

WESTERN DIGITAL CORP
Form 10-Q
November 06, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 28, 2018

Or

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: 1-8703

WESTERN DIGITAL CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware 33-0956711
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

5601 Great Oaks Parkway 95119
San Jose, California
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (408) 717-6000

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 No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of the close of business on October 30, 2018, 289,424,688 shares of common stock, par value \$0.01 per share, were outstanding.

WESTERN DIGITAL CORPORATION
INDEX

	PAGE NO.
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements (unaudited)	
Condensed Consolidated Balance Sheets — As of September 28, 2018 and June 29, 2018	<u>4</u>
Condensed Consolidated Statements of Operations — Three Months Ended September 28, 2018 and September 29, 2017	<u>5</u>
Condensed Consolidated Statements of Comprehensive Income — Three Months Ended September 28, 2018 and September 29, 2017	<u>6</u>
Condensed Consolidated Statements of Cash Flows — Three Months Ended September 28, 2018 and September 29, 2017	<u>7</u>
Notes to Condensed Consolidated Financial Statements	<u>8</u>
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	<u>46</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>55</u>
Item 4. Controls and Procedures	<u>56</u>
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	<u>57</u>
Item 1A. Risk Factors	<u>57</u>
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	<u>81</u>
Item 3. Defaults Upon Senior Securities	<u>81</u>
Item 4. Mine Safety Disclosures	<u>81</u>
Item 5. Other Information	<u>81</u>
Item 6. Exhibits	<u>81</u>

Unless otherwise indicated, references herein to specific years and quarters are to our fiscal years and fiscal quarters, and references to financial information are on a consolidated basis. As used herein, the terms “we,” “us,” “our,” the “Company,” “WDC” and “Western Digital” refer to Western Digital Corporation and its subsidiaries, unless we state, or the context indicates, otherwise.

WDC, a Delaware corporation, is the parent company of our data storage business. Our principal executive offices are located at 5601 Great Oaks Parkway, San Jose, California 95119. Our telephone number is (408) 717-6000 and our website is www.wdc.com. The information on our website is not incorporated in this Quarterly Report on Form 10 Q.

Western Digital, WD, SanDisk, Tegile, and Upthere are registered trademarks or trademarks of Western Digital or its affiliates in the U.S. and/or other countries. All other trademarks, registered trademarks and/or service marks, indicated or otherwise, are the property of their respective owners.

Table of Contents

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the federal securities laws. Any statements that do not relate to historical or current facts or matters are forward-looking statements. You can identify some of the forward-looking statements by the use of forward-looking words, such as “may,” “will,” “could,” “would,” “project,” “believe,” “anticipate,” “expect,” “estimate,” “continue,” “potential,” “plan,” “forecast,” and the like, or the use of future tense. Statements concerning current conditions may also be forward-looking if they imply a continuation of current conditions.

Examples of forward-looking statements include, but are not limited to, statements concerning:

- expectations regarding our Flash Ventures joint venture with Toshiba Memory Corporation and regarding our flash output and the flash industry;
- our quarterly cash dividend policy and share repurchase program;
- expectations regarding our product development and technology plans;
- expectations regarding our future results of operations;
- expectations regarding the outcome of legal proceedings in which we are involved;
- expectations regarding the impact of the Tax Cuts and Jobs Act enacted on December 22, 2017 on the Company;
- expectations regarding the repatriation of funds from our foreign operations;
- our beliefs regarding tax benefits and the timing of future payments, if any, relating to the unrecognized tax benefits, and the adequacy of our tax provisions;
- expectations regarding capital investments and sources of funding for those investments; and
- our beliefs regarding the sufficiency of our available liquidity to meet our working capital, debt, dividend and capital expenditure needs.

Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. You are urged to carefully review the disclosures we make concerning risks and other factors that may affect our business and operating results, including those made in Part II, Item 1A of this Quarterly Report on Form 10-Q, and any of those made in our other reports filed with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. We do not intend, and undertake no obligation, to publish revised forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

WESTERN DIGITAL CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in millions, except par value)
 (Unaudited)

	September 28, 2018	June 29, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,646	\$5,005
Accounts receivable, net	2,219	2,197
Inventories	3,119	2,944
Other current assets	587	492
Total current assets	10,571	10,638
Property, plant and equipment, net	3,054	3,095
Notes receivable and investments in Flash Ventures	2,028	2,105
Goodwill	10,072	10,075
Other intangible assets, net	2,404	2,680
Other non-current assets	576	642
Total assets	\$ 28,705	\$29,235
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,081	\$2,265
Accounts payable to related parties	286	259
Accrued expenses	1,305	1,274
Accrued compensation	500	479
Current portion of long-term debt	213	179
Total current liabilities	4,385	4,456
Long-term debt	10,930	10,993
Other liabilities	2,015	2,255
Total liabilities	17,330	17,704
Commitments and contingencies (Notes 7, 9, 11 and 14)		
Shareholders' equity:		
Preferred stock, \$0.01 par value; authorized — 5 shares; issued and outstanding — none	—	—
Common stock, \$0.01 par value; authorized — 450 shares; issued — 312 shares; outstanding 289 shares and 296 shares, respectively	$\frac{3}{3}$ 289	3
Additional paid-in capital	4,085	4,254
Accumulated other comprehensive loss	(76) (39)
Retained earnings	9,172	8,757
Treasury stock — common shares at cost; 23 shares and 16 shares, respectively	(1,809) (1,444)
Total shareholders' equity	11,375	11,531
Total liabilities and shareholders' equity	\$ 28,705	\$29,235

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Table of ContentsWESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share amounts)

(Unaudited)

	Three Months Ended	
	September 30, 2018	September 29, 2017
Revenue, net	\$5,028	\$ 5,181
Cost of revenue	3,364	3,268
Gross profit	1,664	1,913
Operating expenses:		
Research and development	576	592
Selling, general and administrative	356	364
Employee termination, asset impairment, and other charges	46	52
Total operating expenses	978	1,008
Operating income	686	905
Interest and other income (expense):		
Interest income	15	16
Interest expense	(116)	(205)
Other expense, net	(2)	(6)
Total interest and other expense, net	(103)	(195)
Income before taxes	583	710
Income tax expense	72	29
Net income	\$511	\$ 681
Income per common share		
Basic	\$1.75	\$ 2.31
Diluted	\$1.71	\$ 2.23
Weighted average shares outstanding:		
Basic	292	295
Diluted	298	306
Cash dividends declared per share	\$0.50	\$ 0.50

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Table of ContentsWESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

(Unaudited)

	Three Months Ended	
	September 28,	September 29,
	2018	2017
Net income	\$511	\$ 681
Other comprehensive loss, before tax:		
Foreign currency translation adjustment	(37)	(4)
Net unrealized gain (loss) on derivative contracts and available-for-sale securities	(1)	3
Total other comprehensive loss, before tax	(38)	(1)
Income tax benefit related to items of other comprehensive loss, before tax	1	—
Other comprehensive loss, net of tax	(37)	(1)
Total comprehensive income	\$474	\$ 680

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Table of ContentsWESTERN DIGITAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

(Unaudited)

	Three Months Ended	
	September 2018	September 29, 2017
Cash flows from operating activities		
Net income	\$511	\$ 681
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	480	533
Stock-based compensation	79	97
Deferred income taxes	201	36
Loss on disposal of assets	2	1
Write-off of issuance costs and amortization of debt discounts	9	10
Other non-cash operating activities, net	20	11
Changes in:		
Accounts receivable, net	(22)	(148)
Inventories	(175)	44
Accounts payable	(77)	(146)
Accounts payable to related parties	27	20
Accrued expenses	34	164
Accrued compensation	20	(38)
Other assets and liabilities, net	(404)	(132)
Net cash provided by operating activities	705	1,133
Cash flows from investing activities		
Purchases of property, plant and equipment	(277)	(160)
Proceeds from the sale of property, plant and equipment	—	5
Acquisitions, net of cash acquired	—	(93)
Purchases of investments	(11)	(38)
Proceeds from sale of investments	6	14
Proceeds from maturities of investments	3	2
Notes receivable issuances to Flash Ventures	(115)	(229)
Notes receivable proceeds from Flash Ventures	144	98
Strategic investments and other, net	(9)	23
Net cash used in investing activities	(259)	(378)
Cash flows from financing activities		
Issuance of stock under employee stock plans	8	20
Taxes paid on vested stock awards under employee stock plans	(66)	(61)
Repurchases of common stock	(563)	—
Dividends paid to shareholders	(148)	(147)
Settlement of debt hedge contracts	—	26
Repayment of debt	(38)	(62)
Net cash used in financing activities	(807)	(224)
Effect of exchange rate changes on cash	2	1
Net increase (decrease) in cash and cash equivalents	(359)	532
Cash and cash equivalents, beginning of year	5,005	6,354
Cash and cash equivalents, end of period	\$4,646	\$ 6,886
Supplemental disclosure of cash flow information:		

Edgar Filing: WESTERN DIGITAL CORP - Form 10-Q

Cash paid for income taxes	\$191	\$ 73
Cash paid for interest	\$139	\$ 71

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

7

Table of Contents

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Organization and Basis of Presentation

Western Digital Corporation (“Western Digital” or “the Company”) is a leading developer, manufacturer and provider of data storage devices and solutions that address the evolving needs of the information technology industry and the infrastructure that enables the proliferation of data in virtually every other industry. The Company’s broad portfolio of technology and products address the following key markets: Client Devices; Data Center Devices and Solutions; and Client Solutions. The Company also generates license and royalty revenue related to its intellectual property (“IP”), which is included in each of these three categories.

The accounting policies followed by the Company are set forth in Part II, Item 8, Note 1, Organization and Basis of Presentation, of the Notes to Consolidated Financial Statements included in the Company’s Annual Report on Form 10 K for the fiscal year ended June 29, 2018. In the opinion of management, all adjustments necessary to fairly state the Condensed Consolidated Financial Statements have been made. All such adjustments are of a normal, recurring nature. Certain information and footnote disclosures normally included in the Consolidated Financial Statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the notes thereto included in the Company’s Annual Report on Form 10 K for the fiscal year ended June 29, 2018. The results of operations for interim periods are not necessarily indicative of results to be expected for the full year.

Fiscal Year

The Company’s fiscal year ends on the Friday nearest to June 30 and typically consists of 52 weeks. Fiscal years 2019, which ends on June 28, 2019, and 2018, which ended on June 29, 2018, are each comprised of 52 weeks, with all quarters presented consisting of 13 weeks.

Use of Estimates

Company management has made estimates and assumptions relating to the reporting of certain assets and liabilities in conformity with U.S. GAAP. These estimates and assumptions have been applied using methodologies that are consistent throughout the periods presented. However, actual results could differ materially from these estimates.

