Off-Season
Shareholder
Engagement

STRENGTH BUILT IN
Safe Harbor

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 2 IE of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally can be identified by words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "target," "continue," "predict," "project," "change," "result," "future," "will," "could," "can," "may," "likely," "potentially," or similar expressions that concern our strategy, plans, expectations or intentions. Forward-looking statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, business outlook, priorities, expectations and intentions, expectations for sales growth, comparable sales, earnings and performance, stockholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for services, share repurchases, our strategic initiatives, including the impact of these initiatives on our strategic and operational plans and financial results, and any statement of an assumption underlying any of the foregoing and other statements that are not historical facts. Although we believe that the expectations, opinions, projections and comments reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and we can give no assurance that such statements will prove to be correct. Actual results may differ materially from those expressed or implied in such statements.

Forward-looking statements are subject to inherent uncertainties, risk and other factors that are difficult to predict and could cause our actual results to vary in material respects from what we have expressed or implied by these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those expressed in our forward-looking statements include, among others, those discussed under Item 1A. Risk Factors and Item 7 Management’s Discussion and Analysis of Financial Condition and Results of Operations in our most recent Annual Report on Form 10-K and subsequent filings with the SEC.

We caution that you should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise. Readers are urged to carefully review and consider the various disclosures made in our reports filed with the SEC that advise of the risks and factors that may affect our business, results of operations and financial condition.
Investment Highlights

Industry leader with unique business model, strong brand recognition and trusted reputation

Diversified product offerings and geographies mitigates exposure to cyclical U.S. housing market

Strong market share in wood products with significant opportunities in all addressable markets

Industry-leading gross profit and operating margins

Strong balance sheet enables financial flexibility and stockholder returns

Committed to returning a minimum of 50% of cash flow from operations to stockholders
Company Overview

Simpson Manufacturing Co. designs, engineers and manufactures structural connectors, anchors, fasteners, software solutions and other products for new construction, repair and remodel, and do-it-yourself markets.

Key Facts and Figures

- **Ticker:** NYSE:SSD
- **Market Cap**\(^{(1)}\): $3.60 B
- **Year Founded:** 1956
- **Year Public:** 1994
- **2018 Revenue:** $1.08 B (+10% year-over-year)
- **Headquarters:** Pleasanton, CA
- **Operations in 50 locations globally**
- **Employees:** 3,135

Business Overview

- Simpson has spent over 60 years providing the highest-quality structural building solutions, and has built a strong foundation of **product innovation, customer service and industry leadership**
- Simpson is seen as a **thought leader in supporting the process of building safer, stronger structures** in collaboration with customers, specifiers and code officials
- Simpson continues to **differentiate from competitors across operating segments by designing and marketing end-to-end construction product systems**
- Simpson **promotes a culture of employee ownership** focused on the value and contributions of every employee

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\(^{(1)}\) As of November 30, 2019.
5-Year Relative Total Shareholder Return

Stock performance reflects clarity surrounding business strategy, growth prospects and operational efficiencies

<table>
<thead>
<tr>
<th>% CHANGE</th>
<th>YTD TSR</th>
<th>1 YEAR TSR</th>
<th>3 YEAR TSR</th>
<th>5 YEAR TSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simpson Manufacturing</td>
<td>52%</td>
<td>41%</td>
<td>80%</td>
<td>165%</td>
</tr>
<tr>
<td>Proxy Peers</td>
<td>50%</td>
<td>30%</td>
<td>25%</td>
<td>77%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>28%</td>
<td>16%</td>
<td>52%</td>
<td>68%</td>
</tr>
<tr>
<td>DJ US TM/Building Materials &amp; Fixtures</td>
<td>44%</td>
<td>30%</td>
<td>28%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Note: Proxy peer average includes: AAON, AMWD, APOG, AWI, CBPX, EXP, ROCK, IIIN, DOOR, PATK, PGTI, NX, SUM, TREX, USCR, WMS.
Note: Time period spanning November 30, 2014 to November 30, 2019.
Note: Total shareholder return measures the internal rate of return of all cash flows to the investor during the holding period of an investment, not solely the capital gain.
**Strong Business Drives Stockholder Value**

**A Unique Business Model...**

Aside from our strong brand recognition and trusted reputation, Simpson is unique due to our strong customer support and training, extensive product testing capabilities, product availability with delivery in typically 24-48 hours or less and active involvement with code officials and agencies to improve building construction practices.

