

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 16, 2020

Simpson Manufacturing Co., Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

1-13429

(Commission file number)

94-3196943

(I.R.S. Employer Identification
No.)

5956 W. Las Positas Boulevard, Pleasanton, CA 94588

(Address of principal executive offices)

(Registrant's telephone number, including area code): **(925) 560-9000**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	SSD	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-2)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

Representatives of Simpson Manufacturing Co., Inc. (the “Company”) will be conducting governance-focused engagement with shareholders from time to time on or after November 16, 2020. A copy of the slide presentation they will use in their engagement is furnished as Exhibit 99.1 to this Current Report on Form 8-K. The slide presentation will be available on the Investor Relations page of the Company’s website at simpsonmfg.com.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1 furnished herewith, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1 furnished herewith, contains “forward-looking statements” within the meaning of the safe harbor provisions of the federal securities laws. It should be read in conjunction with the “Safe Harbor” statement contained in the Investor Presentation, the risk factors included in the Company’s periodic reports filed with the Securities and Exchange Commission and the other public announcements that the Company may make, by press release or otherwise, from time to time.

Item 9.01 Financial Statements and Exhibits.(d) Exhibits

Exhibit No.	Description
99.1	Simpson Manufacturing Co., Inc. Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Simpson Manufacturing Co., Inc.

(Registrant)

DATE: November 16, 2020

By /s/ Brian J. Magstadt

Brian J. Magstadt

Chief Financial Officer

SIMPSON

**Manufacturing
COMPANY**

TM



Off-Season
Stockholder
Engagement

STRENGTH BUILT IN

November | 2020

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 the impact of COVID-19 on our operations and supply chain, and the operations of our customers, suppliers and business partners and 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. To the extent that COVID-19 adversely affects our business and financial results, it may also have the effect of heightening many of such risk and other factors.

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.



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



Leadership position 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



74% of cash flow from operations returned to stockholders since 2017⁽¹⁾

(1) Time frame represents January 1, 2017 to September 30, 2020.

Simpson 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⁾:** \$3.98 B
- **Year Founded:** 1956
- **Year Public:** 1994
- **Q3 2020 Revenue:** \$364.3M (up 17.5% from 2019)
- **Headquarters:** Pleasanton, CA
- **Operations in 50 locations globally**
- **Employees:** 3,337

Unique Business Model ...

- 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

Our Mission

We provide solutions that help people design and build safer, stronger structures

...Drives Stockholder Value

- **Balanced capital allocation strategy** utilizes free cash flow to grow the business and to provide returns to stockholders⁽²⁾:

~12%

Increase in quarterly dividend

\$304M

Share repurchases

~74%

Cash flows from operations returned to stockholders

(1) As of November 10, 2020.

(2) Data represents January 1, 2017 to September 30, 2020.

The health, safety and wellbeing of our employees is our top priority as we work to ensure a safe work environment, protect our employees and serve our customers

Crisis Management Team

Established a Crisis Management Team (CMT) to monitor new COVID-19 related developments and support our operations to respond to the ever-changing landscape

- Members include: our **CEO, CFO, President of Sales, General Counsel, and Heads of HR, Manufacturing, IT, Internal Communications, and Safety**
- Currently the CMT **meets twice per week**, at onset of the pandemic met daily
- The CMT provides **updates to the Board** on a regular basis

Key goals include:

- **Support of safe working environments in our operations**
- **Regular communications to inform and update employees** on the status of working conditions and safety measures taken
- Oversight of **training on COVID-19 safety practices**

Actions Taken

Solutions to support safe work places include:

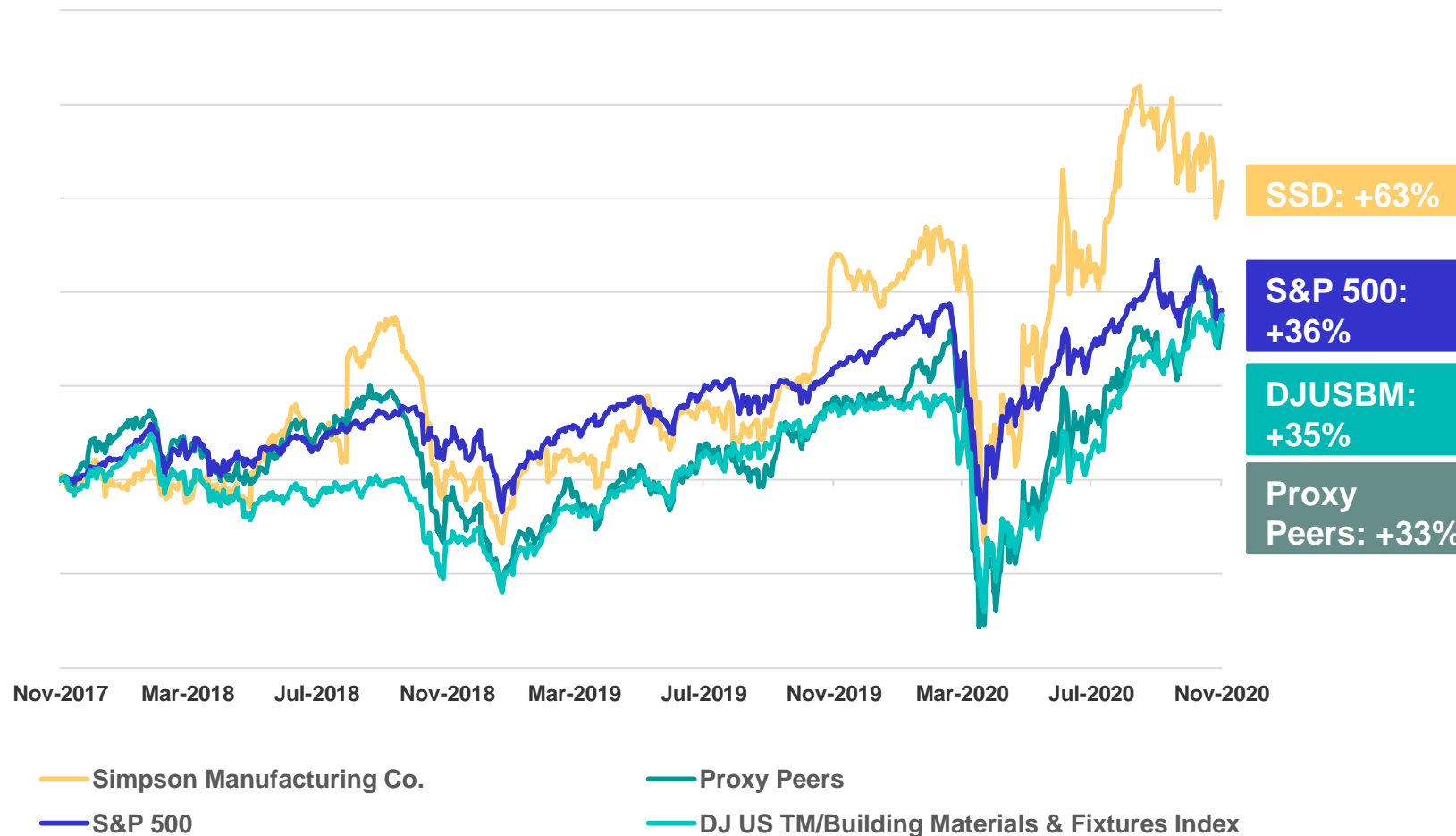
- **Social distancing, mask wearing, temperature screening and increased cleaning**
 - Includes staggered shift schedules
 - Use of EPA-registered disinfectants for facilities and equipment
 - Hands-free soap and towel dispensers
- **Restructuring of working spaces** and addition of barriers to separate personnel
- **Facility closures** in necessary instances
- **Instituted work-from-home (WFH)** for certain employees and office staff when possible
- **Increased travel restrictions**, particularly focused on air travel and in-person group environments

Near-Term Outlook

- Continued **part or full-time WFH** with **investment in technology and programs** to support WFH conditions
- **Resumed hiring** across the business to meet strong production and sales volumes
- **Eased travel restrictions** based on business need
- **Repayment of credit lines** and **evaluation of M&A opportunities** in support of our growth strategy

3-Year Relative Price Performance

Recent stock price performance reflects clarity surrounding business strategy and durability, growth prospects and operational efficiencies



Note: Proxy peer average includes: AAON, AMWD, APOG, AWI, EXP, ROCK, IILN, DOOR, PATK, PGTI, NX, SUM, TREX, USCR and WMS.

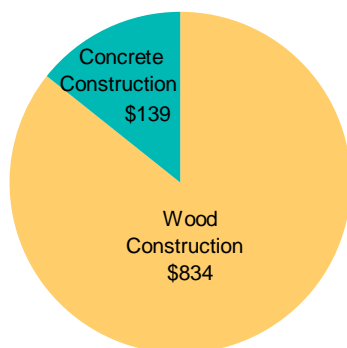
Note: As of November 2, 2020.