Table of Contents

WESTERN DIGITAL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note 2. Recent Accounting Pronouncements

Accounting Pronouncements Recently Adopted

On August 29, 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2018-15, “Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract” (“ASU 2018-15”), to reduce diversity in practice in accounting for the costs of implementing cloud computing arrangements that are service contracts. ASU 2018-15 allows entities to apply the guidance in the FASB Accounting Standards Codification (“ASC”) 350-40 to determine which implementation costs are eligible to be capitalized as assets in a cloud computing arrangement that is considered a service contract. The Company adopted this standard on a prospective basis effective June 30, 2018, the beginning of fiscal year 2019, as allowed by the standard. This standard did not have a material impact on the Company’s Condensed Consolidated Financial Statements upon adoption or for the three months ended September 28, 2018.

In February 2018, the FASB issued ASU No. 2018-02, “Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” (“ASU 2018-02”). ASU 2018-02 allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act enacted on December 22, 2017 (the “2017 Act”). Consequently, the amendments eliminate the stranded tax effects resulting from the 2017 Act and will improve the usefulness of information reported to financial statement users. Because the amendments only relate to the reclassification of the income tax effects of the 2017 Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. For tax effects that are unrelated to the 2017 Act, the Company’s policy to release these from Accumulated other comprehensive loss on an individual item basis rather than a portfolio basis remains unchanged. The Company early adopted this standard effective June 30, 2018 and elected to reclassify stranded tax effects resulting from the 2017 Act from Accumulated other comprehensive loss to Retained earnings. The adoption of this standard did not have a material impact on the Company’s Condensed Consolidated Financial Statements.

In August 2017, the FASB issued ASU No. 2017-12, “Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities” (“ASU 2017-12”). ASU 2017-12 simplifies hedge accounting through changes to both designation and measurement requirements. For hedges that qualify as highly effective, the new standard eliminates the requirement to separately measure and record hedge ineffectiveness with the entire change in fair value of designated hedge reported in the results of operations in the same line item as the hedged item. The Company early adopted this standard effective June 30, 2018, using the modified retrospective approach. The adoption of this standard did not have a material impact on the Company’s Condensed Consolidated Financial Statements.

In May 2017, the FASB issued ASU No. 2017-09, “Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting” (“ASU 2017-09”). ASU 2017-09 provides clarification when a change to the terms or conditions of a share-based payment award must be accounted for as a modification. The new guidance requires modification accounting if the fair value, vesting condition or the classification of the award is not the same immediately before and after a change to the terms and conditions of the award. The Company adopted this standard on a prospective basis effective June 30, 2018. The adoption of this standard did not have a material impact on the Company’s Condensed Consolidated Financial Statements.

In March 2017, the FASB issued ASU No. 2017-07, “Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost” (“ASU 2017-07”).

ASU 2017-07 requires that the Company report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. In addition, the other components of net benefit cost are now presented in Other expense, net in the Condensed Consolidated Statements of Operations. The Company adopted this standard effective June 30, 2018. The adoption of this standard did not have a material impact on the Company’s Condensed Consolidated Financial Statements.

In January 2017, the FASB issued ASU No. 2017-01, “Business Combinations (Topic 805): Clarifying the Definition of a Business” (“ASU 2017-01”). ASU 2017-01 narrows the definition of a “business.” This standard provides guidance to assist entities with evaluating when a set of transferred assets and activities is a business. The Company adopted this standard effective June 30, 2018, and will apply it prospectively to transactions occurring thereafter. The adoption of this standard did not have a material impact on the Company’s Condensed Consolidated Financial Statements.

Table of Contents

WESTERN DIGITAL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In October 2016, the FASB issued ASU No. 2016-16, “Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory” (“ASU 2016-16”). ASU 2016-16 removes the prohibition in the FASB ASC Topic 740 against the immediate recognition of the current and deferred income tax effects of intra-entity transfers of assets other than inventory. The new standard is intended to reduce the complexity and diversity in practice related to the tax consequences of certain types of intra-entity asset transfers, particularly those involving IP. The Company adopted this standard effective June 30, 2018. The adoption of this standard did not have a material impact on the Company’s Condensed Consolidated Financial Statements.

In January 2016, the FASB issued ASU No. 2016-01, “Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities” (“ASU 2016-01”). ASU 2016-01 provides guidance related to accounting for equity investments, financial liabilities under the fair value option and the presentation and disclosure requirements for financial instruments. Marketable equity securities previously classified as available-for-sale equity investments are now measured and recorded at fair value with changes in fair value recorded within Other expense, net in the Condensed Consolidated Statements of Operations rather than as a component of Other comprehensive income as in prior years. In addition, the FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The Company adopted this standard effective June 30, 2018. The adoption of this standard did not have a material impact on the Company’s Condensed Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606),” which superseded the requirements in ASC 605 “Revenue Recognition” (Topic 605). Topic 606 outlines a comprehensive five-step revenue recognition model based on the principle that an entity should recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Topic 606 also requires more detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted Topic 606 effective June 30, 2018, using the modified retrospective method to all contracts that were not completed contracts as of the beginning of the fiscal year. Results for reporting periods beginning with fiscal year 2019 are presented under Topic 606, while prior period information presented on the financial statements or elsewhere in this Quarterly Report on Form 10-Q is reported under the Company’s historic accounting policies under Topic 605 in effect for that period and is not adjusted to reflect the retrospective effect of the adoption of Topic 606. The cumulative effect of adopting Topic 606 was a post-tax increase to the opening retained earnings of \$56 million as of June 30, 2018, which was primarily related to our license and royalty revenue arrangements. These arrangements had no remaining performance obligation but were previously recognized under Topic 605 when they were reported to the Company by its licensees, which was generally one quarter in arrears from the licensees’ sales of the licensed products. Adoption of the standard did not have a material impact on the Company’s financial position, results of operations, and cash flows, as of or for the three-month period ended September 28, 2018, and the Company expects that the impact of the adoption of the new standard will not be material to its results of operations prospectively. See Note 3, Revenues, for additional disclosures related to this standard.

Recently Issued Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”). ASU 2016-13 seeks to provide financial statement users with

more decision-useful information about the expected credit losses on financial instruments, including trade receivables, and other commitments to extend credit held by a reporting entity at each reporting date. The amendments require an entity to replace the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects current expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, which for the Company is the first quarter of fiscal 2021. The Company is currently evaluating the impact this update will have on its Consolidated Financial Statements.

Table of Contents

WESTERN DIGITAL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842)” (“ASU 2016-02”). ASU 2016-02 supersedes ASC 840 “Leases”. The amendments in this update require, among other things, that lessees recognize the following for all leases (unless a policy election is made by class of underlying asset to exclude short-term leases) at the commencement date: (1) a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a right-of-use asset, which is an asset that represents the lessee’s right to use, or the direct use of, a specified asset for the lease term. The FASB issued ASU 2018-11 on July 30, 2018, which allows entities to apply the provisions of ASC 842 at the effective date without adjusting comparative periods. The standard is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. As the Company plans for the adoption of this standard, the Company has completed its first phase of identifying its leases including the identification of embedded leases. The Company is in the process of identifying changes to its processes, internal controls and system requirements and configurations for a new lease accounting system to address the new lease standard. The Company’s implementation efforts are progressing as planned. The Company expects to adopt this standard in the first quarter of fiscal 2020 and expects to elect the practical expedient to not present historical comparative information. The Company continues to evaluate the impact ASU 2016-02 will have on its Consolidated Financial Statements.

Table of Contents

WESTERN DIGITAL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note 3. Revenues

The Company offers a broad range of data storage products that include Client Devices, Data Center Devices and Solutions, and Client Solutions. Client Devices consist of hard disk drives (“HDDs”) and solid state drives (“SSDs”) for computing devices; flash-based embedded storage products; and flash-based memory wafers. Data Center Devices and Solutions consist of high-capacity enterprise HDDs and high-performance enterprise SSDs, data center software and system solutions. Client Solutions consist of HDDs and SSDs embedded into external storage products and removable flash-based products. The Company also generates license and royalty revenues related to its IP patent licenses which are not material.

The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to the customer. The transaction price to be recognized as revenue is adjusted for variable consideration, such as sales incentives, and excludes amounts collected on behalf of third parties, including taxes imposed by governmental authorities. The Company’s performance obligations are typically not constrained based on the Company’s history with similar transactions and that uncertainties are resolved in a fairly short period of time.

Substantially all of the Company’s revenue is from the sale of tangible products for which the performance obligations are satisfied at a point in time, generally upon delivery. The Company’s services revenue mainly includes post contract customer support, warranty as a service and maintenance contracts. The performance obligations for the Company’s services are generally satisfied ratably over the service period based on the nature of the service provided and contract terms. Similarly, revenue from patent licensing arrangements is recognized based on whether the arrangement provides the customer a right to use or right to access the IP. Revenue for a right to use arrangement is recognized at the time the control of the license is transferred to the customer. Revenue for a right to access arrangement is recognized over the contract period using the time lapse method. For the sales-based royalty arrangements, the Company estimates and recognizes revenue in the period in which customers’ licensable sales occur.

The Company’s customer payment terms are typically less than three months from the date control over the product or service is transferred to the customer. The Company uses the practical expedient and does not recognize a significant financing component for payment considerations of less than one year. The financing components of contracts with payment terms were not material.

The Company provides distributors and retailers (collectively referred to as “resellers”) with limited price protection for inventories held by resellers at the time of published list price reductions and/or a right of return. The Company also provides resellers and original equipment manufacturers (“OEMs”) with other sales incentive programs. The Company uses judgment in its assessment of variable consideration in contracts to be included in the transaction price. The Company uses the expected value method to arrive at the amount of variable consideration. The Company believes the estimate of variable consideration is not constrained and that the expected value method is the appropriate estimate of the amount of variable consideration based on the fact that the Company has a large number of contracts with similar characteristics. The Company’s methodology for the estimates is based on several factors, including anticipated price decreases during the reseller holding period, resellers’ sell-through and inventory levels, estimated amounts to be reimbursed to qualifying customers, historical pricing information, historical and anticipated returns information and customer claim processing. The Company also has programs under which it reimburses qualified distributors and retailers for certain marketing expenditures, which are typically recorded as a reduction of the transaction price and, therefore, of revenue.

Some of the Company's revenue arrangements include more than one performance obligation, which are typically comprised of tangible products, software and support services for multiple distinct licenses. For these multiple-element arrangements, the Company evaluates whether each deliverable is a distinct promise and should be accounted for as a separate performance obligation. If a promised good or service is not distinct in accordance with the revenue guidance, the Company combines that good or service with the other promised goods or services in the arrangement until a distinct bundle of goods is identified. The Company allocates the transaction price to the performance obligations of each distinct product or service, or distinct bundle, based on their relative standalone selling prices. Where a separate standalone selling price is not available, the transaction price is based on the Company's best estimate of the selling price. The Company uses one or a combination of more than one of the following methods to estimate the standalone selling price: the adjusted market assessment approach, the expected cost plus a margin approach, or another suitable method based on the facts and circumstances.

Table of Contents

WESTERN DIGITAL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Contract assets represent the Company's rights to consideration where performance obligations are completed but the customer payments are not due until another performance obligation is satisfied. The Company did not have any contract assets as of either September 28, 2018 or the date of adoption of Topic 606.

