

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-05-10** | Period of Report: **1995-03-31**
SEC Accession No. **0000950123-95-001290**

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FILER

HUBBELL INC

CIK: **48898** | IRS No.: **060397030** | State of Incorporation: **CT** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-02958** | Film No.: **95536235**
SIC: **3640** Electric lighting & wiring equipment

Mailing Address
584 DERBY MILFORD RD
ORANGE CT 06477-4024

Business Address
584 DERBY MILFORD RD
ORANGE CT 06477-4024
2037994100

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 MARCH 31, 1995

/ / 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

(Exact name of registrant as specified in its charter)

STATE OF CONNECTICUT

06-0397030

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
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

The number of shares of registrant's classes of common stock outstanding as of May 3, 1995 were:

Class A (\$.01 par value)	5,872,000
Class B (\$.01 par value)	27,102,000

HUBBELL INCORPORATED
PART I - FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

Consolidated Balance Sheet
(Unaudited)
(in thousands)

<TABLE>
<CAPTION>

	March 31, 1995 -----	December 31, 1994 -----
<S>	<C>	<C>
ASSETS		
Current Assets:		
Cash and temporary cash investments	\$ 53,091	\$ 38,865
Accounts receivable (net)	147,804	143,862
Inventories	223,077	224,088
Prepaid taxes	32,116	31,666
Other	3,850	6,425
	-----	-----
TOTAL CURRENT ASSETS	459,938	444,906
Property, Plant and Equipment	200,464	201,968
Other Assets:		
Investments	209,963	205,939
Purchase price in excess of net assets of companies acquired (net)	140,570	141,570
Property held as investment	8,696	10,027
Other	34,143	37,159
	-----	-----
	\$1,053,774	\$1,041,569
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Commercial paper and bank borrowings	\$ 141,057	\$ 139,350
Accounts payable	31,934	37,539
Accrued salaries, wages and employee benefits	25,244	26,287
Accrued income taxes	39,323	28,332
Dividends Payable	14,043	13,494
Accrued restructuring charge	14,000	14,000
Other accrued liabilities	63,609	73,071
	-----	-----
TOTAL CURRENT LIABILITIES	329,210	332,073
Long-Term Debt	2,700	2,700
Other Non-Current Liabilities	85,226	84,876
Deferred Income Taxes	12,440	12,924
Shareholders' Equity	624,198	608,996
	-----	-----
See notes to consolidated financial statements	\$1,053,774	\$1,041,569
	=====	=====

</TABLE>

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HUBBELL INCORPORATED
CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH, 31 -----	
	1995 ----	1994 ----
<S>	<C>	<C>

NET SALES	\$278,434	\$207,044
Cost of goods sold	197,934	142,504
	-----	-----
GROSS PROFIT	80,500	64,540
Selling & administrative expenses	42,180	34,101
	-----	-----
OPERATING INCOME	38,320	30,439
	-----	-----
OTHER INCOME (EXPENSE):		
Investment income	4,003	3,866
Interest expense	(2,213)	(867)
Other income (expense), net	(1,193)	(562)
	-----	-----
TOTAL OTHER INCOME, NET	597	2,437
	-----	-----
INCOME BEFORE INCOME TAXES	38,917	32,876
Provision for income taxes	10,508	8,548
	-----	-----
NET INCOME	\$ 28,409	\$ 24,328
	=====	=====
EARNINGS PER SHARE	\$ 0.85	\$ 0.73
	=====	=====

</TABLE>

See notes to consolidated financial statements.

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HUBBELL INCORPORATED
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
(IN THOUSANDS)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH, 31	

CASH FLOWS FROM OPERATING ACTIVITIES	1995	1994
	----	----
<S>	<C>	<C>
Net income	\$ 28,409	\$ 24,328
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,826	8,326
Deferred income taxes	(934)	1,259
Changes in assets and liabilities, net of the effect of business acquisitions:		
(Increase)/Decrease in accounts receivable	(3,942)	(7,032)
(Increase)/Decrease in inventories	1,011	(1,867)
(Increase)/Decrease in other current assets	2,575	5,333
Increase/(Decrease) in current liabilities (excluding dividends payable)	(5,119)	3,808
Increase/(Decrease) in restructuring accruals	(2,915)	(3,273)
(Increase)/Decrease in other, net	6,355	84
	-----	-----
Net cash provided by operating activities	35,266	30,966
	-----	-----

CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of businesses	---	---
Additions to property, plant and equipment	(9,344)	(8,356)
Purchase of non-current investments	(1,974)	(4,475)
Sale of non-current investments	--	--
Other, net	2,030	555
	-----	-----
Net cash used in investing activities	(9,288)	(12,276)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	(13,494)	(12,816)
Short-term borrowing	1,707	8,100
Exercise of stock options	35	1,259
	-----	-----
Net cash provided (used) in financing activities	(11,752)	(3,457)
	-----	-----
Increase (Decrease) in cash and temporary cash investments	14,226	15,233
CASH AND TEMPORARY CASH INVESTMENTS		
Beginning of period	38,865	44,231
	-----	-----
End of period	\$ 53,091	\$ 59,464
	=====	=====

</TABLE>

See notes to consolidated financial statements

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HUBBELL INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995
(UNAUDITED)

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

<TABLE>		
<CAPTION>		
	March 31,	December 31,
	1995	1994
	----	----
<S>	<C>	<C>
Raw Material	\$ 77,409	\$ 79,065
Work-in-Process	57,964	59,035
Finished Goods	137,262	135,042
	-----	-----
	\$272,635	\$273,142
Excess of current Production costs over LIFO cost basis	49,558	49,054
	-----	-----
	\$223,077	\$224,088
	=====	=====

</TABLE>

2. Shareholders' Equity comprises: (in thousands)

<TABLE>		
<CAPTION>		
	March 31,	December 31,

	1995 ----	1994 ----
<S>	<C>	<C>
Common Stock, \$.01 par value:		
Class A-authorized 50,000,000 shares, outstanding 5,874,364 and 5,895,097 shares	\$ 59	\$ 59
Class B-authorized 150,000,000 shares, outstanding 27,098,867 and 27,056,945 shares	271	271
Additional paid-in-capital	427,554	441,469
Retained earnings	205,403	176,994
Unrealized holding gains (losses) on securities	(837)	(2,147)
Cumulative translation adjustments	(8,252)	(7,650)
	-----	-----
	\$624,198	\$608,996
	=====	=====

</TABLE>

3. On April 19, 1994, the Company acquired 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 and was recorded under the purchase method of accounting. Accordingly, the results of operations for the acquired business has been included in the consolidated statement of income only from its acquisition date. Had the business been acquired on the first day of 1994 unaudited proforma net sales and net income for the period ending March 31, 1994 would have been \$248,694,000 and \$25,398,000 respectively. The proforma results are not necessarily indicative of the results that would have been obtained had the acquisition occurred on January 1, 1994, nor are they necessarily indicative of the results that may occur in the future.

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HUBBELL INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1995
(UNAUDITED)

4. 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.
5. The results of operations for the three month period ended March 31, 1995 and 1994 are not necessarily indicative of the results to be expected for the full year.

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HUBBELL INCORPORATED
ITEM 2
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
MARCH 31, 1995

A) RESULTS OF OPERATIONS

Consolidated net sales increased by 34% due to the inclusion of A.B. Chance, Inc., which was acquired in April 1994; and generally higher sales levels throughout the Company's operating units with particularly strong growth reported by Bryant Electric, Premise Wiring, Raco and Lighting; combined with

improved market conditions for the Pulsecom subsidiary. Operating income increased 26% on the higher sales volume. The rate of increase was moderated by inclusion of the A.B. Chance products which have a lower operating margin than the average for the Company's other businesses and the strong increases in lower margined electrical fittings and fluorescent lighting products.

Low voltage segment sales increased 14% on higher shipments of fluorescent lighting, industrial controls and wiring devices reflecting the improved economic conditions in the United States and Canada. Operating income increased 10% on higher sales which included a higher mix of lower margined products.

High voltage segment sales increased by more than 50% due to the inclusion of A.B. Chance which was acquired in 1994 and improved sales of power cable, test and measurement equipment, surge arresters and insulators. Profits increased on higher volume but at a lower rate than sales reflecting the lower-margined products of the acquired business.