**Enables Us to Deliver Value to Shareholders**

The Board employs a balanced capital allocation strategy that utilizes free cash flow to grow the business through capital expenditures, acquisitions, and to provide returns to stockholders through dividends and share repurchases. Since 2010, Simpson has grown EPS by 370% and increased its quarterly dividend by 130%(1), and since 2011, repurchased $398.5(1) million in shares.

### Our 2018 Sales by Product...

($ USD Millions)

- *Concrete Construction* $165
- *Wood Construction* $913
- *Other* $0

**and Across Operating Segments**

($ USD Millions)

- *Europe* $159
- *Asia/Pacific* $9
- *North America* $911

With industry leading operating and gross margins of 16.0% and 44.5% respectively.

(1) Quarterly dividend and stock repurchases based on quarterly earnings statements as of September 30, 2019.
(2) The enactment of the Tax Cuts and Jobs Act in December 2017 resulted in a provisional net charge of $2.2 million in the fourth quarter of 2017, or an impact of $0.04 per fully diluted share.
(3) Chart represents annual dividends. Part of the 2013 dividend was accelerated due to uncertainty of changes to tax code in 2013. The dividend paid in December 2012 is included in 2013.
Disciplined Capital Allocation Strategy

Simpson has established a current target capital return to stockholders of a minimum of 50% of cash flows from operations through both dividends and repurchases of its common stock.

Cash Flow from Operations
- Improve cash flow through better management of working capital and overall balance sheet discipline
- Committed to returning 50% of cash flow from operations to stockholders

Share Repurchases
- Maintain opportunistic approach
- $49 million available for share repurchases (of $100 million authorization through 2019)

Organic Growth Investments
- Focus primarily on organic growth opportunities through strategic capital investments in the business

Dividends
- Maintained and grown quarterly cash dividends consistently since 2004
### 2020 Plan(1)

#### KEY OBJECTIVES

<table>
<thead>
<tr>
<th>1</th>
<th>FOCUS ON ORGANIC GROWTH</th>
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<tbody>
<tr>
<td></td>
<td>• $861M Net Sales</td>
</tr>
<tr>
<td></td>
<td>• ~8% Organic Net Sales CAGR</td>
</tr>
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<td></td>
<td>✔ ~10% Organic Net Sales CAGR through fiscal 2019</td>
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<table>
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<tr>
<th>2</th>
<th>RATIONALIZE COST STRUCTURE TO INCREASE PROFITABILITY</th>
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<tbody>
<tr>
<td></td>
<td>• 31.8% Operating Expenses as a % of Net Sales</td>
</tr>
<tr>
<td></td>
<td>• 16.4% Operating Income Margin</td>
</tr>
<tr>
<td></td>
<td>• ~26% - 27% Operating Expenses as a % of Net Sales</td>
</tr>
<tr>
<td></td>
<td>• ~16% - 17% Operating Income Margin</td>
</tr>
<tr>
<td></td>
<td>✔ 27.2% Operating Expenses as a % of Net Sales</td>
</tr>
<tr>
<td></td>
<td>✔ 16.5% Operating Income Margin</td>
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<th>3</th>
<th>IMPROVE WORKING CAPITAL MANAGEMENT &amp; BALANCE SHEET DISCIPLINE</th>
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<tbody>
<tr>
<td></td>
<td>• 2x Inventory Turn Rate</td>
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<tr>
<td></td>
<td>• Working with external consultant to identify further improvements to inventory management</td>
</tr>
<tr>
<td></td>
<td>✔ Achieved significant expense reductions in 2018 and new initiatives expected to lead to cost containment beyond 2020 Plan goals</td>
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### IMPROVE RETURN ON INVESTED CAPITAL(3)

- Execution on the 2020 Plan is expected to substantially enhance ROIC
- Expect to achieve 15% to 16% ROIC target by FY 2020, up from 10.4% in FY 2016

### INCREASE CAPITAL RETURN TO STOCKHOLDERS

- Committed to returning 50% of cash flow from operations to stockholders
- Utilize capital from inventory reductions and balance sheet efficiency improvements to repurchase shares
- Review properties for potential sale / sale-leaseback options; capital release to be used for repurchases

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(1) Note: Updated as of November 5, 2019. The initial 2020 plan was unveiled on October 30, 2017.
(2) Figures represent nine months ending September 30, 2019, based on Q3 2019 10-Q filing.
(3) See slide 14 for Return on Invested Capital (ROIC) definition.
Our Board is committed to being effective stewards of shareholder capital and possesses the diversity of skills and experiences to oversee the business.
Our Board’s rigorous evaluation process allows us to continue to attract and retain directors with the skills and experiences necessary to successfully oversee the Company’s strategy.