The Company incurs sales commissions and other direct incremental costs to obtain sales contracts. The Company has applied the practical expedient to recognize the direct incremental costs of obtaining contracts as an expense when incurred if the amortization period is expected to be one year or less or the amount is not material, with these costs charged to selling, general and administrative expenses. Prior to the adoption of the new revenue standard, the Company's policy was to expense all contract acquisition costs as incurred. Other direct incremental costs to obtain contracts that have an expected benefit of greater than one year are amortized over the period of expected cash flows from the related contracts, and the amortization expense is recorded as a reduction to revenue. Total capitalized contract costs and the related amortization as of and for the three months ended September 28, 2018 were not material.

Contract liabilities relate to customers' payments in advance of performance under the contract and primarily relate to remaining performance obligations under support and maintenance contracts. As of September 28, 2018 and the date of adoption of Topic 606, contract liabilities were \$86 million and \$120 million, respectively, and were reflected in Accrued expenses. Changes in the contract liability balance during the three months ended September 28, 2018 were primarily the result of \$41 million of revenue recognized during the period that was deferred at June 29, 2018, partially offset by payments received and billings in advance of satisfying performance obligations.

The Company applies the practical expedients and does not disclose transaction price allocated to the remaining performance obligations for (i) arrangements that have an original expected duration of one year or less, which mainly consist of the support and maintenance contracts, and (ii) variable consideration amounts for sale-based or usage-based royalties for IP license arrangements, which typically range longer than one year. Remaining performance obligations are mainly attributed to unearned revenue and multi-year contracts with future installment payments at the end of any given period. The transaction price allocated to the other remaining performance obligations as of September 28, 2018 was \$263 million, which is mainly attributable to the functional IP license and service arrangements. The Company expects to recognize this amount as revenue as follows: \$87 million during the remainder of fiscal 2019, \$58 million in fiscal 2020, \$45 million in fiscal 2021 and \$73 million thereafter.

Table of Contents

WESTERN DIGITAL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company's disaggregated revenue information is as follows⁽¹⁾:

	Three Months Ended		
	September 28, 2018	September 29, 2017	
	(in millions, except percentages)		
Revenue by End Market			
Client Devices	\$2,650	\$ 2,676	
Data Center Devices & Solutions	1,446	1,369	
Client Solutions	932	1,136	
Total Revenue	5,028	5,181	
Revenue by Form Factor			
HDD	\$2,494	\$ 2,610	
Flash-based	2,534	2,571	
Total Revenue	\$5,028	\$ 5,181	
Revenue by Geography (%)			
Americas	25	% 26	%
Europe, Middle East and Africa	18	18	
Asia	57	56	

(1) Prior year information is presented in accordance with the accounting guidance in effect during that period and has not been updated for Topic 606. The impact of the adoption of Topic 606 was not material.

For the three months ended September 28, 2018 and September 29, 2017, two customers accounted for 11% and 10%, respectively, of the Company's net revenue. For the three months ended September 28, 2018 and September 29, 2017, the Company's top 10 customers accounted for 48% and 42% of the Company's net revenue, respectively.

Table of Contents

WESTERN DIGITAL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note 4. Supplemental Financial Statement Data

Accounts receivable, net

From time to time, in connection with factoring agreements, the Company sells trade accounts receivable without recourse to third party purchasers in exchange for cash. During the three months ended September 28, 2018, the Company sold trade accounts receivable and received cash proceeds of \$243 million. The discounts on the trade accounts receivable sold during the period were not material and were recorded within Other expense, net in the Condensed Consolidated Financial Statements. During the three months ended September 29, 2017, the Company did not sell any trade accounts receivable.

Inventories

	September 28, 2018	June 29, 2018
	(in millions)	
Inventories:		
Raw materials and component parts	\$ 1,139	\$ 1,048
Work-in-process	934	878
Finished goods	1,046	1,018
Total inventories	\$ 3,119	\$ 2,944

Property, plant and equipment, net

	September 28, 2018	June 29, 2018
	(in millions)	
Property, plant, and equipment:		
Land	\$ 306	\$ 306
Buildings and improvements	1,965	1,949
Machinery and equipment	7,311	7,209
Computer equipment and software	447	440
Furniture and fixtures	51	48
Construction-in-process	251	234
Property, plant and equipment, gross	10,331	10,186
Accumulated depreciation	(7,277)	(7,091)
Property, plant, and equipment, net	\$ 3,054	\$ 3,095

Goodwill

	Carrying Amount
	(in millions)
Balance at June 29, 2018	\$ 10,075
Foreign currency translation adjustment (3)	
Balance at September 28, 2018	\$ 10,072

Table of ContentsWESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Intangible assets

	September 28, 2018	June 29, 2018
	(in millions)	
Finite-lived intangible assets	\$5,818	\$5,818
In-process research and development	80	80
Accumulated amortization	(3,494)	(3,218)
Intangible assets, net	\$2,404	\$2,680

As part of prior acquisitions, the Company recorded at the time of the acquisition acquired in-process research and development (“IPR&D”) for projects in progress that had not yet reached technological feasibility. IPR&D is initially accounted for as an indefinite-lived intangible asset. Once a project reaches technological feasibility, the Company reclassifies the balance to existing technology and begins to amortize the intangible asset over its estimated useful life.

Product warranty liability

Changes in the warranty accrual were as follows:

	Three Months Ended	
	September 2018	September 2017
	(in millions)	
Warranty accrual, beginning of period	\$318	\$ 311
Charges to operations	34	44
Utilization	(26)	(38)
Changes in estimate related to pre-existing warranties	(3)	(15)
Warranty accrual, end of period	\$323	\$ 302

The current portion of the warranty accrual is classified in Accrued expenses and the long-term portion is classified in Other liabilities as noted below:

	September 28, 2018	June 29, 2018
	(in millions)	
Warranty accrual		
Current portion	\$169	\$ 168
Long-term portion	154	150
Total warranty accrual	\$323	\$ 318

Other liabilities

	September 28, 2018	June 29, 2018
	(in millions)	
Other non-current liabilities:		
Non-current net tax payable	\$939	\$ 1,315

Other non-current liabilities	1,076	940
Total other non-current liabilities	\$2,015	\$ 2,255

Table of Contents

WESTERN DIGITAL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Accumulated other comprehensive income (loss)

Other comprehensive income (loss) (“OCI”), net of tax refers to expenses, gains and losses that are recorded as an element of shareholders’ equity but are excluded from net income. The following table illustrates the changes in the balances of each component of Accumulated other comprehensive income (loss) (“AOCI”):

	Actuarial Pension Gains (Losses)	Foreign Currency Translation Gains (Losses)	Unrealized Gains (Losses) on Derivative Contracts and Available for Sale Securities	Total Accumulated Comprehensive Income (Loss)
	(in millions)			
Balance at June 29, 2018	\$(19)	\$ (21)	\$ 1	\$ (39)
Other comprehensive loss before reclassifications	—	(37)	(6)	(43)
Amounts reclassified from accumulated other comprehensive loss	—	—	5	5
Income tax benefit related to items of other comprehensive loss	—	—	1	1
Net current-period other comprehensive loss	—	(37)	—	(37)
Balance at September 28, 2018	\$(19)	\$ (58)	\$ 1	\$ (76)

During the three months ended September 28, 2018 and September 29, 2017, the amounts reclassified out of AOCI related to derivative contracts were not material and were charged to Cost of revenue in the Condensed Consolidated Statements of Operations.

Table of Contents

WESTERN DIGITAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note Table of Contents

5.

coupons, if any, of any series created prior to the execution of such supplemental indenture in any material respect; or

- (l) to conform the text of any provision of the indenture, as amended and supplemented from time to time, that is applicable to the notes or the notes, as applicable, to the description of the terms of the notes in this prospectus supplement.

Changes requiring approval of holders of notes

With the written consent of the holders of not less than a majority in principal amount of the outstanding notes, by act of said holders delivered to the Company and the trustee, the Company, when authorized by a resolution of its Board of Directors, and the trustee may enter into an indenture or indentures supplemental to the indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the indenture or of modifying in any manner the rights of the holders under the indenture of the notes; *provided, however*, that no such supplemental indenture shall, without the consent of the holder of each outstanding note affected thereby,

- (a) change the stated maturity of the principal of, or installment of interest, if any, on, the notes, or reduce the principal amount thereof or the interest thereon or any premium payable upon redemption thereof, or change the currency or currencies in which the principal of (and premium, if any) or interest on the notes is denominated or payable, or adversely affect the right of repayment or repurchase, if any, at the option of the holder, or reduce the amount of, or postpone the date fixed for, any payment under any sinking fund or analogous provisions for the notes, or impair the right to institute suit for the enforcement of any payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);
- (b) reduce the percentage in principal amount of the outstanding notes required for any supplemental indenture or for any waiver of compliance with certain provisions of the indenture or certain defaults or Events of Default under the indenture and their consequences provided for in the indenture; or
- (c) modify certain provisions of the indenture requiring the approval of a specified percentage of the holders of the notes, except to increase any such percentage or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding note affected thereby; *provided, however*, that this clause shall not be deemed to require the consent of any holder with respect to changes in the references to the trustee and concomitant changes in the indenture, or the deletion of this proviso, in accordance with the requirements of the indenture.

It shall not be necessary for any act of holders of the notes under the preceding paragraph to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such act shall approve the substance thereof.

Legal defeasance and covenant defeasance

At the Company's option, either (a) the Company shall be deemed to have been Discharged (as defined below) from its obligations with respect to the notes (legal defeasance option) or (b) the Company shall cease to be under any obligation to comply with any term, provision or condition set forth in Covenants and Change of control offer above with respect to the notes (covenant defeasance option) at any time after the applicable conditions set forth below have been satisfied:

- (a) the Company shall have deposited or caused to be deposited irrevocably with the trustee as trust funds in trust dedicated solely to the benefit of the holders of the notes (i) money in an amount, or (ii) U.S.

Table of Contents

Government Obligations (as defined below) which through the payment of interest and principal in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (iii) a combination of (i) and (ii), sufficient, in the opinion (with respect to (ii) and (iii)) of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the trustee, to pay and discharge each installment of principal (including any mandatory sinking fund payments) of and premium, if any, and interest on, the outstanding notes on the dates such installments of interest or principal and premium are due;

- (b) such deposit shall not cause the trustee with respect to the notes to have a conflicting interest for purposes of the Trust Indenture Act with respect to the notes;
- (c) such defeasance will not cause the trust resulting from such deposit to constitute, unless it is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended;
- (d) the Company delivers to the trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent to the defeasance and discharge of the notes as contemplated by this Legal defeasance and covenant defeasance section have been complied with;
- (e) such deposit will not result in a breach or violation of, or constitute a default under, the indenture or any other agreement or instrument to which the Company is a party or by which it is bound;
- (f) no Event of Default or event (including such deposit) which, with notice or lapse of time or both, would become an Event of Default with respect to the notes shall have occurred and be continuing on the date of such deposit and, with respect to the legal defeasance option only, no Event of Default under paragraphs (d) or (e) of Events of default or event which with the giving of notice or lapse of time, or both, would become an Event of Default under paragraphs (d) or (e) of Events of default shall have occurred and be continuing on the 91st day after such date; and
- (g) the Company shall have delivered to the trustee an opinion of counsel to the effect that such defeasance will not cause the beneficial owners of the notes to recognize income, gain or loss for U.S. federal income tax purposes and such beneficial owners will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same time as if the defeasance had not occurred, which opinion of counsel, in the case of the legal defeasance option, must be based on a ruling from the Internal Revenue Service or a change in the applicable U.S. federal income tax law.

