Simpson Manufacturing Co., Inc. (SSD)

Updated October 27th, 2025, by Kody Kester

Key Metrics

Current Price:	$172	**5 Year CAGR Estimate:**	10.5%	**Market Cap:**	$7.2B
Fair Value Price:	$180	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	01/02/26
% Fair Value:	96%	**5 Year Valuation Multiple Estimate:**	0.9%	**Dividend Payment Date:**	01/22/26
Dividend Yield:	0.7%	**5 Year Price Target**	$278	**Years Of Dividend Growth:**	13
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Buy

Overview & Current Events

Founded in 1956, Simpson Manufacturing Co., Inc. is a major designer and manufacturer of wood construction products and concrete construction products via the eponymous Simpson Strong-Tie brand. The former product category includes truss plates and fastening systems. The latter category consists of adhesives, specialty chemicals, and mechanical anchors. These products are sold around the world to residential construction customers, commercial construction customers, and the remodeling and do-it-yourself markets. Additionally, SSD provides engineering/design services and software solutions to support the use of its products. The company is geographically organized into the following three reporting segments:

1. North America: This segment consists of the company's operations in the United States and Canada. Through the first three quarters of 2025, more than three-quarters (77.9%) of the $1.79 billion in total net sales were derived from this segment.
2. Europe: Included in this segment are SSD's operations in various European Union countries, such as Germany, France, and Italy. Non-EU nations consist of the United Kingdom and Norway. This made up another 21.3% of the company's total net sales YTD through Q3 2025.
3. Asia/Pacific: The Asia/Pacific segment sells its products and services in China, Taiwan, Vietnam, New Zealand, and Australia. Through the first nine months of 2025, the remaining 0.8% of net sales was produced in these markets.

On October 27th, SSD released its earnings report for the third quarter ended September 30th, 2025. The company's net sales rose by 6.2% year-over-year to $623.5 million during the quarter. Price increases and incremental sales from 2024 acquisitions lifted North America segment net sales by 4.8% over the year-ago period to $461.4 million in the quarter. Higher sales volume and favorable foreign currency translation resulted in a 10.9% surge in net sales in the Europe segment to $134.4 million for the quarter. SSD's diluted EPS jumped 16.7% year-over-year to $2.58 during the quarter, which exceeded the analyst consensus by $0.17. The company's benefited from its focus on efficiency, with its net profit margin expanding 130 basis points to 17.2% in the quarter.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.38	$1.86	$1.98	$2.78	$2.98	$4.27	$6.12	$7.76	$8.26	$7.60	***$8.20***	***$12.62***
DPS	$0.60	$0.68	$0.78	$0.86	$0.90	$0.92	$0.96	$1.02	$1.06	$1.10	***$1.16***	***$1.59***
Shares[1]	48.2	47.4	46.5	45.0	44.2	43.3	43.2	42.6	42.3	42.2	***41.7***	***40.7***

Over the past decade, SSD has compounded its diluted EPS at nearly 21% annually. In the years ahead, we think that 9% annual diluted EPS growth off a 2025 base of $8.20 is realistic through 2030. SSD's new product launch schedule for dozens of new products each year, facility expansions, and incremental acquisitions are each tailwinds. Ongoing cost savings initiatives are also expected to generate at least $30 million in annualized cost savings.

[1] Share count is in millions.

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

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	24.7	23.5	29.0	19.4	27.2	21.9	22.7	11.4	24.0	21.8	***21.0***	***22.0***
Avg. Yld.	1.8%	1.6%	1.4%	1.6%	1.1%	1.0%	0.7%	1.2%	0.5%	0.7%	***0.7%***	***0.6%***

Going back to 2015, SSD's valuation multiple has ranged from the low double-digits to the high 20s. Throughout that time, the average P/E ratio has been 22.6. Looking ahead, we believe that a P/E ratio of approximately 22 is a reasonable projection. That's because SSD's growth prospects are holding up, adjusting for its much larger size and scale. Compared to the current P/E ratio of 21.0, shares appear to be trading just below fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	49%	37%	39%	31%	30%	22%	16%	13%	13%	14%	***14%***	***13%***

SSD has established itself as an industry leader thanks to a few differentiating factors: Product availability with on-demand delivery in 24 to 48 hours. Comprehensive customer support for engineers, contractors, and building officials. Not to mention that SSD has substantial product testing means through its cutting-edge test lab. These variables provide customers with convenience and the utmost confidence in the company's products. This has allowed SSD to consistently grow diluted EPS over the years.