**Board Evaluation Process**

- **Annual Board Self-Assessment**
  The Board ensures the skill sets of directors are aligned with company strategy, priorities and performance.

- **Consider Third Party Evaluation**
  Dependent on need, the Board may from time to time engage an independent third party to conduct an evaluation and present recommendations on ideas to improve its effectiveness.

- **Review and Assessment of Board Composition**
  The Nominating and Governance Committee identifies key skills and expertise of directors based on feedback provided.

- **Recommendations and Board Refreshment**
  The Nominating and Governance Committee provides recommendations and conducts a director search process if necessary.

**Director Skills and Expertise**

The Board seeks to achieve a mix of members who collectively bring significant value to the Company through their experience and personal backgrounds relevant to the Company’s strategic priorities and the scope and complexity of the business and industry:

- Executive Leadership: 8
- Public Company Board: 4
- Business Strategy: 8
- Mergers & Acquisitions: 8
- Financial Expertise: 5
- Financial Literacy: 8
- International Business: 5
- Industry Experience: 5
- Corporate Governance: 8
- Risk Management: 5
- Talent Management/HR: 4
- Technology: 3
Board Responsiveness to Shareholder Feedback

- The Board and management conduct ongoing broad outreach to our shareholders to seek feedback on our executive compensation program and governance practices

- In response to feedback requesting increased environmental and social disclosure, we plan to publish our inaugural Sustainability Report in Spring 2020

- Over the past few years, in response to shareholder feedback, the Board made several changes:

### Compensation Practices

- Adopted a median pay for median performance pay philosophy
- Transformed our executive compensation program:
  - Reduced proportion delivered through EOCPS
  - Extended all performance periods (added annual measurement to EOCPS and 3-year measurement to LTIP)
  - Established LTIP equity metrics distinct from EOCPS, which align with our strategy
- Adopted clawback, anti-hedging and anti-pledging policies

### Governance Practices

- Declassified the Board, phased in over a three-year period beginning at the 2017 Annual Meeting
- Eliminated Cumulative Voting
- Eliminated the shareholder rights plan
- Reduced Director term limits for new directors elected to the Board

These practices are in addition to our:
- Separate Independent Chairman and CEO roles
- Majority vote standard for director elections
- No supermajority voting provisions

### Board Structure

- Conducted a comprehensive Board self assessment and third party governance evaluation to formalize director candidate search criteria
- Nominated new independent director candidates, Michael Bless and Phillip Donaldson, for election at the 2017 and 2018 Annual Meetings, respectively
- James Andrasick succeeded former Chairman, Peter Louras Jr., effective as of the end of 2018
After a period of transition, 2018 was the first year where all changes to our compensation program were fully implemented. The Board was pleased that shareholders voted to support the compensation plan with >98% support and therefore, the Compensation Committee decided to maintain our program for 2019.
# Environmental and Safety Sustainability

We are committed to protecting the environment of our employees, customers and the communities we operate in

## FOCUS AREAS

<table>
<thead>
<tr>
<th>FOCUS AREA</th>
<th>PHILOSOPHY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing Process</td>
<td>We do not manufacture steel or any other materials. We operate in a way that does not produce regulated external emissions. We strive to minimize waste generated by manufacturing processes through company-wide Lean practices.</td>
</tr>
<tr>
<td>Recycling and Water Management</td>
<td>Our facilities recycle/reuse many of the materials they use to reduce our impact on the environment, including water, cardboard, plastic and glass bottles, aluminum cans, paper, wood pallets, electronic waste, oils, coolants and lubricants and stretch film / wrap – low density polyethylene.</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>We strive to increase energy efficiencies at our facilities to achieve environmentally-friendly, cost-effective operations, by utilizing, among other things: dimmers, motion sensors, LED lighting, heat regeneration and solar energy.</td>
</tr>
<tr>
<td>Sustainable Building Practices</td>
<td>We support sustainable building practices, such as those established by the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) Green Building Rating System™, NAHB Green, and state and city specific green building codes.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>We expect our suppliers to adhere to sustainability standards and operate in a socially and environmentally responsible manner consistent with our values.</td>
</tr>
<tr>
<td>Global Health &amp; Safety Initiatives</td>
<td>Our <strong>Occupational Health and Safety program</strong> is designed to educate employees on risks associated with our processes and to adopt new safety skills.</td>
</tr>
<tr>
<td>Safety Value Programs</td>
<td>We create programs specifically focused on the enhancement of safety education, practices and processes.</td>
</tr>
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</table>
Supporting our Employees