Strong Business Drives Stockholder Value

We are pleased with our continued strong performance as evident by our ability to continue to grow both earnings and dividends

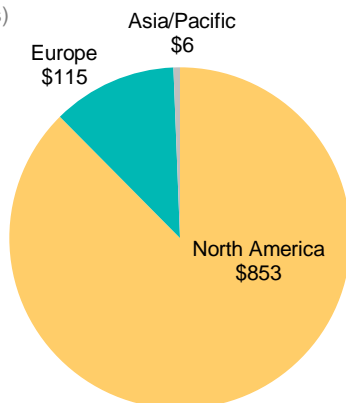
2020 YTD Sales by Product...

(\$ USD Millions)

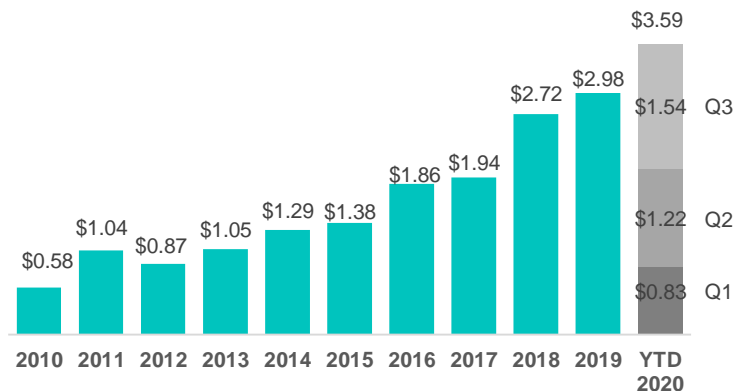


...and Across Operating Segments

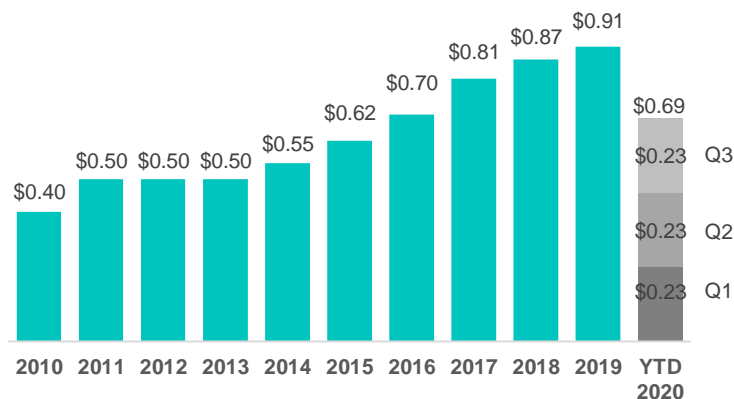
(\$ USD Millions)