Notwithstanding the foregoing, if the Company exercises its covenant defeasance option and an Event of Default under paragraphs (d) or (e) of Events of default or an event which with the giving of notice or lapse of time, or both, would become an Event of Default under paragraphs (d) or (e) of Events of default shall have occurred and be continuing on the 91st day after the date of such deposit, the obligations of the Company referred to under the definition of covenant defeasance option with respect to such notes shall be reinstated in full.

Discharged means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by, and obligations under, the notes and to have satisfied all the obligations under the indenture relating to the notes (and the trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except (a) the rights of holders of the notes to receive, from the trust fund described in paragraph (a) above, payment of the principal of (and premium, if any) and interest on such notes when such payments are due, (b) the Company's obligations with respect to temporary notes, registration, transfer or exchange of the notes, mutilated, destroyed, lost and stolen notes, compensation and reimbursement of the trustee, maintenance of office or agency and holding deposited moneys and U.S. Government Obligations in trust, in each case, as expressly provided for in the base indenture, as supplemented and amended as of the

Table of Contents

relevant time and (c) the rights, powers, trusts, duties and immunities of the trustee under the base indenture, as supplemented and amended as of the relevant time.

U.S. Government Obligations means securities that are (a) direct obligations of the United States for the payment of which its full faith and credit is pledged, or (b) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States, which, in either case under clause (a) or (b), are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

Satisfaction and discharge

The indenture, with respect to the notes, shall upon the Company's request, cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of the notes expressly provided for in the indenture and the right to receive payments of principal (and premium, if any) and interest on the notes) and the trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of the indenture, when

- (a) either (A) all notes theretofore authenticated and delivered (other than (i) notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in the indenture and (ii) notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in the indenture) have been delivered to the trustee for cancellation; or (B) all notes not theretofore delivered to the trustee for cancellation, (i) have become due and payable, or (ii) will become due and payable at their stated maturity date within one year, or (iii) if redeemable at the option of the Company, are to be called for redemption within one year under arrangements satisfactory to the trustee for the giving of notice by the trustee in the name, and at the expense, of the Company, and the Company, in the case of (i), (ii) or (iii) of this subclause (B), has irrevocably deposited or caused to be deposited with the trustee as trust funds in trust for such purpose an amount in the currency in which the notes are denominated sufficient to pay and discharge the entire indebtedness on the notes for principal (and premium, if any) and interest to the date of such deposit (in the case of notes which have become due and payable) or to the stated maturity date or redemption date, as the case may be; *provided, however*, in the event a petition for relief under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or State bankruptcy, insolvency or other similar law, is filed with respect to the Company within 91 days after the deposit and the trustee is required to return the deposited money to the Company, the obligations of the Company under the indenture with respect to the notes shall not be deemed terminated or discharged;
- (b) the Company has paid or caused to be paid all other sums payable under the indenture in respect of the notes; and
- (c) the Company has delivered to the trustee an officers' certificate and an opinion of counsel each stating that all conditions precedent under the indenture relating to the satisfaction and discharge of the indenture with respect to the notes have been complied with. Notwithstanding the foregoing, in connection with any discharge relating to any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the indenture to

Table of Contents

the extent that an amount is deposited with the trustee equal to the Applicable Premium calculated as of the date of the notice of redemption (and calculated as though the redemption date were the date of such notice of redemption), with any deficit as of the redemption date only required to be deposited with the trustee on or prior to the redemption date.

Liability for notes

No recourse shall be had for the payment of the principal of (or premium, if any) or the interest on the notes, or any part thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement of the indenture, against any incorporator, or against any stockholder, officer or director, as such, past, present or future, of the Company (or any incorporator, stockholder, officer or director of any predecessor or successor Corporation (as defined above)), either directly or through the Company (or any such predecessor or successor Corporation (as defined above)), whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all as set forth in the indenture.

Book-entry procedures

We have obtained the following information concerning DTC, Clearstream Banking S.A., or Clearstream, and Euroclear Bank SA/NV, as operator of the Euroclear System, or Euroclear, and the book-entry system and procedures from sources that we believe to be reliable, but we take no responsibility for the accuracy of this information.

The notes will be issued initially in the form of a permanent global security in registered form deposited with, or on behalf of, DTC and registered, at the request of DTC, in the name of Cede & Co. Beneficial interests in the global security will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in DTC. Investors may elect to hold their interests in the global security through either DTC (in the United States) or (in Europe) through Clearstream or through Euroclear. Investors may hold their interests in the global security directly if they are participants of such systems, or indirectly through organizations that are participants in these systems. Interests held through Clearstream and Euroclear will be recorded on DTC's books as being held by the U.S. depository for each of Clearstream and Euroclear, which U.S. depositories will, in turn, hold interests on behalf of their participants' customers' securities accounts. Except as set forth below, the global securities may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

Notes represented by the global security can be exchanged for definitive securities in registered form only if

DTC notifies us that it is unwilling or unable to continue as depository for that global security and we do not appoint a successor depository within 90 days after receiving such notice,

at any time DTC ceases to be a clearing agency registered and in good standing under the Exchange Act and we do not appoint a successor depository within 90 days after becoming aware of such condition,

we at any time and in our sole discretion determine that that global security will be exchangeable for definitive securities in registered form and notify the trustee of our decision, or

an Event of Default with respect to the notes represented by that global security has occurred and is continuing.

A global security that can be exchanged as described in the preceding sentence will be exchanged for definitive securities issued in authorized denominations in registered form for the same aggregate amount. The definitive securities will be registered in such names and in such authorized denominations as DTC, pursuant to the instructions from its direct or indirect participants or otherwise, shall instruct the trustee.

Table of Contents

We will make principal and interest payments on the notes represented by the global security to the paying agent which in turn will make payment to DTC or its nominee, as the case may be, as the sole registered owner and the sole holder of the notes represented by a global security for all purposes under the indenture. Accordingly, we, the trustee, the security registrar and any paying agent will have no responsibility or liability for

any aspect of DTC's records relating to, or payments made on account of, beneficial ownership interests in a debt security represented by a global security,

any other aspect of the relationship between DTC and its participants or the relationship between those participants and the owners of beneficial interests in a global security held through those participants, or

the maintenance, supervision or review of any of DTC's records relating to those beneficial ownership interests.

We expect that, under DTC's current practice, DTC will credit participants' accounts on each payment date with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global security as shown on DTC's records, upon DTC's receipt of funds and corresponding detail information. The underwriters or agents for the notes represented by the global security will initially designate the accounts to be credited. Payments by participants to owners of beneficial interests in a global security will be governed by standing instructions and customary practices, as is the case with securities held for customer accounts registered in street name, and will be the sole responsibility of those participants. Book-entry notes may be more difficult to pledge because of the lack of a physical note.

DTC

So long as DTC or its nominee is the registered owner of a global security, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the notes represented by that global security for all purposes of the notes. Except as set forth above, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered owners or holders of notes under the indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a DTC participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder of notes. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of the securities in certificated form. These laws may impair the ability to transfer beneficial interests in a global security. Beneficial owners may experience delays in receiving distributions on their notes since distributions will initially be made to DTC and must then be transferred through the chain of intermediaries to the beneficial owner's account.

We understand that, under existing industry practices, if we request holders to take any action, or if an owner of a beneficial interest in a global security desires to take any action which a holder is entitled to take under the indenture, then DTC would authorize the participants holding the relevant beneficial interests to take that action and those participants would authorize the beneficial owners owning through such participants to take that action or would otherwise act upon the instructions of beneficial owners owning through them.

Beneficial interests in a global security will be shown on, and transfers of those ownership interests will be effected only through, records maintained by DTC and its participants for that global security. The conveyance of notices and other communications by DTC to its participants and by its participants to owners of beneficial interests in the notes will be governed by arrangements among them, subject to any statutory or regulatory requirements in effect.

Table of Contents

We understand that DTC is a limited-purpose trust company organized under the New York banking law, a banking organization within the meaning of the New York Banking Law, a member of the U.S. Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under the Exchange Act.

We understand that DTC holds the securities of its participants and facilitates the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of its participants. The electronic book-entry system eliminates the need for physical certificates. DTC's participants include securities brokers and dealers, including underwriters, banks, trust companies, clearing corporations and certain other organizations, some of which, and/or their representatives, own DTC. Banks, brokers, dealers, trust companies and others that clear through or maintain a custodial relationship with a participant, either directly or indirectly, also have access to DTC's book-entry system. The rules applicable to DTC and its participants are on file with the SEC.

We understand that the above information with respect to DTC has been provided to its participants and other members of the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

Clearstream

We understand that

Clearstream is incorporated under the laws of Luxembourg as a professional depositary,

Clearstream holds securities for its participating organizations, or Clearstream participants, and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, thereby eliminating the need for physical movement of certificates,

Clearstream provides to Clearstream participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing,

Clearstream interfaces with domestic securities markets in several countries.

as a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier*),

Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include an underwriter, dealer, agent or purchaser engaged by us to sell the notes,

Clearstream's U.S. Participants are limited to securities brokers and dealers and banks,

Clearstream has established an electronic bridge with Euroclear to facilitate settlement of trades between Clearstream and Euroclear, and

indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant either directly or indirectly.

Edgar Filing: WESTERN DIGITAL CORP - Form 10-Q

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream.

S-42

Table of Contents

Euroclear

We understand that

Euroclear was created in 1968 to hold securities for participants of Euroclear, or Euroclear participants, and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash,

Euroclear performs various other services, including securities lending and borrowing and interacts with domestic markets in several countries,

Euroclear is owned by Euroclear plc, a U.K. limited liability company, and operated through a license agreement by Euroclear Bank SA/NV, known as the Euroclear operator,

all operations are conducted by the Euroclear operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear operator, not Euroclear plc,

Euroclear plc establishes policy for Euroclear on behalf of Euroclear participants,

Euroclear participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries and may include an underwriter, dealer, agent or purchaser engaged by us to sell the notes,

indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly,

the Euroclear operator is a Belgian bank. As such, it is regulated by the Belgian Banking and Finance Commission and overseen as the operator of a securities settlement system by the National Bank of Belgium,

securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, which we will refer to herein as the Terms and Conditions,

the Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear,

all securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts, and

the Euroclear operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Edgar Filing: WESTERN DIGITAL CORP - Form 10-Q

Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions, to the extent received by the U.S. depositary for Euroclear.

