NATIONAL ASSOCIATION OF INVESTORS

BETTERINVESTING™

Educating Investors Since 1951

Stock Selection Guide

Company	Simpson Manufacturin		Date	03/05/24	
Prepared by	Ty H.		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Lumber & Wood Production		
Capitalization --- Outstanding Amounts			Reference		
Preferred ($M)		0.0	% Insiders	% Institution	
Common (M Shares)		42.7	16.4	68.1	
Debt ($M)	551.6	% to Tot Cap	24.7	% Pot Dil	0.5

Symbol: SSD

1 VISUAL ANALYSIS of Sales, Earnings, and Price
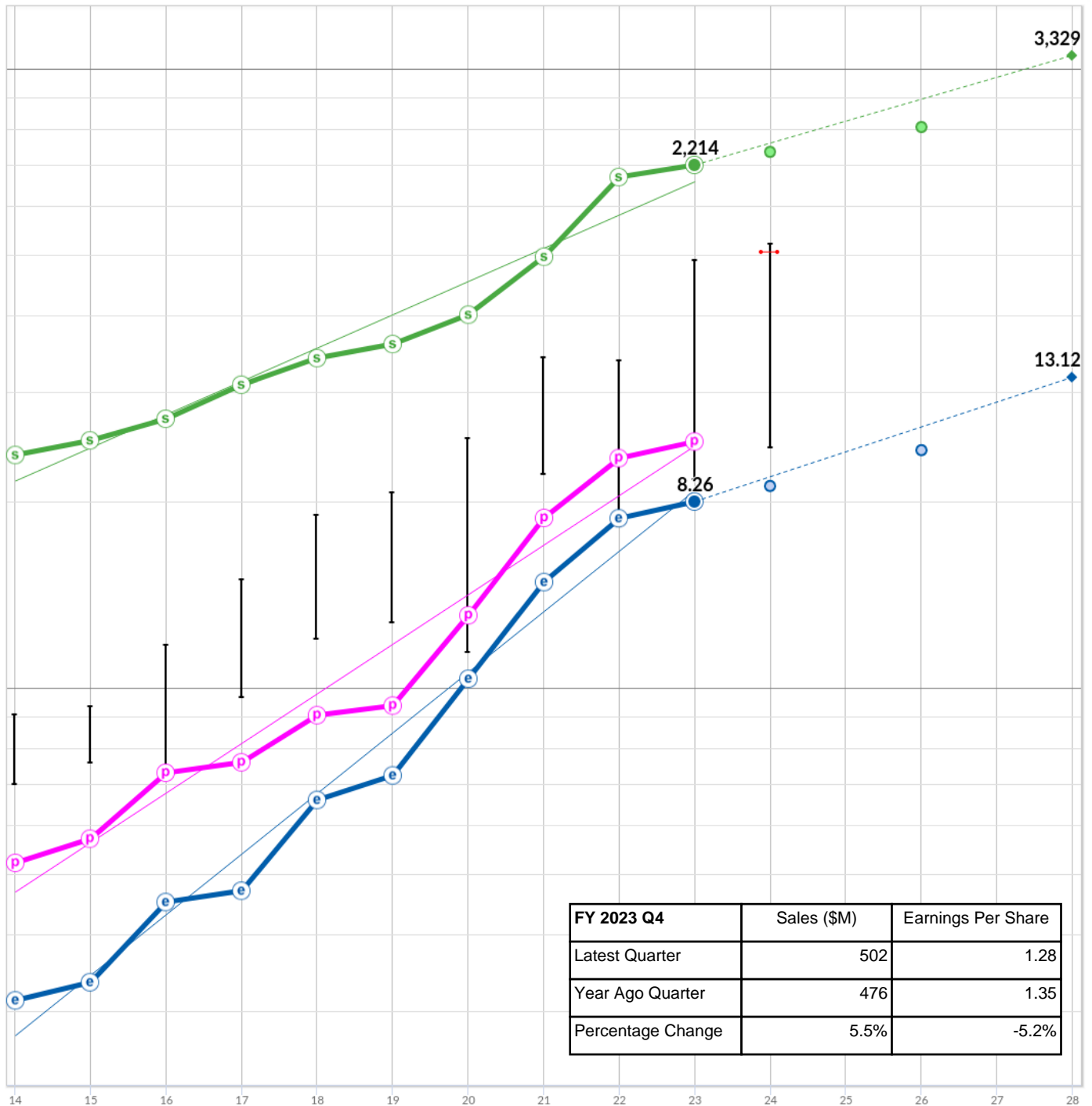
FY 2023 Q4	Sales ($M)	Earnings Per Share
Latest Quarter	502	1.28
Year Ago Quarter	476	1.35
Percentage Change	5.5%	-5.2%