EPS⁽¹⁾



Dividends Per Share⁽²⁾



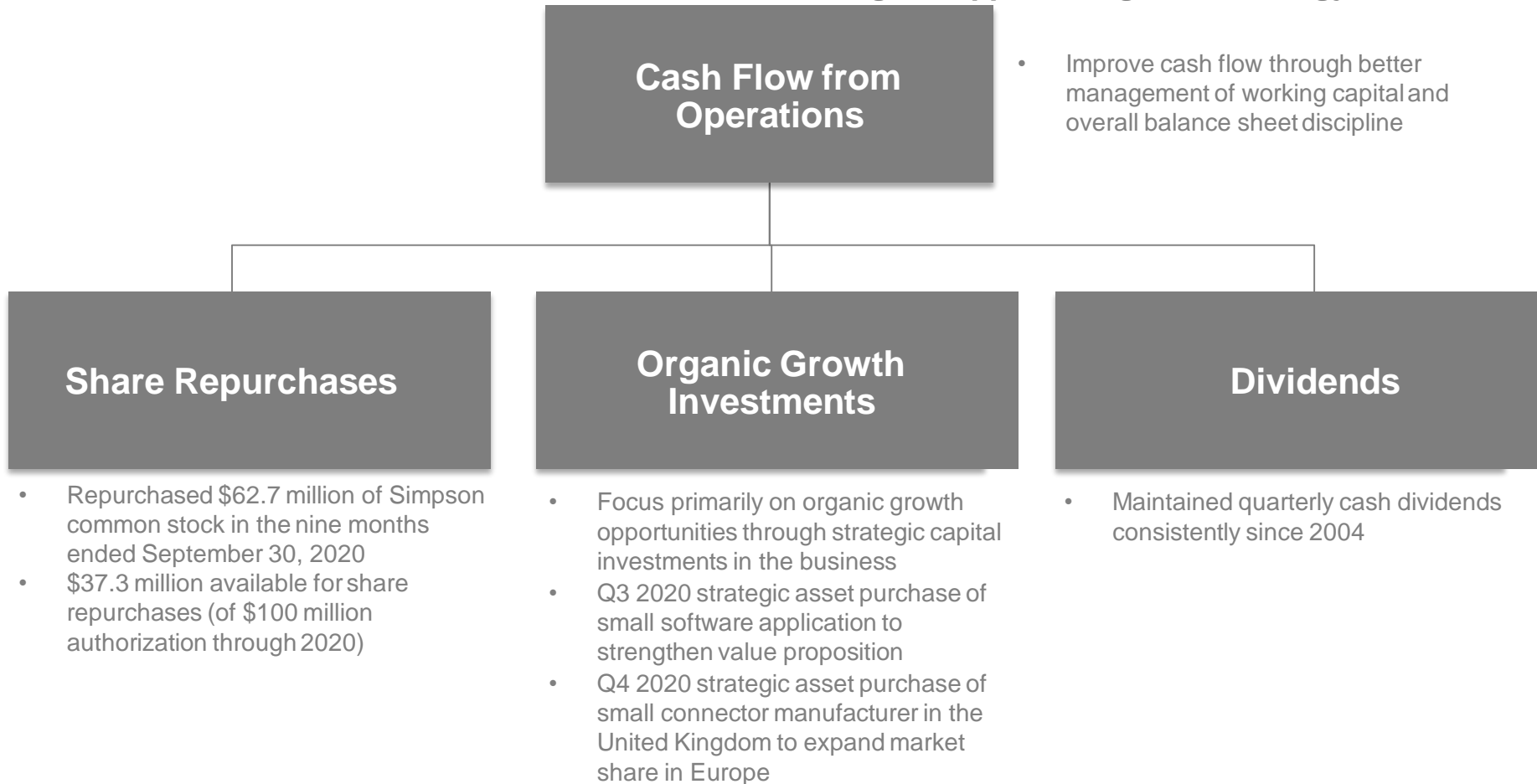
(1) The enactment of the Tax Cuts and Jobs Act in December 2017 resulted in a provisional net charge of \$2.2 million in the fourth quarter of 2017, or an impact of \$0.04 per fully diluted share.

(2) Chart represents annual dividends declared. 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.

Simpson has maintained a strong balance sheet and ample liquidity to maintain day-to-day operations

Since 2017⁽¹⁾ Simpson has returned 74% of cash flow from operations to stockholders through dividends and repurchases of its common stock




We are focused on effective working capital management and prudent cash preservation in the COVID-19 environment, while continuing to support our growth strategy



(1) Time frame represents January 1, 2017 to September 30, 2020.

Successful Execution of 2020 Plan⁽¹⁾

We've made significant progress on our 2020 Plan through the implementation of strategic changes to our business to ensure the long-term sustainability and profitability of our operations

KEY OBJECTIVES	FY 2016 Actual	2020 PLAN	As of Q3 2020 ⁽²⁾
1 FOCUS ON ORGANIC GROWTH 	<ul style="list-style-type: none"> • \$861M Net Sales 	<ul style="list-style-type: none"> • ~8% Organic Net Sales CAGR 	<ul style="list-style-type: none"> ✓ Net Sales CAGR estimated to increase 9-10% compared to FY 2019 ✓ ~10% Organic Net Sales CAGR through FY 2019
2 RATIONALIZE COST STRUCTURE TO INCREASE PROFITABILITY 	<ul style="list-style-type: none"> • 31.8% Operating Expenses as a % of Net Sales • 16.4% Operating Income Margin 	<ul style="list-style-type: none"> • ~26% - 27% Operating Expenses as a % of Net Sales • ~16% - 17% Operating Income Margin 	<ul style="list-style-type: none"> ✓ 25 – 26.5% Operating Expenses as a % of Net Sales; 27.9% as of FY 2019 ✓ ~19% Operating Income Margin; 15.9% as of FY 2019
3 IMPROVE WORKING CAPITAL MANAGEMENT & BALANCE SHEET DISCIPLINE 	<ul style="list-style-type: none"> • 2x Inventory Turn Rate 	<ul style="list-style-type: none"> • Working with external consultant to identify further improvements to inventory management 	<ul style="list-style-type: none"> ✓ Achieved significant expense reductions and new initiatives expected to lead to cost containment beyond 2020 Plan goals

(1) Note: Updated as of November 5, 2019. The initial 2020 plan was unveiled on October 30, 2017.