We understand that investors that acquire, hold and transfer interests in the notes by book-entry through accounts with the Euroclear operator or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such an intermediary and each other intermediary, if any, standing between themselves and the global securities.

S-43

Table of Contents

Governing law

The Indenture and the notes for all purposes shall be governed by and construed in accordance with the laws of the State of New York.

Concerning the trustee

The trustee has provided various services to us in the past and may do so in the future in the ordinary course of its regular business.

S-44

Table of Contents**Material U.S. federal income tax considerations**

The following is a general discussion of the material U.S. federal income tax considerations applicable to U.S. holders and non-U.S. holders (each as defined below) with respect to the ownership and disposition of notes acquired in this offering, but does not purport to be a complete analysis of all the potential tax considerations. This discussion is limited to the U.S. federal income tax consequences relevant to holders who acquire notes in the initial offering at their original issue price (*i.e.*, the first price at which a substantial amount of notes is sold to purchasers (other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) for cash) and that hold such notes as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue

Code of 1986, as amended (the Code) (generally, property held for investment). This discussion does not address tax consequences relevant to subsequent purchasers of the notes. This discussion is based on current provisions of the Code, Treasury regulations promulgated thereunder, judicial decisions and administrative rulings and published positions of the Internal Revenue Service (the IRS), each as in effect as of the date hereof and all of which are subject to change or differing interpretations, possibly with retroactive effect, and any such change or interpretation could affect the accuracy of the statements and conclusions set forth herein.

This discussion is for general information only and does not purport to address all aspects of U.S. federal income taxation that may be relevant to particular holders in light of their particular circumstances or to holders subject to special rules under the U.S. federal income tax laws (including, for example, banks or other financial institutions, dealers in securities or currencies, traders in securities that elect to apply a mark-to-market method of accounting, insurance companies, tax-exempt entities, grantor trusts, entities or arrangements treated as partnerships for U.S. federal income tax purposes or other flow-through entities (and investors therein), subchapter S corporations, retirement plans, individual retirement accounts or other tax-deferred accounts, real estate investment trusts, regulated investment companies, accrual method holders subject to special tax accounting rules as a result of their use of financial statements, holders liable for the alternative minimum tax, certain former citizens or former long-term residents of the United States, U.S. holders having a functional currency other than the U.S. dollar, holders who hold the notes as part of a hedge, straddle, constructive sale, conversion transaction or other integrated transaction, controlled foreign corporations, and passive foreign investment companies). This discussion also does not address any considerations under U.S. federal tax laws other than those pertaining to the income tax, nor does it address any considerations under any state, local or non-U.S. tax laws. In addition, this discussion does not address the tax consequences of the ownership and disposition of the notes arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010 nor, except as described below, any considerations with respect to any withholding required pursuant to the Foreign Account Tax Compliance Act of 2010 (including the Treasury regulations promulgated thereunder and intergovernmental agreements entered in connection therewith) (collectively, FATCA). Prospective investors should consult with their own tax advisors as to the particular tax consequences to them of the ownership and disposition of the notes, including with respect to the applicability and effect of any U.S. federal, state, local or non-U.S. tax laws or any tax treaty, and any changes (or proposed changes) in tax laws or interpretations thereof.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds notes, the tax treatment of a person treated as a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Persons that for U.S. federal income tax purposes are treated as a partner in a partnership holding the notes should consult their tax advisors regarding the tax consequences to them of the ownership and disposition of the notes.

THIS DISCUSSION IS FOR GENERAL INFORMATION PURPOSES ONLY, AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP AND DISPOSITION OF

Table of Contents

THE NOTES. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING WITH RESPECT TO THE APPLICABILITY AND EFFECT OF ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. INCOME TAX LAWS OR ANY TAX TREATY.

The terms of the notes provide for payments by us in excess of stated interest or principal, or prior to their scheduled payment dates, under certain circumstances. The possibility of such payments may implicate special rules under Treasury regulations governing contingent payment debt instruments. According to those Treasury regulations, the possibility that such payments of excess or accelerated amounts will be made will not affect the amount of income a holder recognizes in advance of the payment of such excess or accelerated amounts if there is only a remote chance as of the date the notes are issued that such payments will be made. We intend to take the position that the likelihood that such payments will be made is remote within the meaning of the applicable Treasury regulations. Our position that these contingencies are remote is binding on a holder unless such holder discloses its contrary position to the IRS in the manner required by applicable Treasury regulations. Our position is not, however, binding on the IRS, and if the IRS were to challenge this position successfully, a holder might be required to, among other things, accrue interest income based on a projected payment schedule and comparable yield, which may be in excess of stated interest, and treat as ordinary income rather than capital gain any income realized on the taxable disposition of a note. In the event a contingency described above occurs, it could affect the amount, timing and character of the income or loss recognized by a holder. Prospective holders should consult their own tax advisors regarding the tax consequences if the notes were treated as contingent payment debt instruments. The remainder of this discussion assumes that the notes will not be considered contingent payment debt instruments.

U.S. holders

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of a note that is, for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States;

a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;

an estate, the income of which is subject to U.S. federal income tax regardless of its source; or

a trust (a) if a court within the United States is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

Payments of interest

It is anticipated, and this discussion assumes, that the issue price of the notes will be equal to the stated principal amount or, if the issue price is less than the stated principal amount, the difference will be a *de minimis* amount (as set forth in the applicable Treasury regulations). Interest on a note generally will be taxable to a U.S. holder as ordinary interest income at the time it is received or accrued, in accordance with the U.S. holder's regular method of accounting for U.S. federal income tax purposes.

Sale, exchange, redemption or other taxable disposition of the notes

A U.S. holder generally will recognize gain or loss upon the sale, exchange, redemption or other taxable disposition of a note equal to the difference, if any, between (a) the sum of the cash and the fair market value of

Table of Contents

any property received on such disposition (other than amounts properly attributable to accrued but unpaid interest, which amounts will be treated as interest income as described above under Payments of Interest) and (b) such U.S. holder's adjusted tax basis in the note. A U.S. holder's adjusted tax basis in a note generally will be equal to the amount that such U.S. holder paid for the note. Any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss, if, at the time of such disposition, the U.S. holder will have held the note for a period of more than one year. Long-term capital gains of non-corporate U.S. holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Information reporting and backup withholding

Information reporting generally will apply to payments of interest on the notes and to the proceeds of a sale or other taxable disposition of a note paid to a U.S. holder unless the U.S. holder is an exempt recipient. U.S. federal backup withholding generally will apply to such payments if the U.S. holder fails to provide the applicable withholding agent with a properly completed and executed IRS Form W-9 providing such U.S. holder's correct taxpayer identification number and certifying that such U.S. holder is not subject to backup withholding, or to otherwise establish an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, if any, provided that the required information is furnished timely to the IRS.

Non-U.S. holders

For purposes of this discussion, the term non-U.S. holder means a beneficial owner of a note that is neither a U.S. holder nor a partnership for U.S. federal income tax purposes.

Payments of interest

Subject to the discussion below under Information Reporting and Backup Withholding, payments of interest on the notes to a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax under the portfolio interest exemption, provided that:

such interest is not effectively connected with the non-U.S. holder's conduct of a trade or business within the United States;

the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;

the non-U.S. holder is not a controlled foreign corporation with respect to which we are a related person within the meaning of the Code; and

either (a) the beneficial owner of the notes provides the applicable withholding agent with a properly completed and executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, certifying, under penalties of perjury, that it is not a U.S. person and providing its name and address or (b) a financial institution that holds the notes on behalf of the beneficial owner certifies to the applicable withholding agent, under penalties of perjury, that it has received such properly completed and executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from the beneficial owner or an intermediate financial institution and provides the applicable withholding agent with a copy thereof.

If a non-U.S. holder cannot satisfy the requirements of the portfolio interest exemption described above, payments of interest made to the non-U.S. holder generally will be subject to U.S. federal withholding tax at a

Table of Contents

rate of 30%, or such lower rate as may be specified by an applicable income tax treaty, unless such interest is effectively connected with such non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment of the non-U.S. holder in the United States) and such non-U.S. holder provides the applicable withholding agent with a properly completed and executed IRS Form W-8ECI. In order to claim an exemption from or reduction of withholding tax under an applicable income tax treaty, a non-U.S. holder generally must furnish to the applicable withholding agent a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. Non-U.S. holders eligible for an exemption from or reduced rate of U.S. federal withholding tax under an applicable income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim with the IRS. Non-U.S. holders should consult their own tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the requirements for claiming any such benefits.

Interest paid to a non-U.S. holder that is effectively connected with such non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment of the non-U.S. holder in the United States) generally will not be subject to U.S. federal withholding tax, provided that the non-U.S. holder complies with applicable certification requirements described above. Instead, such interest generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if such non-U.S. holder were a U.S. person. A non-U.S. holder that is a corporation may be subject to an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Sale, exchange, redemption or other taxable disposition of the notes

Subject to the discussion below under Information Reporting and Backup Withholding, except with respect to accrued and unpaid interest (which will be treated as described above under Payments of Interest), a non-U.S. holder generally will not be subject to U.S. federal income tax or withholding tax on any gain realized upon the sale, exchange, redemption or other taxable disposition of a note unless:

such gain is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment of the non-U.S. holder in the United States); or

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if such non-U.S. holder were a U.S. person. A non-U.S. holder that is a corporation also may be subject to an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

A non-U.S. holder described in the second bullet point above generally will be subject to U.S. federal income tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty) on any gain realized, which gain may be offset by U.S. source capital losses, if any, of the non-U.S. holder.

Information reporting and backup withholding

Generally, information reporting will apply to the amount of interest paid to each non-U.S. holder and the amount of tax, if any, withheld with respect to such payments. These reporting requirements apply regardless

Table of Contents

of whether withholding was reduced or eliminated by an applicable income tax treaty. This information may also be made available to the tax authorities in the country in which a non-U.S. holder resides or is established pursuant to the provisions of a specific treaty or agreement with those tax authorities. U.S. backup withholding tax is imposed on certain payments to persons that fail to furnish the information required under the U.S. information reporting rules. Interest paid to a non-U.S. holder generally will be exempt from backup withholding if the non-U.S. holder provides the applicable withholding agent with a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or otherwise establishes an exemption.

Under Treasury regulations, the payment of proceeds from the disposition of a note by a non-U.S. holder effected at a U.S. office of a broker generally will be subject to information reporting and backup withholding, unless the non-U.S. holder provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or other applicable IRS Form W-8), certifying such non-U.S. holder's non-U.S. status or such non-U.S. holder otherwise establishes an exemption. The payment of proceeds from the disposition of a note by a non-U.S. holder effected at a non-U.S. office of a U.S. broker or a non-U.S. broker with certain specified U.S. connections generally will be subject to information reporting (but not backup withholding) unless such non-U.S. holder provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or other applicable IRS Form W-8), certifying such non-U.S. holder's non-U.S. status or such non-U.S. holder otherwise establishes an exemption. Backup withholding will apply if the disposition is subject to information reporting and the broker has actual knowledge that the non-U.S. holder is a U.S. person.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, if any, provided that the required information is furnished timely to the IRS. Non-U.S. holders should consult their own tax advisors regarding the application of these rules to their particular circumstances.

