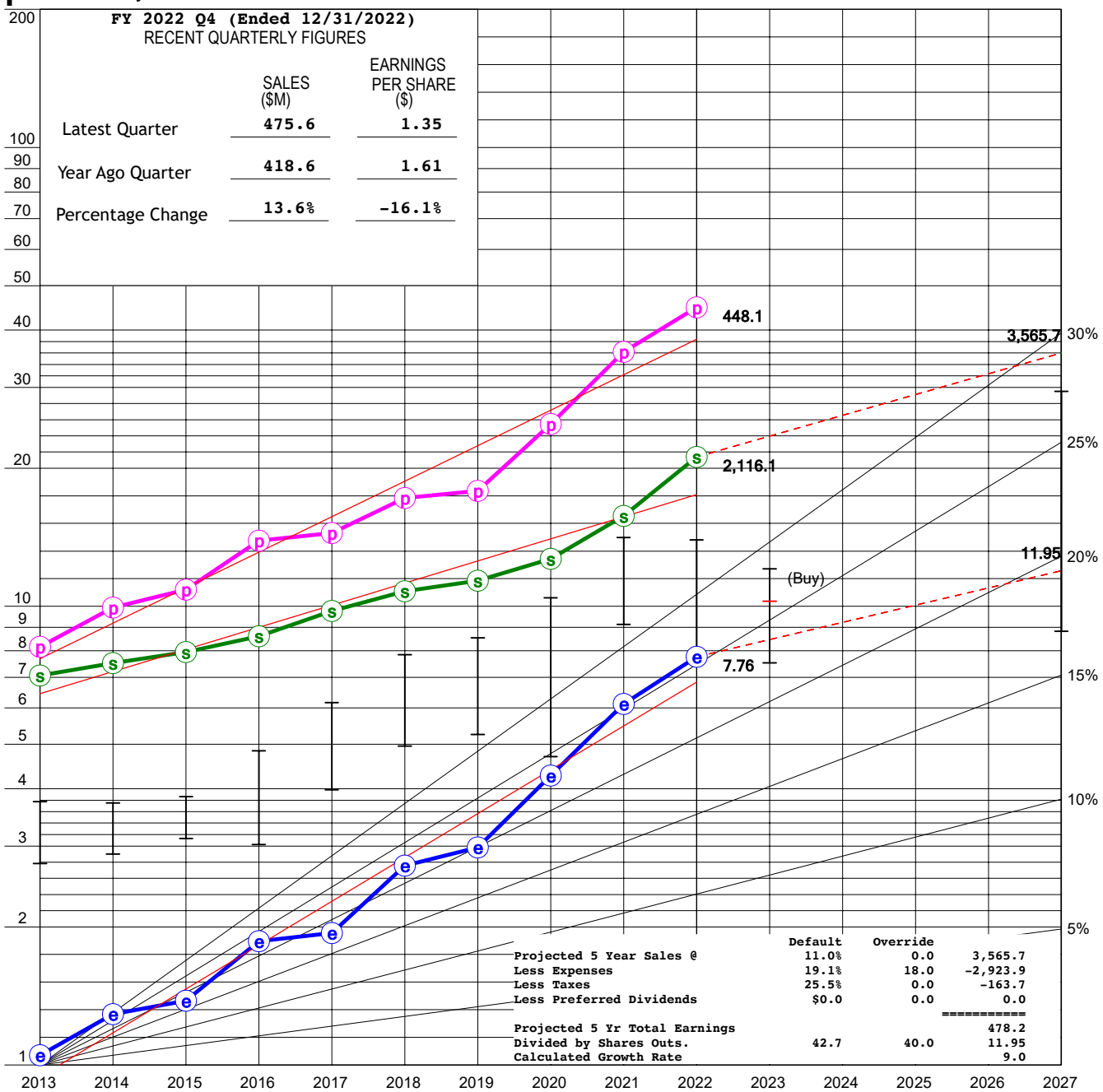
Stock Selection Guide

Company	Simpson Manufacturing..	Price Date	03/13/23
Study by	jah	Data Date	03/03/23
Sector	Basic Materials	Last Judgment	03/06/23
Industry	Lumber & Wood Production	Data Source	BI
Preferred($M)	0.0	Reference	Morningsta
Diluted(M Shares)	42.7	% Insiders	16.4
Total Debt($M)	635.5	% Institutions	75.2
% Tot Debt to Tot Cap	32.2	Quality	