(2) Based on Q3 2020 10-Q filing.

(3) See slide 17 for Return on Invested Capital (ROIC) definition.

Diverse and Highly Qualified Board

Our Board is committed to being effective stewards of stockholder capital and possesses the diversity of skills and experiences to oversee the business



James Andrasick
Chairman

Former CEO
Matson Navigation



Jennifer Chatman

Paul J. Cortese Professor of Mgmt.
Haas School of Business,
UC Berkeley



Karen Colonias

President & CEO
Simpson Manufacturing



Celeste Volz Ford

Founder & CEO
Stellar Solutions



Gary Cusumano

Former Chairman
The Newhall Land and
Farming Company



**Robin Greenway
MacGillivray**

Former Senior Vice
President — One AT&T
Integration, AT&T



Michael Bless ★

CEO Century Aluminum
Company



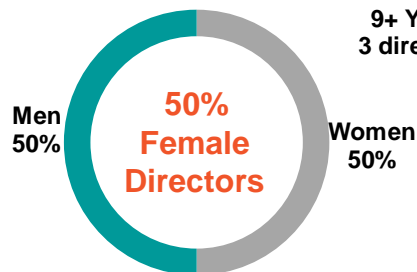
Phil Donaldson ★

Executive VP & CFO
Andersen Corporation

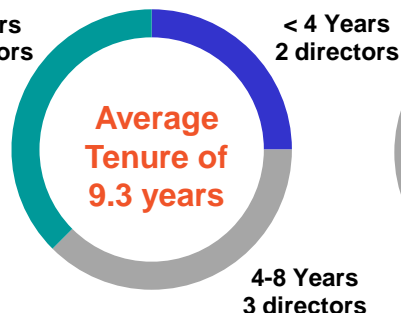
Director Skills and Expertise



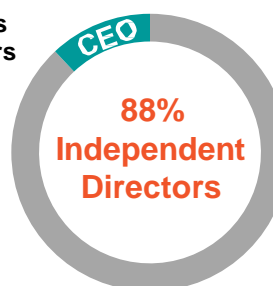
Gender Diversity



Director Tenure



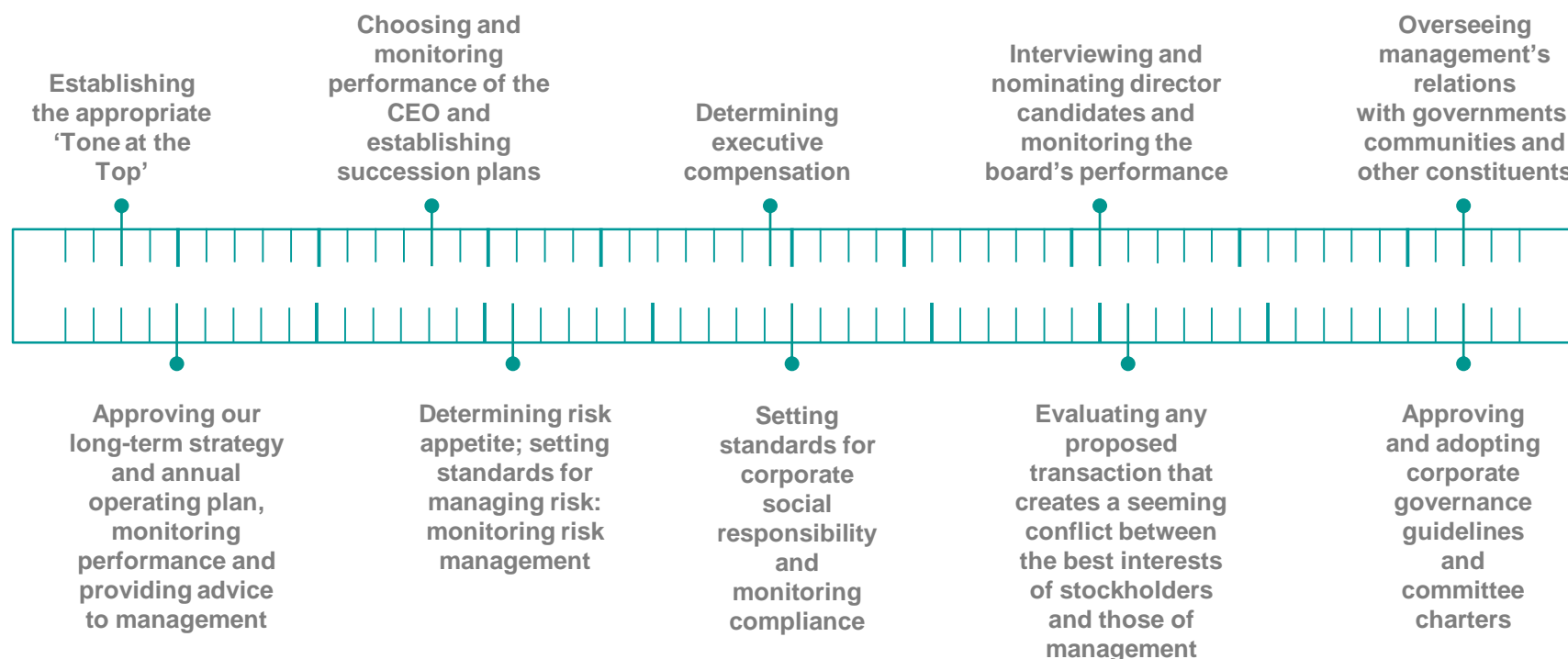
Independence



★ Indicates director joined over past 3 years

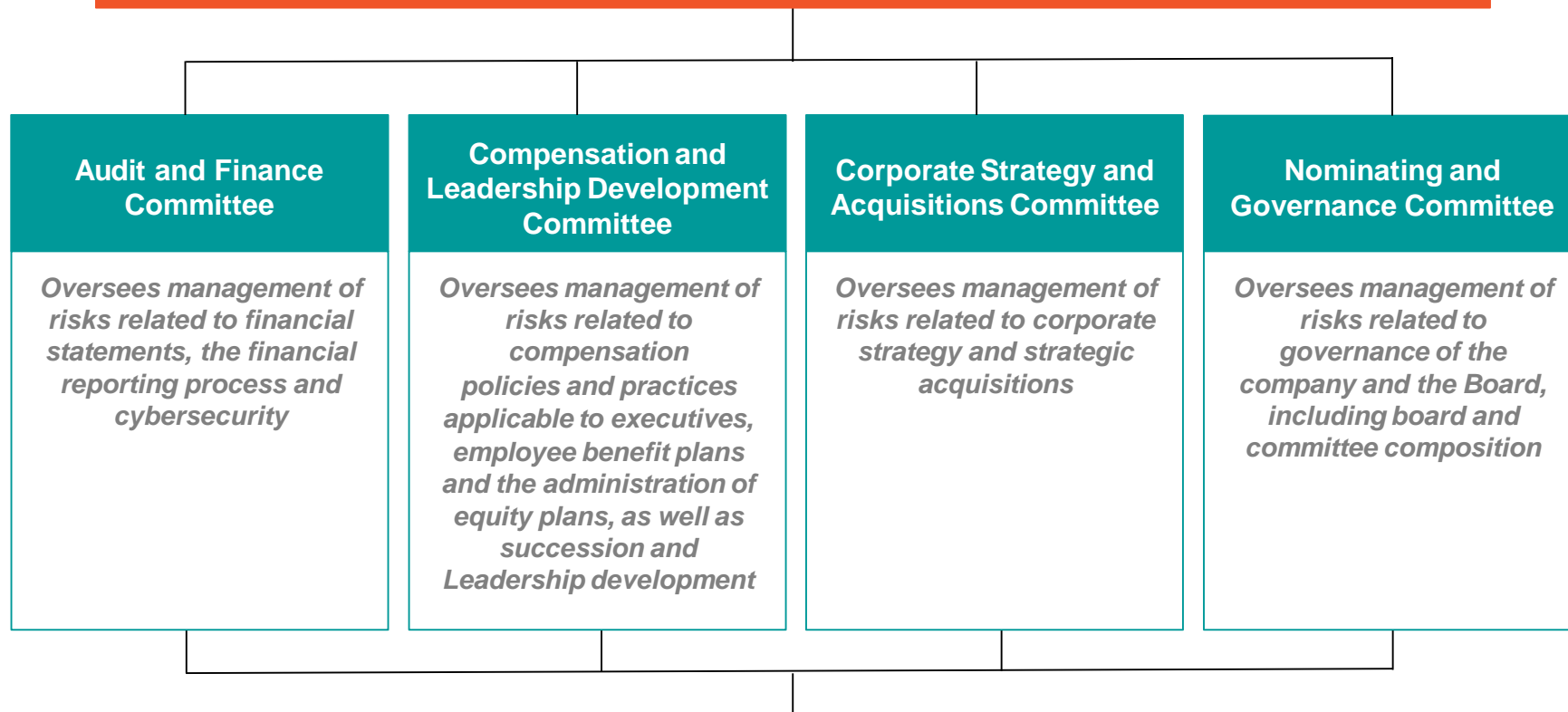
Our Board of Directors oversees, monitors and directs management in the long-term interest of Simpson and our stockholders