Under certain circumstances, FATCA imposes a withholding tax of 30% on payments of interest on, and, after December 31, 2018, the gross proceeds from a disposition of, the notes made to certain foreign entities (whether such foreign entities are beneficial owners or intermediaries) unless various information reporting and due diligence requirements are satisfied. Prospective investors that are, or intend to hold the notes through, foreign entities should consult their own tax advisors regarding the possibility of withholding under FATCA.

Table of Contents**Underwriting**

J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and HSBC Securities (USA) Inc. are acting as joint book-running managers of the offering and as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of the notes set forth opposite the underwriter's name.

Underwriter	Principal amount of notes
J.P. Morgan Securities LLC	\$ 132,750,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	132,750,000
HSBC Securities (USA) Inc.	96,750,000
BNY Mellon Capital Markets, LLC	20,250,000
TD Securities (USA) LLC	20,250,000
Wells Fargo Securities, LLC	20,250,000
Citizens Capital Markets, Inc.	9,000,000
The Williams Capital Group, L.P.	9,000,000
U.S. Bancorp Investments, Inc.	9,000,000
 Total	 \$ 450,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The offering of the notes by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

Notes sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price not to exceed 0.400% of the principal amount of the notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price not to exceed 0.250% of the principal amount of the notes. If all the notes are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

The following table shows the underwriting discounts that we are to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

	Paid by the Company
Per note	0.650%

We estimate that our total expenses for this offering, will be approximately \$1.9 million.

In connection with the offering, the underwriters may purchase and sell the notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

Short sales involve secondary market sales by the underwriters of a greater number of the notes than they are required to purchase in this offering.

Covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions.

S-50

Table of Contents

Stabilizing transactions involve bids to purchase the notes so long as the stabilizing bids do not exceed a specified maximum. Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

Other relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. In addition, affiliates of some of the underwriters are lenders, and in some cases agents or managers for the lenders, under our revolving credit facility and term loan facility. Certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. In connection with the issuance of the notes, we may enter into interest rate swap agreements with financial institutions, which may include one or more of the underwriters or their affiliates. In addition, an affiliate of J.P. Morgan Securities LLC has served as our financial advisor in connection with the Aclara Acquisition.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

Notice to prospective investors in Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Table of Contents

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement and the accompanying prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to prospective investors in the European Economic Area

The notes may not be offered, sold or otherwise made available to any retail investor in the EEA.

For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes.

Notice to prospective investors in the United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to the notes in, from or otherwise involving the United Kingdom.

Notice to prospective investors in Switzerland

This prospectus supplement and the accompanying prospectus are not intended to constitute an offer or solicitation to purchase or invest in the notes described herein. The notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this prospectus supplement, the accompanying prospectus nor any other offering or marketing material relating to the notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this prospectus supplement, the accompanying prospectus nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Table of Contents

Notice to prospective investors in Hong Kong

Each underwriter (i) has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any notes other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that Ordinance.

Notice to prospective investors in Japan

The notes have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the notes nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to prospective investors in Singapore

This prospectus supplement and the accompanying prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has not offered or sold any notes or caused such notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such notes or cause such notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus supplement and the accompanying prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA, except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the

Table of Contents

SFA), or to any person arising from an offer referred to in Section 275(1A), or Section 276(4)(i)(B) of the SFA; (ii) where no consideration is or will be given for the transfer; (iii) where the transfer is by operation of law; (iv) as specified in Section 276(7) of the SFA; or (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

S-54

Table of Contents

Validity of notes

The validity of the note will be passed upon for us by Wachtell, Lipton, Rosen & Katz, New York, New York, and, with respect to matters of Connecticut law, by Shipman & Goodwin LLP, Hartford, Connecticut. Certain legal matters related to the offering will be passed upon for the underwriters by Sidley Austin LLP.

Experts

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2016 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

S-55

Table of Contents

PROSPECTUS

HUBBELL INCORPORATED

Common Stock

Preferred Stock

Debt Securities

Hubbell Incorporated (the Company) may offer and sell the securities in any combination from time to time in one or more offerings. The debt securities and preferred stock may be convertible into or exercisable or exchangeable for the Company's common stock, the Company's preferred stock or any of the Company's other securities. This prospectus provides you with a general description of the securities the Company may offer.

Each time the Company sells securities it will provide a supplement to this prospectus that contains specific information about the offering and the terms of the securities being offered. The prospectus supplement may also add to, update or change information contained in this prospectus. You should carefully read this prospectus and the applicable prospectus supplement before you invest in any of the Company's securities.

The Company may sell the securities described in this prospectus and any prospectus supplement to or through one or more underwriters, dealers and agents, or directly to purchasers, or through a combination of these methods, on a continuous or delayed basis. The names of any underwriters and any applicable commissions or discounts will be included in the applicable prospectus supplement.

The Company's common stock is listed on the New York Stock Exchange under the symbol HUBB.

Investing in the Company's securities involves risks. See the Risk Factors on page 6 of this prospectus, and any similar section contained in the applicable prospectus supplement concerning factors you should consider before investing in the Company's securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus or any accompanying prospectus supplement. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 16, 2016.

Table of Contents

TABLE OF CONTENTS

<u>ABOUT THIS PROSPECTUS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	1
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	2
<u>FORWARD-LOOKING STATEMENTS</u>	3
<u>HUBBELL INCORPORATED</u>	5
<u>RISK FACTORS</u>	6
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	6
<u>USE OF PROCEEDS</u>	6
<u>DESCRIPTION OF CAPITAL STOCK</u>	7
<u>DESCRIPTION OF DEBT SECURITIES</u>	9
<u>PLAN OF DISTRIBUTION</u>	13
<u>VALIDITY OF SECURITIES</u>	13
<u>EXPERTS</u>	14

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission, or the SEC, as a well-known seasoned issuer (as defined in Rule 405 under the Securities Act of 1933, as amended (the Securities Act)). By using a shelf registration statement, we may sell any amount and combination of our common stock, preferred stock and debt securities from time to time and in one or more offerings. The base prospectus included in this registration statement only provides a general description of the securities that we may offer. Each time that we sell securities, we will provide a prospectus supplement to this prospectus that contains specific information about the securities being offered and the specific terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and the applicable prospectus supplement, you should rely on the prospectus supplement. Before purchasing any securities, you should carefully read this prospectus, any free writing prospectus and the applicable prospectus supplement, together with the additional information in this prospectus described under **Where You Can Find More Information** and **Incorporation of Certain Documents by Reference**, including our financial statements.

You should rely only on the information contained or incorporated by reference in this prospectus, the applicable prospectus supplement and in any free writing prospectus or term sheet we authorize. We have not authorized any other person to provide you with different information. If any person provides you with different or inconsistent information, you should not rely on it. We will not make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any prospectus supplement is accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless we indicate otherwise. Our business, properties, financial condition, results of operations and prospects may have changed since those dates.

When we refer to **Hubbell**, **we**, **our** and **us** in this prospectus, we mean Hubbell Incorporated and its consolidated subsidiaries, unless otherwise specified or unless context otherwise requires. When we refer to **you**, we mean the holders of the applicable series of securities.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information regarding Hubbell with the SEC. Information filed with the SEC by us can be inspected and copied at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of this information by mail from the Public Reference Section of the SEC at prescribed rates. Further information on the operation of the SEC's Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

The SEC also maintains a web site that contains reports, proxy and information statements and other information about issuers, such as us, who file electronically with the SEC. The address of that website is <http://www.sec.gov>.

Our web site address is <http://www.hubbell.com>. Our web site and the information on our web site, or any information linked on that site, is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

This prospectus and any prospectus supplement are part of a registration statement that we filed with the SEC and do not contain all of the information in the registration statement. The full registration statement may be obtained from the SEC or us, as indicated below. Forms of the indenture and other documents establishing the terms of the

Edgar Filing: WESTERN DIGITAL CORP - Form 10-Q

offered securities are filed as exhibits to the registration statement. Statements in this prospectus or any prospectus supplement about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the terms of the offered securities and related matters. You may inspect a copy of the registration statement at the SEC's Public Reference Room in Washington, D.C., as well as through the SEC's website, <http://www.sec.gov>.

Table of Contents

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC's rules allow us to incorporate by reference information into this prospectus, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, and subsequent information that we file with the SEC will automatically update and supersede that information. Any statement contained in a previously filed document incorporated by reference will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus modifies or replaces that statement.

We incorporate by reference our documents listed below and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act in this prospectus, between the date of this prospectus and the termination of the offering of the securities described in this prospectus. We are not, however, incorporating by reference any documents or portions thereof, whether specifically listed below or filed in the future, that are not deemed filed with the SEC, including our Compensation Committee report and performance graph or any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K or related exhibits furnished pursuant to Item 9.01 of Form 8-K.

Our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on February 19, 2015, including the information specifically incorporated by reference in our Annual Report on Form 10-K from our Definitive Proxy Statement on Schedule 14A, filed with the SEC on March 18, 2015;

our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015, filed with the SEC on April 24, 2015, July 24, 2015 and October 23, 2015, respectively;

our Current Reports on Form 8-K, filed with the SEC on May 11, 2015, August 24, 2015, December 9, 2015, December 21, 2015, December 23, 2015, January 4, 2016 and January 27, 2016; and

our Registration Statement on Form 8-A filed with the SEC on December 23, 2015.

You may request a free copy of any of the documents incorporated by reference in this prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents) by writing or telephoning us at the following address:

Secretary

Hubbell Incorporated

40 Waterview Drive

Shelton, Connecticut 06484

Exhibits to the filings will not be sent unless those exhibits have specifically been incorporated by reference in this prospectus and any accompanying prospectus supplement.