(1) Historical Sales Growth	13.2%	(3) Historical Earnings Per Share Growth	25.3%
(2) Estimated Future Sales Growth	8.5%	(4) Estimated Future Earnings Per Share Growth	9.7%

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Last 5 Year Avg.
% Pre-tax Profit on Sales	13.2%	13.7%	16.1%	14.8%	16.0%	15.7%	19.7%	22.8%	21.2%	21.5%	20.2%
% Earned on Equity	7.3%	7.9%	10.3%	9.9%	13.4%	15.0%	19.3%	23.6%	24.7%	21.1%	20.7%
% Debt To Capital	0.0%	0.0%	0.0%	0.4%	0.0%	3.8%	4.5%	3.7%	31.0%	24.7%	13.5%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 209.10 (03/05/24)   **52-WEEK HIGH** 215.01   **52-WEEK LOW** 100.84

Year	A	B	C	D	E	F	G	H
	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2019	85.4	52.5	2.98	28.6	17.6	0.91	30.5	1.7
2020	104.3	47.0	4.27	24.4	11.0	0.92	21.5	2.0
2021	141.3	91.3	6.12	23.1	14.9	0.98	16.0	1.1
2022	139.5	75.3	7.76	18.0	9.7	1.03	13.3	1.4
2023	202.1	89.5	8.26	24.5	10.8	1.07	13.0	1.2
AVERAGE		71.1		23.7	12.8		18.9	
CURRENT/TTM			8.26	26.0	12.2	1.08	13.1	
AVERAGE PRICE EARNINGS RATIO: 18.3					CURRENT PRICE EARNINGS RATIO: 25.3			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E   24.0   X Estimate High Earnings/Share   13.12   =   Forecasted High Price $ 314.9

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E   13.0   X Estimate Low Earnings/Share   8.26   =   Forecasted Low Price $ 107.4

(b) Avg. Low Price of Last 5 Years   71.1

(c) Recent Market Low Price   75.3

(d) Price Dividend Will Support $\dfrac{\text{Indicated Dividend}}{\text{High Yield}}$ = $\dfrac{1.08}{1.96\%}$ = 55.2

Selected Forecasted Low Price $ 107.4

C ZONING   using 25%-50%-25%

Forecasted High Price   314.9   Minus Forecasted Low Price   107.4   =   207.5   Range.   25% of Range   51.9

Buy Zone   107.4   to   159.3
Hold Zone   159.3   to   263.1
Sell Zone   263.1   to   314.9

Present Market Price of   209.10   is in the   **HOLD**   Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\dfrac{\text{High Price} \quad 314.9 \quad \text{Minus Present Price} \quad 209.10}{\text{Present Price} \quad 209.10 \quad \text{Minus Low Price} \quad 107.4}$ = $\dfrac{105.84}{101.70}$ = 1.0   To 1

E PRICE TARGET   (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\dfrac{\text{High Price} \quad 314.9}{\text{Closing Price} \quad 209.10}$ = 1.5062   X   100   =   150.62   -   100   =   50.6   % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\dfrac{\text{Indicated Annual Dividend} \quad 1.08}{\text{Closing Price} \quad 209.10}$ = 0.0052 = 0.5 %   Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\dfrac{\text{Avg. \% Payout}}{\text{Forecast High PE}}$ = $\dfrac{28.4 \%}{24.00}$ = 1.2 %

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\dfrac{\text{Avg. \% Payout}}{\text{Forecast Average PE}}$ = $\dfrac{28.4 \%}{18.50}$ = 1.5 %

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation	8.5 %
Average Yield	1.2 %
Annualized Rate of Return	9.7 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation	3.0 %
Average Yield	1.5 %
Annualized Rate of Return	4.6 %