THE BOARD'S KEY RESPONSIBILITIES INCLUDE:



Our Board is actively involved in overseeing the Company's risk management, regularly reviewing information regarding operational, financial, legal and strategic risks to make decisions in the best interests of the Company and its stockholders

Board of Directors



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 in Board meetings and management reports

The Board and management conduct ongoing broad outreach to our stockholders to seek feedback on our executive compensation program, governance practices, board structure and ESG reporting

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

Track Record of Responsiveness

- ✓ Adopted a **median pay for median performance pay philosophy**
- ✓ **Transformed our executive compensation program** through reducing proportion delivered through EOCPS, extending all performance periods and establishing LTIP equity metrics distinct from EOCPS, which align with our strategy
- ✓ **Adopted clawback, anti-hedging and anti-pledging policies**

Compensation Practices

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

Governance Practices

- ✓ Published an inaugural **Sustainability, Environmental and Social Responsibility Report 2020**
- ✓ Enhanced focus on ESG reporting company-wide, particularly on **diversity, resource usage, and safety topics**

ESG Reporting

- ✓ **Conducted a comprehensive Board self assessment** and third party governance evaluation to formalize director candidate search criteria
- ✓ **Nominated two new independent director candidates and appointed a new Board Chair** over the past three years

Board Structure

At Simpson, we are committed to operating in a safe and environmentally responsible manner to protect our employees, customers and communities, while benefiting society, the economy and the environment

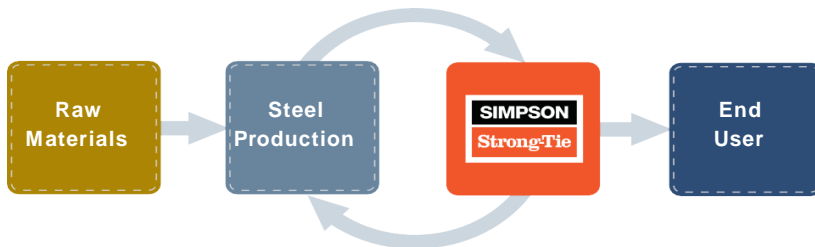
Manufacturing Processes

We look to minimize the amount of waste generated by our manufacturing processes through companywide Lean practices

- Our production lines and facilities do not produce regulated external emissions
- Our R&D engineers are focused on material efficiencies and innovative product features that minimize waste
- Our concrete construction products contribute to the longevity and sustainability of the projects on which they're used

Recycling

We support the Circular Economy by minimizing our recognized waste streams and sending unused steel from our processes back upstream for reintroduction into the material supply chain



We have increased our total steel recycling year-over-year since 2015 with >149M pounds total over the past five years

Sustainable Building Practices

We support practices established by the US 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

- We support green building systems by developing products that use or incorporate engineered wood and insulated concrete forms
- We use advanced framing techniques to reduce material usage and improve energy performance in wood-frame construction
- We use non-toxic materials for connector products that require painting

Resource Conservation

We ensure eco-friendly, cost-effective operations by working hard to improve energy efficiencies including energy-efficient lighting, heating and cooling systems

Both our **Stockton, California** (our largest manufacturing facility) and **Sewen, Switzerland** facilities are **powered by solar energy**, which contributes to a significant reduction in our carbon emissions

Our Boulstrup facility in Denmark is now mostly powered by hydropower and wind power which enabled the facility to **reduce its annual oil requirement by 65%**