Table of Contents

FORWARD-LOOKING STATEMENTS

Some of the information included in this prospectus, any applicable prospectus supplement and the information incorporated herein and therein by reference contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These include statements about our expected capital resources, liquidity, financial performance, pension funding, and results of operations and are based on our reasonable current expectations. In addition, all statements regarding restructuring plans and expected associated costs and benefits, intent to repurchase shares of common stock, and the expected amount of such repurchases, and improvement in operating results, anticipated market conditions and productivity initiatives are forward looking. Forward-looking statements may be identified by the use of words, such as believe, expect, anticipate, intend, depend, should, plan, estimated, predict, could, may, subject to, continues, growing, projected, purport, might, if, contemplate, potential, pending, target, goals, scheduled, will, words and phrases. Discussions of strategies, plans or intentions often contain forward-looking statements. Important factors, among others, that could cause our actual results and future actions to differ materially from those described in forward-looking statements include, but are not limited to:

changes in demand for our products, market conditions, product quality, or product availability adversely affecting sales levels;

changes in markets or competition adversely affecting realization of price increases;

failure to achieve projected levels of efficiencies, cost savings and cost reduction measures, including those expected as a result of our lean initiative and strategic sourcing plans;

the expected benefits and the timing of other actions in connection with our Enterprise Resource Planning (ERP) system;

availability and costs of raw materials, purchased components, energy and freight;

changes in expected or future levels of operating cash flow, indebtedness and capital spending;

general economic and business conditions in particular industries, markets or geographic regions, as well as inflationary trends;

regulatory issues, changes in tax laws or changes in geographic profit mix affecting tax rates and availability of tax incentives;

a major disruption in one or more of our manufacturing or distribution facilities or headquarters, including the impact of plant consolidations and relocations;

changes in our relationships with, or the financial condition or performance of, key distributors and other customers, agents or business partners which could adversely affect our results of operations;

impact of productivity improvements on lead times, quality and delivery of product;

anticipated future contributions and assumptions including changes in interest rates and plan assets with respect to pensions;

adjustments to product warranty accruals in response to claims incurred, historical experiences and known costs;

unexpected costs or charges, certain of which might be outside of our control;

changes in strategy, economic conditions or other conditions outside of our control affecting anticipated future global product sourcing levels;

ability to carry out future acquisitions and strategic investments in our core businesses as well as the acquisition related costs;

the ability to effectively implement ERP systems without disrupting operational and financial processes;

Table of Contents

unanticipated difficulties integrating acquisitions as well as the realization of expected synergies and benefits anticipated when we first enter into a transaction;

the ability of governments to meet their financial obligations;

political unrest in foreign countries;

natural disasters;

failure of information technology systems or security breaches resulting in unauthorized disclosure of confidential information;

future repurchases of common stock under our common stock repurchase program;

changes in accounting principles, interpretations, or estimates;

the outcome of environmental, legal and tax contingencies or costs compared to amounts provided for such contingencies;

adverse changes in 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; 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 our Annual Report on Form 10-K for the year ended December 31, 2014.

Any such forward-looking statements are not guarantees of future performances and actual results, developments and business decisions may differ from those contemplated by such forward-looking statements. These risks and uncertainties are discussed in more detail under Risk Factors, Business and Management's Discussion and Analysis of Financial Condition and Results of Operations in our reports and other documents on file with the SEC. You may obtain copies of these documents as described under Where You Can Find More Information above. Hubbell disclaims any duty to update any forward-looking statement, all of which are expressly qualified by the foregoing, other than as required by law.

Table of Contents

HUBBELL INCORPORATED

Hubbell is an international manufacturer of quality electrical and electronic products for a broad range of non-residential and residential construction, industrial and utility applications. With 2015 revenues of \$3.4 billion, Hubbell operates manufacturing facilities in the United States and around the world.

Hubbell's principal executive offices are located at 40 Waterview Drive, Shelton, Connecticut 06484-1000. Hubbell's main telephone number is (475) 882-4000.

Table of Contents**RISK FACTORS**

Investment in any securities offered pursuant to this prospectus and the applicable prospectus supplement involves risks. You should carefully consider the risk factors incorporated by reference to our most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed after the date of this prospectus, and all other information contained or incorporated by reference in this prospectus, as updated by our subsequent filings under the Exchange Act, and the risk factors and other information contained in the applicable prospectus supplement before acquiring any of such securities. The occurrence of any of these risks might cause you to lose all or part of your investment in the offered securities.

See also Forward-Looking Statements.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratios of earnings to fixed charges for Hubbell and its consolidated subsidiaries for the periods indicated.

	Nine months ended		Year Ended December 31,				
	September 30, 2015	2014	2014	2013	2012	2011	2010
Ratio of Earnings to Fixed Charges	12.1x	13.6x	13.3x	13.3x	12.6x	11.2x	9.3x

We have calculated the ratio of earnings to fixed charges by dividing earnings, consisting of income from continuing operations before income taxes and fixed charges for the periods indicated, by our fixed charges, consisting of interest expense (which includes interest on indebtedness, the amortization of discounts, and the amortization of capitalized debt issuance costs) and the portion of estimated rents that we believe to be representative of the interest factor (one-third of rental expense), in each case for the periods indicated.

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement with respect to any issuance of securities, we expect to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, which may include, among other things:

the repayment of outstanding indebtedness;

working capital requirements;

capital expenditures; and

acquisitions.

The precise amount and timing of the application of such proceeds will depend upon our funding requirements and the availability and cost of other funds.

Table of Contents

DESCRIPTION OF CAPITAL STOCK

The following description of our common stock and preferred stock is not complete and is summarized from, and qualified in its entirety by reference to, our amended and restated certificate of incorporation, which has been filed as Exhibit 4.1 to the registration statement of which this prospectus forms a part, our amended and restated bylaws, which have been filed as Exhibit 4.2 to the registration statement of which this prospectus forms a part, and other information with respect to our capital stock which has been publicly filed with the SEC. See [Where You Can Find More Information](#).

As of the date of the registration statement of which this prospectus forms a part, our authorized capital stock consists of:

200,000,000 shares of common stock, par value \$0.01 per share (the [Common Stock](#)); and

5,891,097 shares of preferred stock, without par value, of which 336,000 shares are designated as Series A Junior Participating Preferred Stock ([Series A Preferred Stock](#)).

As of February 12, 2016, there were 56,723,815 shares of Common Stock issued and outstanding and no shares of preferred stock issued and outstanding.

Common Stock

Common Stock is currently our only authorized class of common stock. Each share of Common Stock is entitled to one vote on all matters before shareholder meetings. Holders of Common Stock are not entitled to cumulative voting rights for the election of directors. The shares of Common Stock have no preemptive, conversion or other rights to subscribe for or purchase any of our securities. Upon our liquidation or dissolution, the holders of shares of Common Stock are entitled to share ratably in any of our assets that remain after payment or provision for payment to creditors.

Preferred Stock

Pursuant to our amended and restated certificate of incorporation, our board of directors may, by resolution and without further action or vote by shareholders, provide for the issuance of up to 5,891,097 shares of preferred stock from time to time in one or more series having dividend rates, voting rights, liquidation rights, redemption prices, sinking fund provisions, conversion rights and such other designations, preferences, rights, qualifications, limitation or restrictions, as our board of directors may determine.

Series A Preferred Stock

The Series A Preferred Stock has been designated in connection with our Second Amended and Restated Rights Agreement, dated December 23, 2015, between Hubbell and Computershare Inc. (successor to Mellon Investor Services LLC and ChaseMellon Shareholder Services, L.L.C.). Each share of Series A Preferred Stock will be entitled to, (1) when, as and if declared, a minimum preferential quarterly dividend payment of \$10 per share and (2) if any dividend is declared on the Common Stock, an aggregate dividend of 1,000 times the dividend declared per share of Common Stock. In the event of liquidation, the holders of the Series A Preferred Stock will be entitled to (1) a minimum preferential liquidation payment of \$100 per share (plus any accrued but unpaid

dividends) and (2) an aggregate payment of 1,000 times the payment made per share of Common Stock. Each share of Series A Preferred Stock will have 1,000 votes, voting together with the Common Stock. In the event of any merger, consolidation, transfer of assets or earning power or other transaction in which shares of Common Stock are converted or exchanged, each share of Series A Preferred Stock will be entitled to receive 1,000 times the amount received per share of Common Stock. These rights are protected by customary antidilution provisions.

Table of Contents

Undesignated Preferred Stock

This summary of the undesignated preferred stock discusses terms and conditions that we expect may apply to any series of the preferred stock that may be offered under this prospectus. The applicable prospectus supplement will describe the particular terms of each series of preferred stock actually offered. If indicated in the prospectus supplement, the terms of any series may differ from the terms described below.

We expect the prospectus supplement for any preferred stock that we actually offer pursuant to this prospectus to include some or all of the following terms:

the designation of the series of preferred stock;

the number of shares of preferred stock offered, the liquidation preference per share and the offering price of the preferred stock;

the dividend rate or rates of the shares, the method or methods of calculating the dividend rate or rates, the dates on which dividends, if declared, will be payable, and whether or not the dividends are to be cumulative and, if cumulative, the date or dates from which dividends shall be cumulative;

the amounts payable on shares of the preferred stock in the event of our voluntary or involuntary liquidation, dissolution or winding up;

the redemption rights and price or prices, if any, for the shares of preferred stock;

the terms, and the amount, of any sinking fund or analogous fund providing for the purchase or redemption of the shares of preferred stock;

any restrictions on our ability to make payments on any of our capital stock if dividend or other payments are not made on the preferred stock;

any voting rights granted to the holders of the shares of preferred stock in addition to those required by Connecticut law or our amended and restated certificate of incorporation;

whether the shares of preferred stock will be convertible into shares of our Common Stock or any other class of our capital stock, and, if convertible, the conversion price or prices, and any adjustment or other terms and conditions upon which the conversion shall be made;

any other rights, preferences, restrictions, limitations or conditions relative to the shares of preferred stock permitted by Connecticut law or our amended and restated certificate of incorporation;

any listing of the preferred stock on any securities exchange; and

the material U.S. federal income tax considerations applicable to the preferred stock.

Table of Contents

DESCRIPTION OF DEBT SECURITIES

The following description, together with the additional information that may be included in any applicable prospectus supplement, summarizes the material terms and provisions of the debt securities that we may offer under this prospectus. While the terms summarized below will apply generally to any debt securities that we may offer, the particular terms of any debt securities will be described in more detail in the applicable prospectus supplement. The terms of any debt securities offered under a prospectus supplement may differ from the terms described below.

We may issue debentures, notes or other evidences of indebtedness, which we refer to as debt securities, from time to time in one or more distinct series. The debt securities will be senior debt securities.

The debt securities will be governed by an indenture, dated September 15, 1995 (the indenture), between Hubbell Incorporated and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A. (successor as trustee to JPMorgan Chase Bank, N.A. (formerly known as JPMorgan Chase Bank, formerly known as The Chase Manhattan Bank, formerly known as Chemical Bank, the trustee))), as trustee, as heretofore supplemented and as may be supplemented from time to time. The indenture is subject to and governed by the Trust Indenture Act of 1939, as amended. The trustee under the indenture has two main roles:

first, subject to some limitations, the trustee can enforce your rights against us if we default.

second, the trustee performs certain administrative duties for us, which include sending you notices and, if the trustee also performs the service of paying agent, interest payments.

The specific terms of debt securities being offered will be described in the applicable prospectus supplement. As you read this section, please remember that the specific terms of your debt securities as described in your prospectus supplement will supplement and, if applicable, modify or replace the general terms described in this section. If there are any differences between your prospectus supplement and this prospectus, your prospectus supplement will control. Thus, the statements we make in this section may not apply to your debt security.

The statements and descriptions in this prospectus or in any prospectus supplement or any document incorporated by reference into this prospectus or applicable prospectus supplement regarding provisions of debt securities and the indenture are summaries of those provisions, do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the debt securities and the indenture (including any amendments or supplements we may enter into from time to time which are permitted under the debt securities or the indenture). You should read the summary below, the applicable prospectus supplement, any document incorporated by reference into this prospectus or any applicable prospectus supplement, the indenture and any related documents before making your investment decision.