Our Board is focused on fostering a supportive corporate culture that promotes leadership opportunities and diversity

Simpson’s Culture

- Our distinct culture is made up of the unique characteristics and talents of our employees and is embodied by our ‘Nine Principles of Business’

1. Relentless Customer Focus. The focus, the obsession, is on customers and users
2. Long-Range View. People never sacrifice tomorrow for the sake of today
3. High-Quality Products. The company makes quality products that contribute to the quality of life in a significant way
4. Be the Leader. The company is the leader in its core business
5. Everybody Matters. The company dignifies the contribution of every individual employee at every level
6. Enable Growth. People are excited about their jobs and the possibilities for growth
7. Risk-Taking Innovation. Innovation and creativity are encouraged; success is seldom achieved without taking risks
8. Give Back. The company feels an obligation to the system and the country that spawned it, as well as to humanity in general
9. Have Fun, Be Humble. The company is a demanding but fun place to work, where people take their responsibilities, but not themselves, seriously

Leadership Programs

- We care deeply about our employees’ opportunities to thrive and succeed
- We empower our employees, broaden their innovative and creative thinking, and strengthen their ability to build trust and make a positive difference
- Our Strong Leaders Program (for managers) and our Emerging Leaders Program (for non-managers) provides employees with tools and experiences to develop their fullest leadership potential
- We strive to develop leaders who are reflective, continuously seek opportunities to improve, and recognize the impact they have

Diversity

- We pride ourselves on our diverse employee base and benefit from their unique perspectives across our entire corporation
- We have paved the way for gender diversity in corporate leadership with women holding 38% of the top five executive positions and board seats combined
- We were recognized for our diversity efforts in corporate leadership in the first-ever Watermark Index and as a Finalist for NACD NXT, an initiative to highlight breakthrough corporate boardroom practices

Equal Pay

We are committed to internal pay equality, and we believe our executive compensation should be consistent and equitable to motivate our employees to create shareholder value
Robust Board Oversight of Risk Management

Our Board is actively involved in overseeing the Company’s risk management, regularly reviewing information regarding operational, financial, legal and strategic risks to ensure that shareholders’ investments are protected for the long term.

**Audit and Finance Committee**
Met 6 times in 2019
Oversees management and evaluation of our financial and cybersecurity risks

**Compensation and Leadership Development Committee**
Met 12 times in 2019
Responsible for overseeing the management of risks relating to our compensation plans, as well as development, attraction and retention of leadership

**Corporate Strategy and Acquisitions Committee**
Met 5 times in 2019
Formed in 2009, this committee evaluates and manages our strategic risks. Including identification and prioritization of strategic goals and expectation

**Nominating and Governance Committee**
Met 5 times in 2019
Manages risks associated with the independence of the Board and potential conflicts of interest, corporate guidelines, and Board nominations

**Management Team**
While each committee is responsible for evaluating certain risks and overseeing the management of these risks, our entire Board is regularly informed about such risks through executive officer reports.
When referred to in this presentation, the Company’s return on invested capital ("ROIC") for a fiscal period is calculated based on (i) the net income of the last four quarters as presented in the Company’s condensed consolidated statements of operations prepared pursuant to generally accepted accounting principles in the U.S. ("GAAP"), as divided by (ii) the average of the sum of the total stockholders’ equity and the total long-term liabilities at the beginning of and at the end of such period, as presented in the Company’s consolidated balance sheets prepared pursuant to GAAP for that applicable year. For the purposes of comparability in this calculation, total long-term liabilities excludes long-term finance lease liabilities, which were recognized as of June 30, 2019 as a result of the January 1, 2019 adoption of ASU 2016-02. As such, the Company’s ROIC, a ratio or statistical measure, is calculated using exclusively financial measures presented in accordance with GAAP.
SIMPSON’S PEOPLE MAKE THE DIFFERENCE

simpsonmfg.com/financials