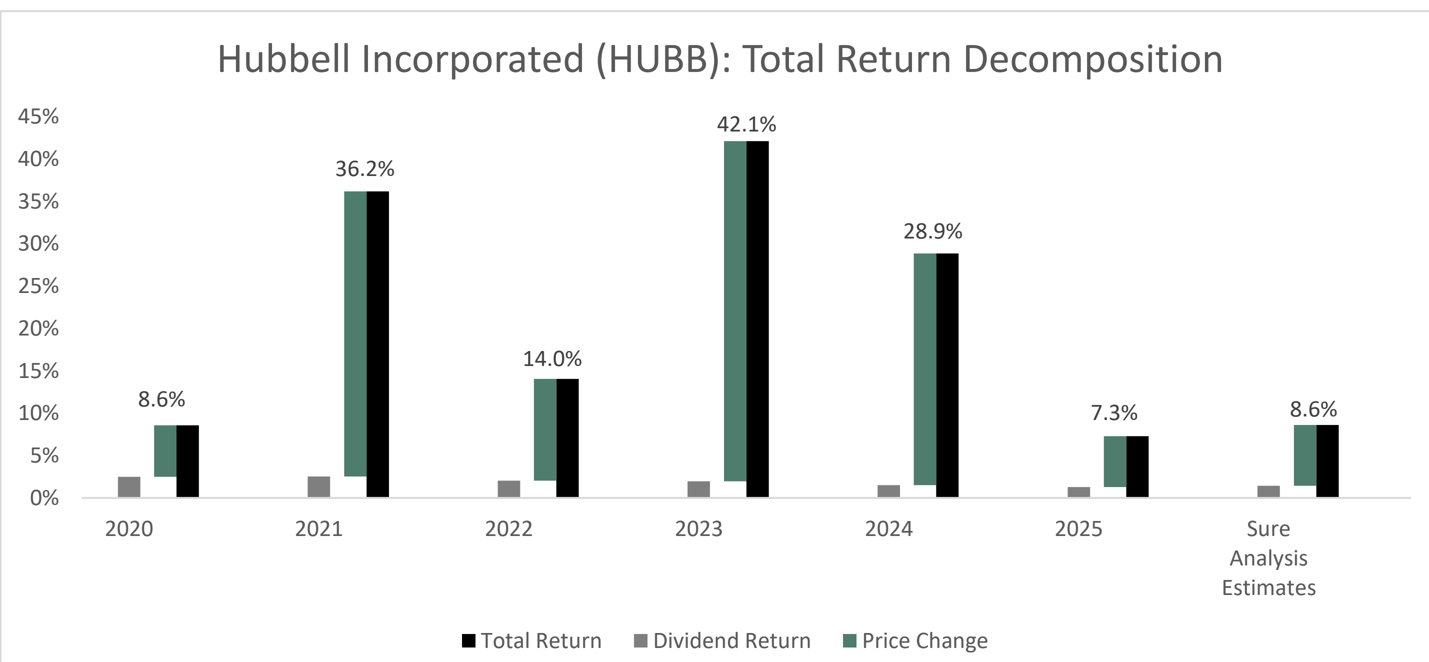
Hubbell is forecast to pay out 29% of its earnings as dividends in 2026. We consider this to be a conservative payout ratio, where dividends are well supported by earnings. Furthermore, the payout ratio is likely to decline further in the near future as EPS increase by double digits.

Additionally, the company has a strong balance sheet, with about $2.6 billion in current assets and $8.2 billion in total assets compared to about $1.5 billion in current liabilities, $4.4 billion in total liabilities, and $3.9 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 8.6% annual total returns over the next five years, comprised of 10% earnings-per-share growth and the starting 1.2% dividend yield, partly offset by -2.3% 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,505	3,669	4,482	3,947	3,683	4,194	4,948	5,373	5628	5,845
Gross Profit	1,105	1,155	1,300	1,172	1,086	1,152	1,472	1,888	1904	2,078
Gross Margin	31.5%	31.5%	29.0%	29.7%	29.5%	27.5%	29.7%	35.1%	33.8%	35.6%
SG&A Exp.	615	636	744	645	591	619	763	850	813	0
D&A Exp.	91	98	148	138	145	149	149	150	212	206.1
Operating Profit	490	519	557	527	495	532	709	1,038	1092	1,226
Op. Margin	14.0%	14.1%	12.4%	13.3%	13.4%	12.7%	14.3%	19.3%	19.4%	21.0%
Net Profit	293	243	360	362	330	365	511	760	778	890.4
Net Margin	8.4%	6.6%	8.0%	9.2%	9.0%	8.7%	10.3%	14.1%	13.8%	15.2%
Free Cash Flow	344	299	421	505	565	454	454	715	811	874.7
Income Tax	133	193	101	101	90	88	140	217	222	227.2

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	3,525	3,721	4,872	4,903	5,085	5,282	5,403	6,914	6679	8,229
Cash & Equivalents	438	375	189	182	259	286	441	336	329	497.9
Acc. Receivable	566	576	739	697	574	696	742	785	756	856.9
Inventories	532	635	651	633	527	662	741	833	842	1,084
Goodwill & Int.	1,423	1,549	2,604	2,593	2,644	2,553	2,640	3,729	3581	4,455
Total Liabilities	1,922	2,073	3,073	2,943	3,000	3,041	3,032	4,025	3396	4,371
Accounts Payable	292	327	394	348	339	533	530	564	542	570.5
Long-Term Debt	994	1,055	1,793	1,571	1,590	1,445	1,443	2,141	1568	2,036
Total Equity	1,593	1,634	1,781	1,947	2,070	2,230	2,361	2,877	3268	3,858
LTD/E Ratio	0.62	0.65	1.01	0.81	0.77	0.65	0.61	0.74	0.48	0.6043

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	8.7%	6.7%	8.4%	7.4%	6.6%	7.0%	9.6%	12.3%	11.4%	12.0%
Return on Equity	17.6%	15.1%	21.1%	19.4%	16.4%	17.0%	22.3%	29.0%	25.2%	24.9%
ROIC	11.7%	9.2%	11.4%	10.1%	9.2%	9.9%	13.6%	17.2%	15.7%	15.9%
Shares Out.	56	55	55	55	54	52	54	54	54	53.5
Revenue/Share	62.93	66.58	81.63	72.15	67.57	76.67	91.46	99.50	104.23	109.24
FCF/Share	6.17	5.43	7.67	9.23	10.37	8.29	8.39	13.24	15.01	16.35

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