The applicable prospectus supplement will set forth the terms of the debt securities or any series thereof, including, if applicable:

the title of the debt securities of the series;

the limit, if any, upon the aggregate principal amount of the debt securities of the series which may be authenticated and delivered under the indenture;

the date or dates on which or periods during which the debt securities of the series may be issued, and the date or dates (or the method of determination thereof) on which the principal of (and premium, if any, on) the debt securities of such series are or may be payable;

the rate or rates (or the method of determination thereof) at which the debt securities of the series shall bear interest, if any, and the dates from which such interest shall accrue; and the interest payment dates on which such interest shall be payable (or the method of determination thereof), and, in the case of registered securities, the regular record dates for the interest payable on such interest payment dates and, in the case of floating rate securities, the notice, if any, to holders regarding the determination of interest and the manner of giving such notice and any conditions or contingencies as to the payment of interest in cash or otherwise, if any;

Table of Contents

the place or places where the principal of (and premium, if any) and interest on the debt securities of the series shall be payable; the extent to which, or the manner in which, any interest payable on any global note on an interest payment date will be paid, if other than in the manner provided in Section 3.07 of the indenture; the extent, if any, to which the provisions of the last sentence of Section 12.01 of the indenture shall apply to the debt securities of the series; and the manner in which any principal of, or premium, if any, on, any global note will be paid, if other than as set forth elsewhere in the indenture and whether any global note shall require any notation to evidence payment of principal or interest;

our obligation, if any, to redeem, repay, purchase or offer to purchase the debt securities of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the period or periods within which or the dates on which, the prices at which and the terms and conditions upon which the debt securities of the series shall be redeemed, repaid, purchased or offered to be purchased, in whole or in part, pursuant to such obligation;

our right, if any, to redeem the debt securities, in whole or in part, at our option and the period or periods within which, or the date or dates on which, the price or prices at which, and the terms and conditions upon which the debt securities of the series may be so redeemed;

if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which any registered securities of the series shall be issuable, and if other than the denomination of \$5,000, the denomination or denominations in which any bearer securities of the series shall be issuable;

whether the debt securities of the series are to be issued as discount securities and the amount of discount with which such debt securities may be issued and, if other than the principal amount thereof, the portion of the principal amount of the debt securities of the series which shall be payable upon declaration of acceleration of the maturity thereof pursuant to the indenture;

provisions, if any, for the defeasance of the debt securities of the series pursuant to the legal defeasance option (as defined in the indenture), or discharge of certain of our obligations with respect thereto pursuant to the covenant defeasance option (as defined in the indenture);

whether the debt securities of the series are to be issued as registered securities or bearer securities or both, and, if bearer securities are issued, whether coupons will be attached thereto, whether bearer securities of the series may be exchanged for registered securities of the series, as provided in the indenture, and the circumstances under which and the place or places at which any such exchanges, if permitted, may be made;

whether provisions for payment of additional amounts or tax redemptions shall apply, if any, and, if such provisions shall apply, such provisions and, if bearer securities of the series are to be issued, whether a procedure other than that set forth in the indenture shall apply and, if so, such other procedure, and if the procedure set forth in the indenture shall apply, the forms of certifications to be delivered under such procedure;

if other than U.S. dollars, the foreign currency or currencies in which the debt securities of the series shall be denominated or in which payment of the principal of (and/or premium, if any) and/or interest on the debt securities of the series may be made, and the particular provisions applicable thereto and, if applicable, the amount of the debt securities of the series which entitles a holder of debt securities of the series or its proxy to one vote for purposes of Section 9.05 of the indenture;

if the principal of (and premium, if any) or interest on the debt securities of the series are to be payable, at our election or at the election of a holder thereof, in a currency other than that in which the debt securities are denominated or payable without such election, in addition to or in lieu of the provisions of Section 3.10 of the indenture, the period or periods within which and the terms and conditions upon which such election may be made and the time and the manner of determining the exchange rate or rates between the currency or currencies in which the debt securities are denominated or payable without such election and the currency or currencies in which the debt securities are to be paid if such election is made;

the date as of which any debt securities of the series shall be dated, if other than as set forth in Section 3.03 of the indenture;

Table of Contents

if the amount of payments of principal of (and premium, if any) or interest on the debt securities of the series may be determined with reference to an index, including, but not limited to, an index based on a currency or currencies other than that in which the debt securities are denominated or payable, or any other type of index, the manner in which such amounts shall be determined;

if the debt securities of the series are denominated or payable in a foreign currency, any other terms concerning the payment of principal of (and premium, if any) or any interest on such debt securities (including the currency or currencies of payment thereof); and whether the provisions of Section 3.11 of the indenture are established as terms of the debt securities of the series;

the designation of the original currency determination agent, if any;

the applicable overdue rate, if any;

if the debt securities of the series do not bear interest, the applicable dates for purposes of Section 7.01 of the indenture;

any deletions from, modifications of or additions to any events of default or covenants provided for with respect to the debt securities of the series;

if bearer securities of the series are to be issued, (1) whether interest in respect of any portion of a temporary debt security in global form (representing all of the outstanding bearer securities of the series) payable in respect of any interest payment date prior to the exchange of such temporary debt security, for definitive debt securities of the series shall be paid to any clearing organization with respect to the portion of such temporary debt security held for its account and, in such event, the terms and conditions (including any certification requirements) upon which any such interest payment received by a clearing organization will be credited to the persons entitled to interest payable on such interest payment date, (2) the terms upon which interests in such temporary debt security in global form may be exchanged for interests in a permanent global note or for definitive debt securities of the series and the terms upon which interests in a permanent global note, if any, may be exchanged for definitive debt securities of the series and (3) the cities in which the authorized newspapers designated with respect to such series are published;

whether the debt securities of the series shall be issued in whole or in part in the form of one or more global notes, and, in such case, the U.S. depository or any common depository for such global note or notes; and if the debt securities of the series are issuable only as registered securities, the manner in which and the circumstances under which global notes representing debt securities of the series may be exchanged for registered securities in definitive form;

the designation, if any, of the U.S. depository; and the designation of any trustees (other than the trustee), depositaries, authenticating agents, paying agents, security registrars, or any other agents with respect to the

debt securities of the series;

if the debt securities of the series are to be issuable in definitive form (whether upon original issuance or upon exchange of a temporary debt security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, the form and terms of such certificates, documents or conditions;

the person to whom any interest on any registered security of the series shall be payable, if other than the person in whose name that registered security (or one or more predecessor securities) is registered at the close of business on the regular record date for such interest, the manner in which, or the person to whom, any interest on any bearer security of the series shall be payable, if otherwise than upon the presentation and surrender of the coupons, if any, appertaining thereto as they severally mature, the extent to which, or the manner in which, any interest payable on a temporary debt security in global form on an interest payment date will be paid if other than in any manner provided in Section 3.04 of the indenture and the extent to which, or the manner in which, any interest payable on a permanent debt security in global form on an interest payment date will be paid if other than in the manner provided in Section 3.07 of the indenture;

the provisions, if any, granting special rights to holders of the debt securities of the series upon the occurrence of such events as may be specified;

Table of Contents

whether payment of any amount due under the debt securities will be guaranteed by one or more guarantors, including one or more of our subsidiaries;

whether the debt securities will be secured or unsecured;

the forms of the debt securities;

a discussion of any material U.S. federal income tax consequences of owning and disposing of the debt securities; and

any other terms or conditions relating to the series (which other terms shall not be inconsistent with the requirements of the Trust Indenture Act and the provisions of the indenture).

This prospectus is part of a registration statement that provides that we may issue debt securities from time to time in one or more series under the indenture, in each case with the same or various maturities, at par or at a discount. Unless otherwise indicated in the applicable prospectus supplement, the aggregate principal amount of debt securities that may be issued under the indenture and any applicable supplemental indenture is unlimited.

The indenture contains certain restrictive covenants that will apply to us and our subsidiaries unless otherwise indicated in the applicable prospectus supplement. Unless otherwise indicated in the applicable prospectus supplement, the debt securities will not be listed on any securities exchange.

Table of Contents

PLAN OF DISTRIBUTION

We may sell the securities described in this prospectus and any prospectus supplement from time to time in one or more transactions separately or in combination. The securities may be sold in any one or more of the following ways:

directly to purchasers or a single purchaser;

through agents;

through dealers; or

through one or more underwriters acting alone or through underwriting syndicates led by one or more managing underwriters;
each as may be identified in the applicable prospectus supplement relating to an issuance of securities.

If the securities described in a prospectus supplement are underwritten, the prospectus supplement will name each underwriter of the securities. Only underwriters named in a prospectus supplement will be deemed to be underwriters of the securities offered by that prospectus supplement. Underwriters may sell securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions (which may be changed from time to time) from the purchasers for whom they may act as agent.

Prospectus supplements relating to underwritten offerings of securities will also describe:

the discounts, commissions or agents' fees to be allowed or paid to the underwriters or agents, as the case may be;

all other items constituting underwriting compensation;

the discounts and commissions to be allowed or paid to dealers, if any; and

the exchanges, if any, on which the securities will be listed.

Securities may be sold directly by us through agents designated by us from time to time. Any agent involved in the offer or sale of securities, and any commission or agents' fees payable by us to such agent, will be set forth in the applicable prospectus supplement.

If we utilize a dealer in the sale of the securities being offered pursuant to this prospectus, we will sell the securities to the dealer, as principal. The dealer may then resell the securities to the public at varying prices to be determined by the dealer at the time of resale.

If indicated in the applicable prospectus supplement, the obligations of the underwriters will be subject to conditions precedent. With respect to a sale of securities, the underwriters will be obligated to purchase all securities offered if any are purchased unless otherwise indicated in the applicable prospectus supplement.

We may have agreements with underwriters, dealers and agents to indemnify them against certain civil liabilities, including liabilities under the Securities Act, and to reimburse them for certain expenses. Underwriters and agents may engage in transactions with or perform services for us, our subsidiaries and affiliated companies in the ordinary course of business.

VALIDITY OF SECURITIES

The validity of the securities offered by this prospectus will be passed upon for us by Wachtell, Lipton, Rosen & Katz, New York, New York, and, with respect to matters of Connecticut law, by Shipman & Goodwin LLP, Hartford, Connecticut.

Table of Contents

In connection with particular offerings of the securities in the future, the validity of those securities may be passed upon for us by Wachtell, Lipton, Rosen & Katz, our General Counsel or such other counsel as may be specified in a prospectus supplement. Any underwriters will be advised about issues relating to any offering by their own counsel.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2014 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Table of Contents

\$450,000,000 3.500% Senior Notes due 2028

Hubbell Incorporated
Prospectus supplement

Joint book-running managers

J.P. Morgan

BofA Merrill Lynch
Co-managers

HSBC

BNY Mellon Capital Markets,

TD Securities

Wells Fargo Securities

LLC

Citizens Capital Markets

The Williams Capital

US Bancorp

Group, L.P.

January 31, 2018