

SIMPSON

**Manufacturing
COMPANY**

TM



Karen Colonias
CEO
Brian Magstadt
CFO

STRENGTH BUILT IN

May | 2019

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 and Section 21E of the Securities Exchange Act of 1934, based on numerous assumptions and subject to risks and uncertainties (some of which are beyond our control), such as statements regarding U.S. housing starts and the future demand for the Company's products and services, including in the second quarter of 2019; the Company's 2019 full-year gross profit margin, operating expenses, as a percentage of net sales, and effective tax rate; the Company's potential cash repatriation to the United States; as well as future steel prices. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions of the forward-looking statements the Company furnishes will not materialize or will vary significantly from actual results. Although the Company believes that these forward-looking statements are reasonable, it does not and cannot give any assurance that its beliefs and expectations will prove to be correct, and our actual results might differ materially from results suggested by any forward-looking statement in this document. Many factors could significantly affect the Company's operations and cause the Company's actual results to differ substantially from the Company's expectations. Those factors include, but are not limited to: (i) the impact, execution and effectiveness of the Company's current strategic plan, the 2020 Plan (including strategies, objectives and targets thereunder), and the Company's efforts and costs to implement the plan; (ii) general business cycles and construction business conditions; (iii) customer acceptance of the Company's products and services as well as their prices; (iv) product liability claims, contractual liability, engineering and design liability and similar liabilities or claims; (v) relationships with key customers; (vi) materials and manufacturing costs; (vii) the financial condition of customers, competitors and suppliers; (viii) technological developments including software development; (ix) increased competition; (x) changes in industry practices or regulations; (xi) litigation risks; (xii) changes in capital and credit market conditions; (xiii) governmental and business conditions in countries where the Company's products are manufactured and sold; (xiv) changes in trade regulations, agreements and treaties; (xv) the effects of acquisition activities of the Company or the lack thereof; (xvi) changes in the Company's plans, strategies, objectives, assumptions, expectations or intentions; (xvii) natural disasters and other factors that are beyond the Company's reasonable control; (xviii) changes in U.S. and international taxes, tariffs and duties including those imposed on the Company's income, imports, exports and repatriation of funds; and (xix) other risks and uncertainties indicated from time to time in the Company's filings with the U.S. Securities and Exchange Commission including in the Company's most recent Annual Report on Form 10-K under the heading "Item 1A - Risk Factors." Actual results might differ materially from results suggested by any forward-looking statements in this document. Except as required by law, the Company undertakes no obligation to publicly release any update or revision to these forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events or otherwise. The information in this document speaks as of the date hereof and is subject to change. Any distribution of this document after the date hereof is not intended and should not be construed as updating or confirming such information. In light of the foregoing, investors are advised to carefully read the Company's securities filings in connection with the important disclaimers set forth above and are urged not to rely on our forward-looking statements in making an investment decision about our securities. The Company further does not accept any responsibility for any projections or reports published by analysts, investors or other third parties. In addition, the Company regularly uses its website to post information regarding its business and governance. The Company encourages investors to use <http://www.simpsonmfg.com/> as a source of information about Simpson.



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 shareholder returns



Committed to returning a minimum of 50% of cash flow from operations to shareholders

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⁽¹⁾

- **Ticker:** NYSE:SSD
- **Market Cap:** \$2.92 B
- **Year Founded:** 1956
- **Year Public:** 1994
- **2018 Revenue:** \$1.08 B
- **Headquarters:** Pleasanton, CA
- Operations in **50 locations globally**
- **Employees:** 3,135



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

...Drives Shareholder Value

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

40%

Increase in quarterly dividend

\$234M

Share repurchases

90%

Cash flows from operations returned to shareholders

(1) As of May 15, 2019.

(2) Data as of the three years ended December 31, 2018.