1 Growth Analysis

NYS: SSD



(1) Historical Sales Growth 11.7 %
(2) Estimated Future Sales Growth 11.0 %
(3) Historical Earnings Per Share Growth 24.6 %
(4) Estimated Future Earnings Per Share Growth 9.0 %
(5) Sales Growth R ² 0.94
(6) Earnings Per Share Growth R ² 0.97

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2 QUALITY ANALYSIS

Company: Simpson Manufacturing Co Inc (SSD) 03/13/23

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	5 YEAR AVG.	TREND UP / DOWN
A	% Pre-tax Profit on Sales	11.5	13.2	13.7	16.1	14.8	16.0	15.7	19.7	22.8	21.2	19.1	UP
B	% ROE (Beginning Yr)		7.6	7.8	10.6	10.7	13.9	14.7	21.5	27.6	29.9	21.5	UP
C	% LT Debt to Equity	0.0	0.0	0.0	0.0	0.3	0.0	3.1	3.8	3.3	44.5	13.7	UP

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 102.48 (13.2) 52-WEEK HIGH (P/E) 120.66 (15.6) 52-WEEK LOW (P/E) 75.25 (9.7)

	Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1	2018	78.4	49.5	2.72	28.8	18.2	0.870	32.0	1.8
2	2019	85.4	52.5	2.98	28.7	17.6	0.910	30.5	1.7
3	2020	104.3	47.0	4.27	24.4	11.0	0.920	21.5	2.0
4	2021	141.3	91.3	6.12	23.1	14.9	0.980	16.0	1.1
5	2022	139.5	75.3	7.76	18.0	9.7	1.030	13.3	1.4
6	AVERAGE		63.1		24.6	14.3		22.7	

AVERAGE P/E RATIO	19.5	PROJECTED P/E RATIO	12.1	TTM EPS	7.75
CURRENT P/E RATIO	13.2	PEG RATIO	1.3	FTM EPS	8.45
RELATIVE VALUE	67.9%	PROJ. RELATIVE VALUE	62.4%	AVG TTM + FTM EPS	8.10

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E 24.6 X Estimated High Earnings/Share 11.95 = Forecast High Price $ 294.0

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E 14.3 (as adj.) X Estimated Low Earnings/Share 7.76 = $ 111.0

(b) Average 5-Year Low Price = 63.1

(c) Recent Severe Low Price = 75.3

(d) Price Dividend Will Support = Present Divd. ÷ High Yield = 1.04 ÷ 0.020 = 53.1

Selected Estimated Low Price = $ 88.2

C PRICE RANGES

Forecast High Price 294.0 - Estimated Low Price 88.2 = Range 205.8 33% of Range = 68.6

BUY (Lower 33% of Range) = 88.2 to 156.8

MAYBE (Middle 33% of Range) = 156.8 to 225.4

SELL (Upper 33% of Range) = 225.4 to 294.0

Current Price 102.48 is in the Buy Range

D UPSIDE/DOWNSIDE ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 294.0 - Current Price 102.48) ÷ (Current Price 102.48 - Estimated Low Price 88.2) = 13.4 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend $ 1.040 ÷ Current Price of Stock $ 102.48 = 1.0 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 22.7 28.4 ÷ Forecast High P/E 24.6 = Avg. Yield 1.2

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 22.7 28.4 ÷ Forecast Avg P/E 19.5 = Avg. Yield 1.5

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 1.2 % + Annual Appreciation 23.5 % = Compound Annual Total Return 24.6 %

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 1.5 % + Annual Appreciation 17.8 % = Projected Average Total Return 19.3 %

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