Other industry segment sales increased more than 50% on higher shipments of fittings, switch and outlet boxes and wire management products combined with improved market conditions for telecommunication products. Operating income increased in line with sales growth.

Interest expense increased reflecting a higher level of short-term borrowing and higher interest rates. The effective tax rate for 1995 was 27% compared to 26% in the first quarter of 1994. Net income and earnings per share increased 16%, respectively, over last year.

The Company's restructuring program is proceeding according to management's plan. During the quarter, production start-up was initiated in the new manufacturing facility for the Kerite Company; the first phase of capacity expansion in Puerto Rico was completed and consolidation of warehousing and distribution operations is continuing. At March 31, 1995 the restructuring accrual balance was \$25,024,000 of which \$14,000,000 is classified as a current liability. Through March 31, 1995, cumulative costs charged to the restructuring accrual were \$24,976,000 as follows (in thousands):

<TABLE>
<CAPTION>

	Personnel Costs	Plant & Equipment Costs		Total
		Relocation	Disposal	
		-----	-----	
<S>	<C>	<C>	<C>	<C>
1993	\$ 4,456	\$2,794	\$ --	\$ 7,250
1994	7,550	2,036	5,225	14,811
1995 Y-T-D	2,122	481	312	2,915
	-----	-----	-----	-----
Cumulative	\$14,128	\$5,311	\$5,537	\$24,976
	=====	=====	=====	=====

</TABLE>

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HUBBELL INCORPORATED
B) LIQUIDITY AND CAPITAL RESOURCES
MARCH 31, 1995

At March 31, 1995, commercial paper and bank borrowings of \$141,057,000 and long-term debt of \$2,700,000 were 23% of shareholder's equity. Working capital was \$130,728,000 and the current ratio was 1.4 to 1.

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HUBBELL INCORPORATED
PART II -- OTHER INFORMATION

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Annual Meeting of Shareholders held on May 1, 1995:

1. The following nine (9) individuals were elected directors of the Company for the ensuing year to serve until the next Annual Meeting of Shareholders of the Company and until their respective successors may be elected and qualified:

<TABLE>

<CAPTION>

NAME OF INDIVIDUAL -----	VOTES FOR -----	VOTES WITHHELD -----
<S>	<C>	<C>
E. Richard Brooks	126,036,049	479,020
George W. Edwards, Jr.	126,030,005	485,064
Andrew McNally, IV	126,110,653	404,416
Daniel J. Meyer	126,047,861	467,208
Horace G. McDonell	126,003,408	511,661
Joel S. Hoffman	125,754,140	760,929
G. Jackson Ratcliffe	126,113,444	401,625
John A. Urquhart	126,070,054	445,015
Malcolm Wallop	125,989,074	525,995

</TABLE>

2. Price Waterhouse was ratified as independent accountants to examine the annual financial statements for the Company for the year 1995 receiving 126,181,396 affirmative votes, 120,882 negative votes and 212,824 votes abstained.

HUBBELL INCORPORATED
PART II -- OTHER INFORMATION

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

11. Computation of Earnings Per Share
27. Financial Data Schedule (Electronic filings only)

REPORTS ON FORM 8-K

There were no reports on Form 8-K filed for the three months ended March 31, 1995.

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: May 10, 1995

/s/ Harry B. Rowell, Jr.

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

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EXHIBIT INDEX

Exhibit No.	Description
-----	-----
11.	Computation of Earnings Per Share
27.	Financial Data Schedule (Electronic filings only)

EXHIBIT 11
HUBBELL INCORPORATED
COMPUTATION OF EARNINGS PER SHARE
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	Three Months Ended March 31, -----	
	1995	1994
<S>	<C>	<C>
Net Income	\$28,409 =====	\$24,328 =====
Weighted average number of common shares outstanding during the year	32,973	32,850
Common equivalent shares	308 -----	449 -----
Average number of shares outstanding	33,281 =====	33,299 =====
Earnings per Share	\$ 0.85 =====	\$ 0.73 =====

</TABLE>

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