Products for Construction

245
Engineers

35
Engineering &
Lab Technicians

1,086
Patents &
Trademarks

174
Patents
Pending

204
Code Reports

Wood Construction Products

- *Produce and market over 10,000 standard and custom products*
- *Typically made of steel and are used primarily to strengthen, support and connect wood joints*



SAMPLE PRODUCT LINES: Truss plates, screw-delivery systems, holdowns, fasteners, joist hangers, wood & steel shearwalls, moment frames

Product Applications



Single Family



DIY: Decks



Multi-Family



Outdoor Accents® Hardware



Concrete Construction Products

- Produce and market over 1,000 standard and custom products
- Composed of various materials including steel, chemicals and carbon fiber used to anchor, protect and strengthen concrete



SAMPLE PRODUCT LINES: Powder-actuated tools, mechanical anchors, adhesives, concrete repair systems, fiberglass jackets, carbon fiber

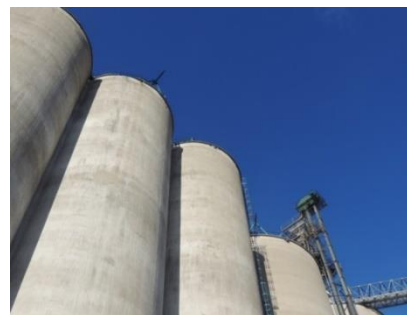
Product Applications



Bridges



Concrete Piers

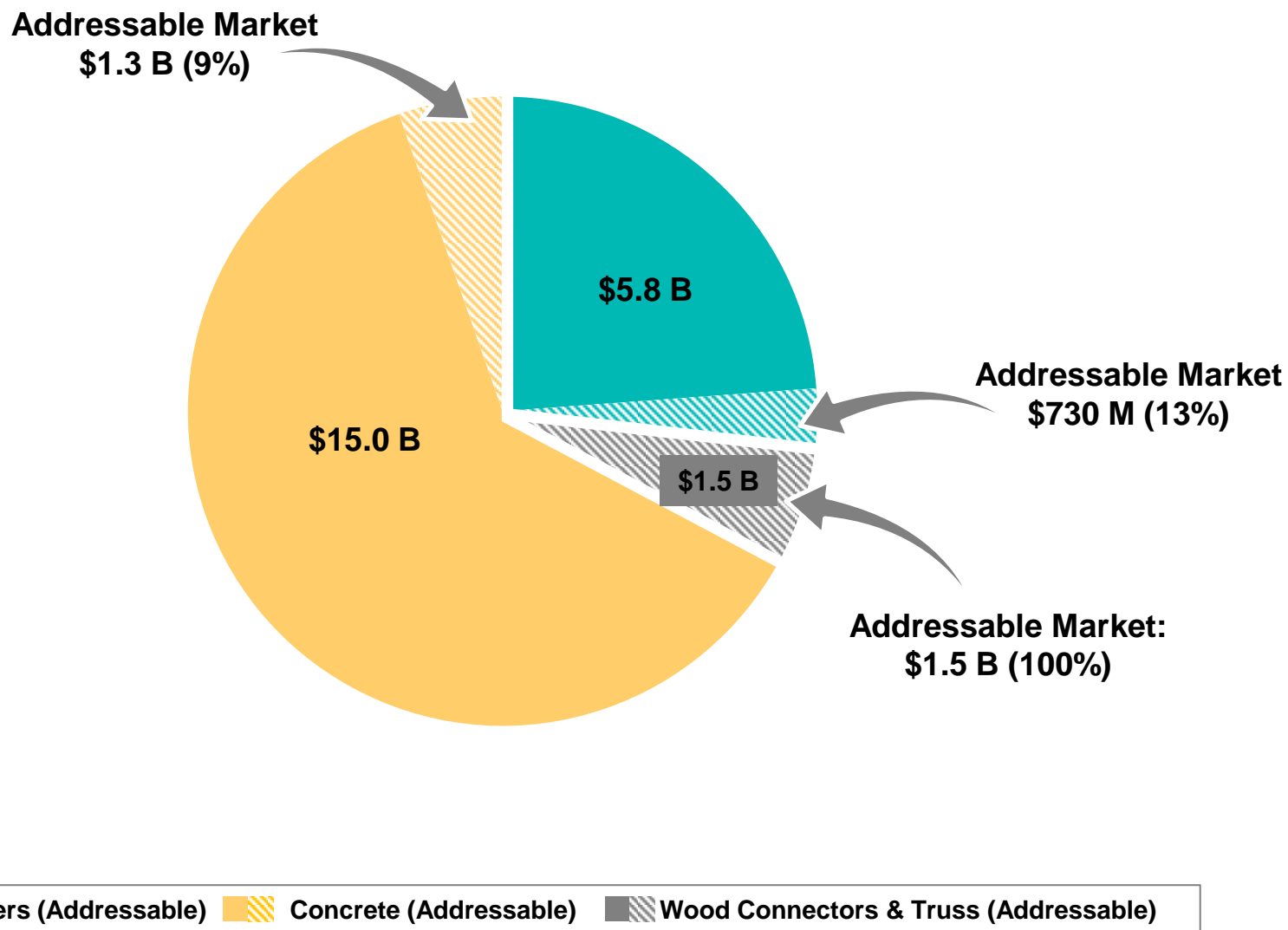


Agricultural Silos



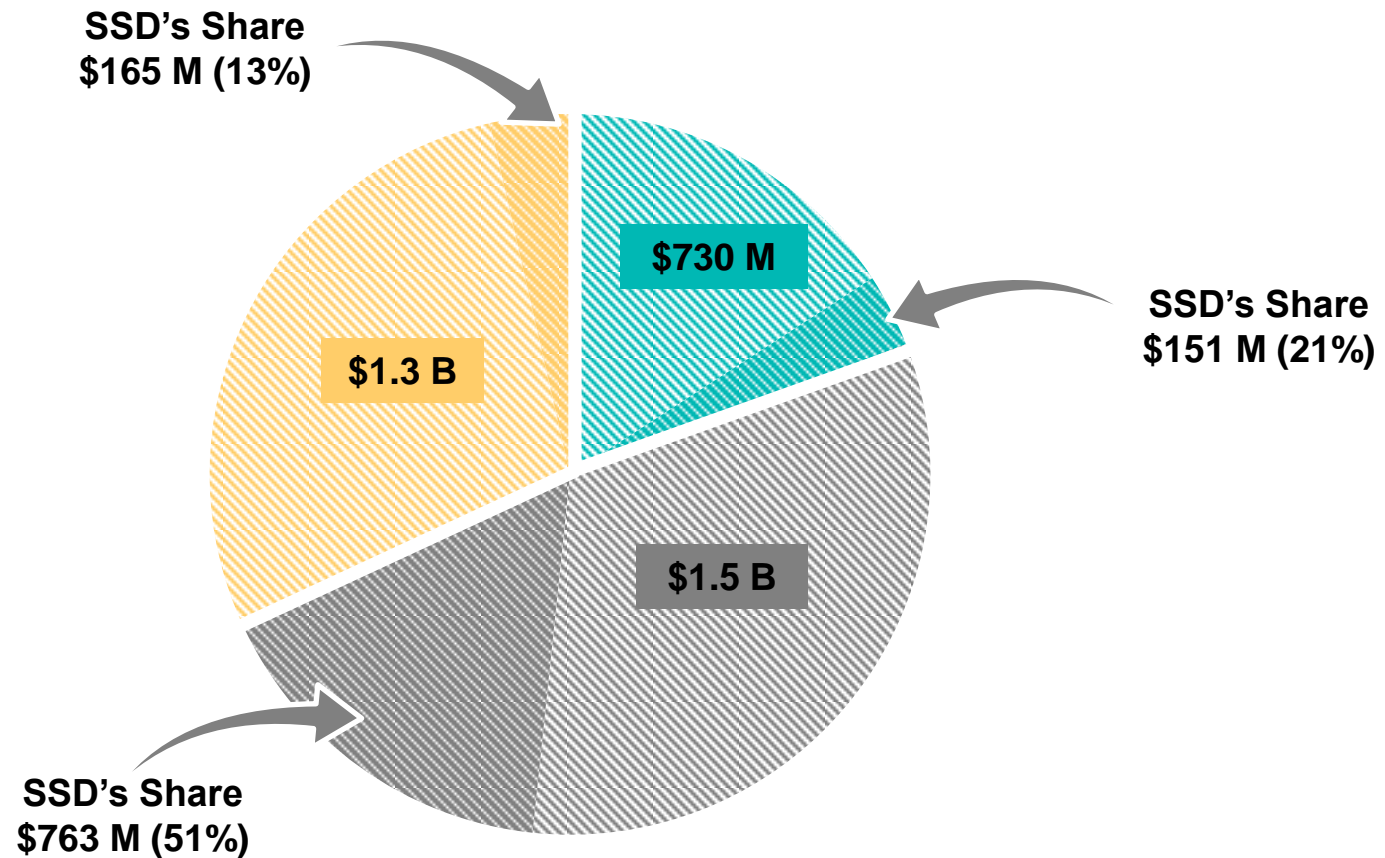
DIY – The Home Depot

Addressable Market Opportunity⁽¹⁾



(1) Note: Market sizes and market shares based on internal estimates using information as of December 31, 2018. Includes North America, Europe and Pacific Rim.