Simpson reduced its water consumption every year for the past five years

For more information, please see our inaugural [Sustainability, Environmental and Social Responsibility Report 2020](#)

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

Key Updates to SSD's Diversity & Inclusion Initiatives

- Diversity & inclusion is of the highest priority to our organization. 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**
- In 2020 so far, key highlights that exemplify our role in advancing diversity & inclusion initiatives include:
 - Donated \$40,000 to organizations supporting **human rights** and the **Black Lives Matter movement**
 - Vice President of Engineering Annie Kao was named in the Girl Geek X List of Top 60 Women Leading Engineering Teams
- We have been 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 in 2018

Our **Diversity and Inclusion Steering Committee** is actively developing a multifaceted plan with concrete goals for diversity and inclusion throughout our company

Equal Pay

We are committed to **internal pay equality**, and we believe our compensation should be consistent and equitable to motivate our employees to create stockholder value

Leadership & Development Programs

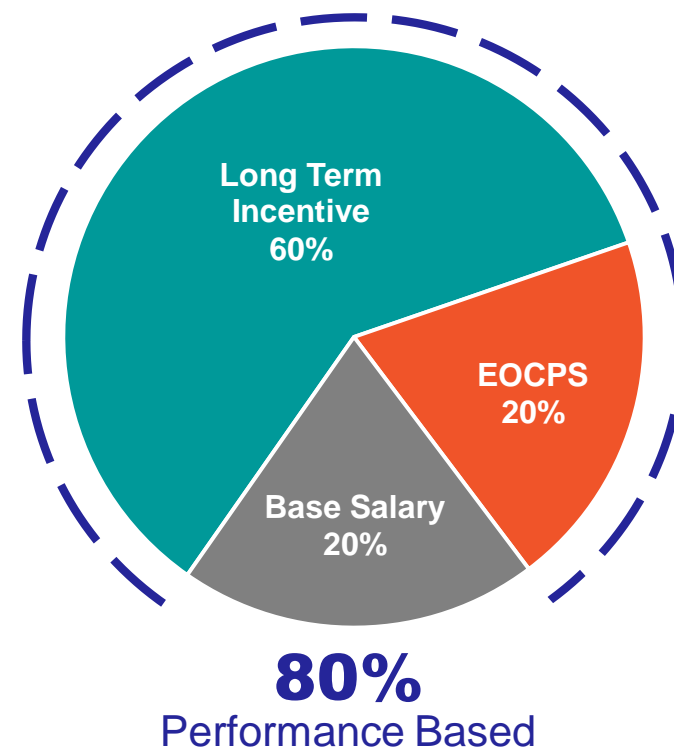
- We care deeply about our employees' opportunities to **thrive** and **succeed**
- We **empower** our employees, broaden their innovative and creative thinking, and strengthen their ability to build trust and make a positive difference
- Our **Strong Leaders Program** (for managers) and our **Emerging Leaders Program** (for non-managers) provides employees with tools and experiences to develop their fullest leadership potential
- Our **Strong For Life employee program** fosters a culture of total well-being by providing no-cost trainings, tools and resources that educate and empower employees and their spouses to improve their physical, emotional and financial health as well as to earn rewards for participation and engagement in the program
- We strive to develop leaders who are **reflective**, continuously **seek opportunities** to **improve**, and recognize the **impact** they have

Executive Compensation Program

At our 2020 Annual Meeting of stockholders, Simpson received strong support for its executive compensation program, with approximately 99% of votes cast approving. The Board was pleased with the strong support and therefore the Compensation Committee decided to maintain the program for 2020

2020 Program Design		
Salary	Salary is positioned to <u>50th percentile</u> of peer group	
EOCPS	50% Annual Operating Profit	50% Quarterly Operating Profit
Long-Term Incentive	80% PSUs	
	50% Three-year revenue growth following grant	50% Three-year ROIC following grant
	20% RSUs	
	Three-year staggered vesting (20% / 40% / 40%)	

2020 TARGET CEO COMPENSATION MIX⁽¹⁾



(1) Reflects current program targets, not actual performance.

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.

A man with dark hair, wearing a grey button-down shirt and dark work overalls, stands with his arms crossed in a factory setting. He is looking directly at the camera with a slight smile. In the background, there are industrial machines and a bright light source. The word "DEMAG" is visible on a machine in the background.

SIMPSON

Manufacturing
COMPANY

**SIMPSON'S PEOPLE
MAKE THE
DIFFERENCE**

simpsonmfg.com/financials