Simpson Manufacturing Co., Inc. (SSD)

Updated February 9th, 2026, by Kody Kester

Key Metrics

Current Price:	$180	**5 Year CAGR Estimate:**	9.7%	**Market Cap:**	$7.5B
Fair Value Price:	$182	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	04/02/26
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.2%	**Dividend Payment Date:**	04/23/26
Dividend Yield:	0.6%	**5 Year Price Target**	$279	**Years Of Dividend Growth:**	13
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

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. In 2025, more than three-quarters (77.8%) of the $2.33 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 21.4% of the company's total net sales in 2025.
3. Asia/Pacific: The Asia/Pacific segment sells its products and services in China, Taiwan, Vietnam, New Zealand, and Australia. The remaining 0.8% of 2025 net sales were produced in these markets.

On February 9th, SSD shared its financial results for the fourth quarter ended December 31st, 2025. The company's net sales increased by 4.2% over the year-ago period to $539.3 million in the quarter. Net sales growth in the North America and Europe segments (+3.0% to $416.9 million and +9.1% to $108.1 million, respectively) powered this topline growth during the quarter. Higher pricing in both and favorable foreign currency translation/a modest improvement in sales volumes in the latter made these results possible for the quarter. SSD's diluted EPS edged 3.1% higher year-over-year to $1.35 in the quarter. This beat the analyst consensus during the quarter by $0.13. A 30-basis-point contraction in the net profit margin to 10.4% slightly more than offset a modest reduction in the share count for the quarter. That's why diluted EPS growth lagged net sales growth in the quarter.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.86	$1.98	$2.78	$2.98	$4.27	$6.12	$7.76	$8.26	$7.60	$8.24	***$8.65***	***$13.31***
DPS	$0.68	$0.78	$0.86	$0.90	$0.92	$0.96	$1.02	$1.06	$1.10	$1.14	***$1.16***	***$1.55***
Shares[1]	47.4	46.5	45.0	44.2	43.3	43.2	42.6	42.3	42.2	41.5	***41.5***	***40.0***

Over the past decade, SSD has compounded its diluted EPS at 18.0% annually. In the years ahead, we believe that 9% annual diluted EPS growth off a 2026 base of $8.65 (the company expects 19.5% to 20.5% operating income margin in 2026, which would be up a bit at the midpoint from the 2025 figure of 19.6%) is realistic through 2031. SSD's new product launch schedule for dozens of new products each year, facility expansions, and incremental acquisitions are all tailwinds which can drive further growth.

[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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	23.5	29.0	19.4	27.2	21.9	22.7	11.4	24.0	21.8	19.9	***20.8***	***21.0***
Avg. Yld.	1.6%	1.4%	1.6%	1.1%	1.0%	0.7%	1.2%	0.5%	0.7%	0.7%	***0.6%***	***0.6%***

Going back to 2016, 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 22.1. Looking ahead, we believe that a P/E ratio of approximately 21 is a reasonable projection (splitting the difference between the five-year and 10-year averages). That's because when factoring for SSD's much larger size and scale, its growth profile looks intact. Compared to the current P/E ratio of 20.8, shares appear to be trading right around fair value.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	37%	39%	31%	30%	22%	16%	13%	13%	14%	14%	***13%***	***12%***

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.

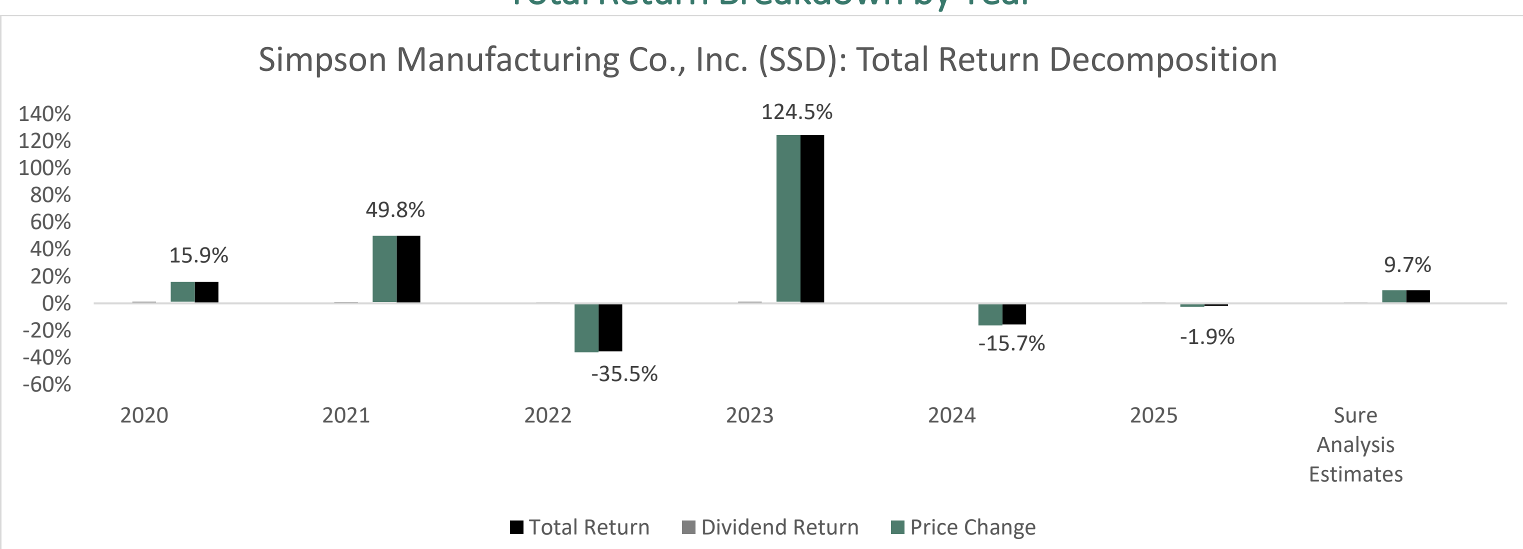
The company's financial health is also enviable. In 2025, it posted $8.3 million in interest income. Generating net interest income when many companies are burdened by outsized interest expenses is a testament to SSD's overall financial positioning.

The company's appeal doesn't stop at its consistent EPS growth and robust balance sheet, either. The company's payout ratio is set to be in the low teens in 2026. This puts SSD in a position to build on its 13-year dividend growth streak for the foreseeable future.

Final Thoughts & Recommendation

SSD's 0.6% dividend yield, 9.0% annual diluted EPS growth prospects, and 0.2% annual valuation multiple expansion potential could deliver 9.7% annual total returns through 2031. As a result, we're downgrading shares to a Hold 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 Profit	109	140	138	169	175	252	367	475	480	435
Operating Margin	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 Receivable	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 Equity	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.