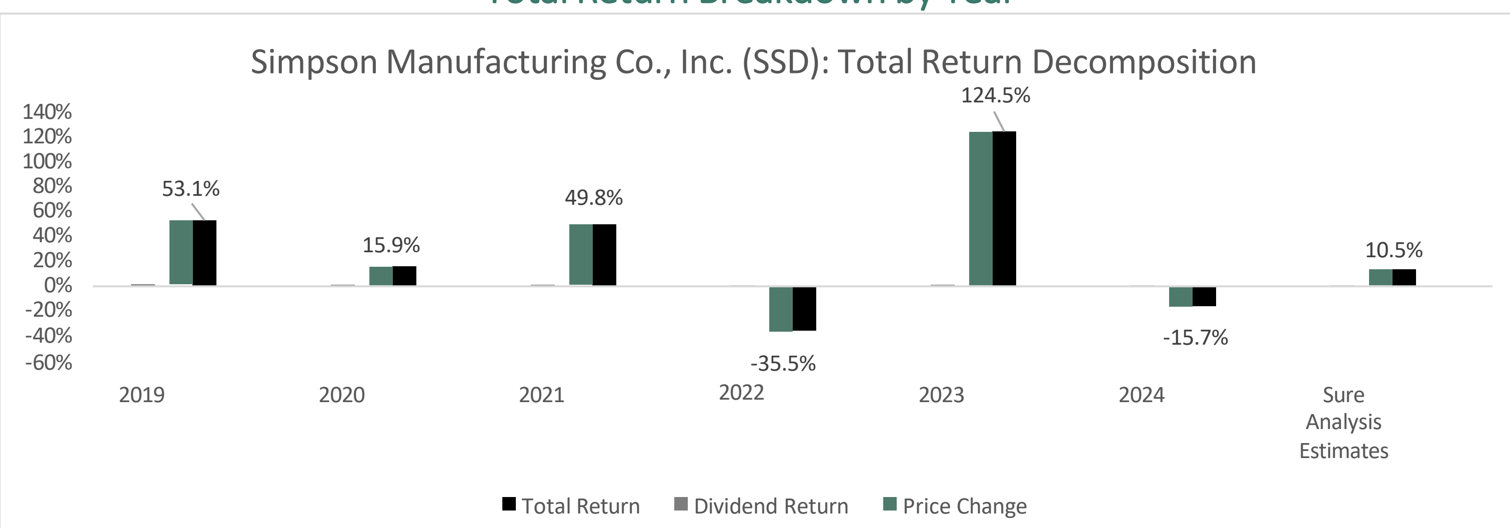
The company's financial health is also enviable. In the first nine months of 2025, it posted $4.3 million in interest income. Generating net interest income when many companies are burdened by outsized interest expenses is a testament to SSD's overall financial positioning.

The company's appeal doesn't stop at its consistent EPS growth and robust balance sheet, either. In May, SSD also increased its quarterly dividend per share by 3.6% to $0.29. The company's payout ratio is set to be in the low teens in 2025. This puts SSD in a position to build on its 13-year dividend growth streak for the foreseeable future.

Final Thoughts & Recommendation

SSD's 0.7% dividend yield, 9.0% annual diluted EPS growth prospects, and 0.9% annual valuation multiple expansion potential could deliver 10.5% annual total returns through 2030. As a result, we're maintaining our Buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	794	861	977	1,079	1,137	1,268	1,573	2,116	2,214	2,232
Gross Profit	359	410	443	480	492	576	755	941	1,044	1,026
Gross Margin	45.2%	47.6%	45.4%	44.5%	43.3%	45.5%	48.0%	44.5%	47.1%	46.0%
SG&A Exp.	204	223	258	268	270	274	328	398	472	497
D&A Exp.	27	28	34	39	38	39	42	61	75	85
Operating Profi	109	140	138	169	175	252	367	475	480	435
Operating Margi	13.7%	16.3%	14.1%	15.6%	15.4%	19.9%	23.4%	22.5%	21.7%	19.5%
Net Profit	68	90	93	127	134	187	266	334	354	322
Net Margin	8.5%	10.4%	9.5%	11.7%	11.8%	14.7%	16.9%	15.8%	16.0%	14.4%
Free Cash Flow	84	57	61	131	168	170	102	333	338	160
Income Tax	41	49	52	45	44	63	92	114	123	112

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	961	980	1,038	1,022	1,095	1,233	1,484	2,504	2,705	2,736
Cash & Equivalent	259	227	169	160	230	275	301	301	430	239
Accounts Receivabl	106	112	136	146	139	165	231	269	284	284
Inventories	196	232	253	276	252	284	444	557	552	593
Goodwill & Int.	152	147	166	155	157	163	160	859	868	887
Total Liabilities	111	114	153	166	203	252	300	1,091	1,025	923
Accounts Payable	21	28	32	34	33	48	57	98	108	101
Long-Term Debt	-	-	-	-	-	-	-	577	481	363
Shareholder's Equit	850	866	885	856	892	981	1,184	1,413	1,680	1,813
D/E Ratio	-	-	-	-	-	-	-	0.41	0.29	0.20

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	7.0%	9.2%	9.2%	12.3%	12.7%	16.1%	19.6%	16.7%	13.6%	11.8%
Return on Equity	7.9%	10.5%	10.6%	14.6%	15.3%	20.0%	24.6%	25.7%	22.9%	18.5%
ROIC	7.9%	10.5%	10.6%	14.6%	15.3%	20.0%	24.6%	21.0%	17.1%	14.4%
Shares Out.	48.2	47.4	46.5	45.0	44.2	43.3	43.2	42.6	42.3	42.2
Revenue/Share	16.15	17.82	20.45	23.18	25.30	28.92	36.14	49.16	51.68	52.89
FCF/Share	1.70	1.18	1.28	2.81	3.74	3.87	2.34	7.73	7.90	3.79

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