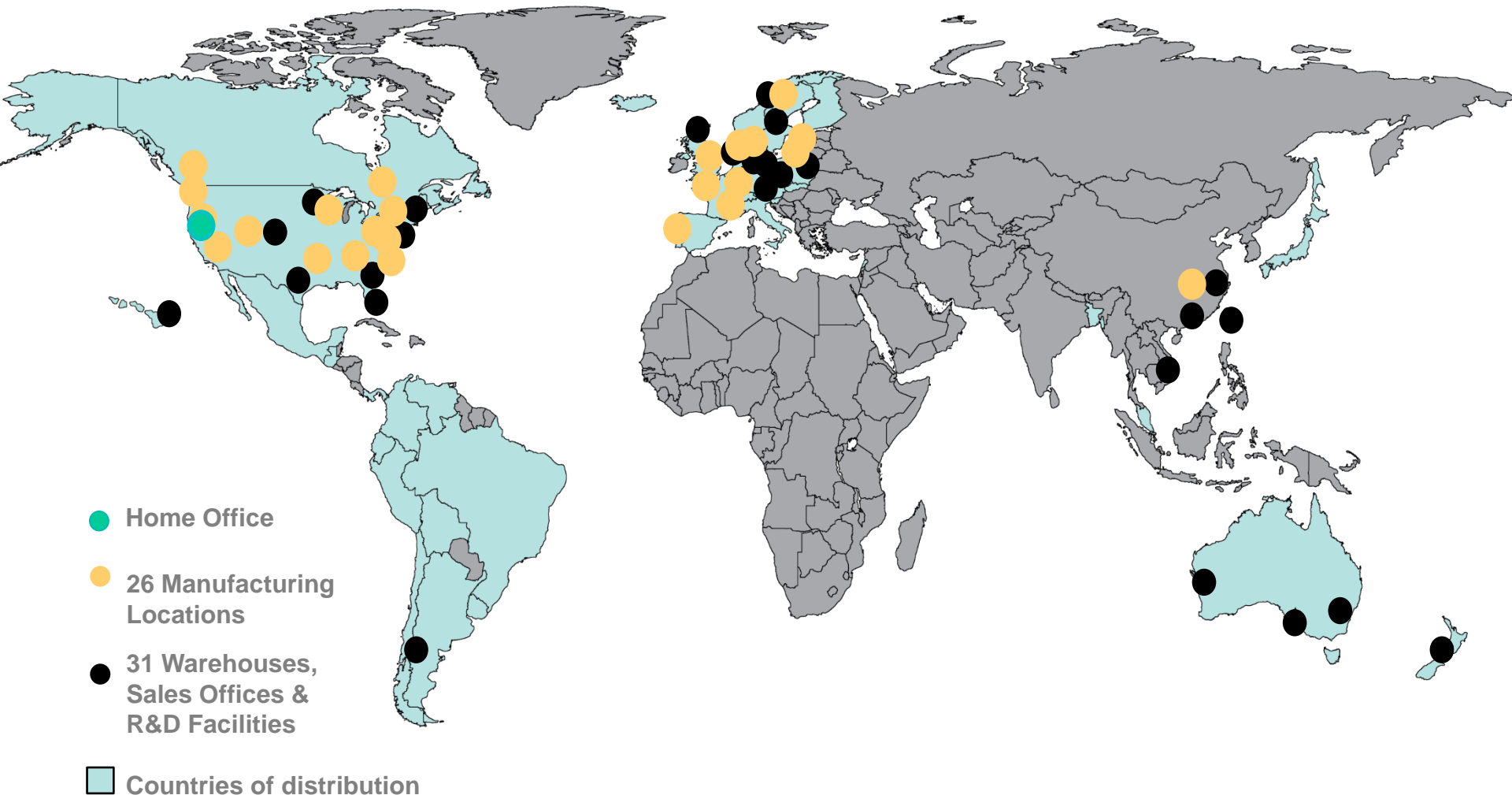
Simpson's Market Share⁽¹⁾



 Fasteners (SSD Share)  Concrete (SSD Share)  Wood Connectors & Truss (SSD Share)

(1) Note: Market share based on net sales as of the full year ended December 31, 2019. Market sizes based on internal estimates using information as of December 31, 2018. Includes North America, Europe and Pacific Rim.

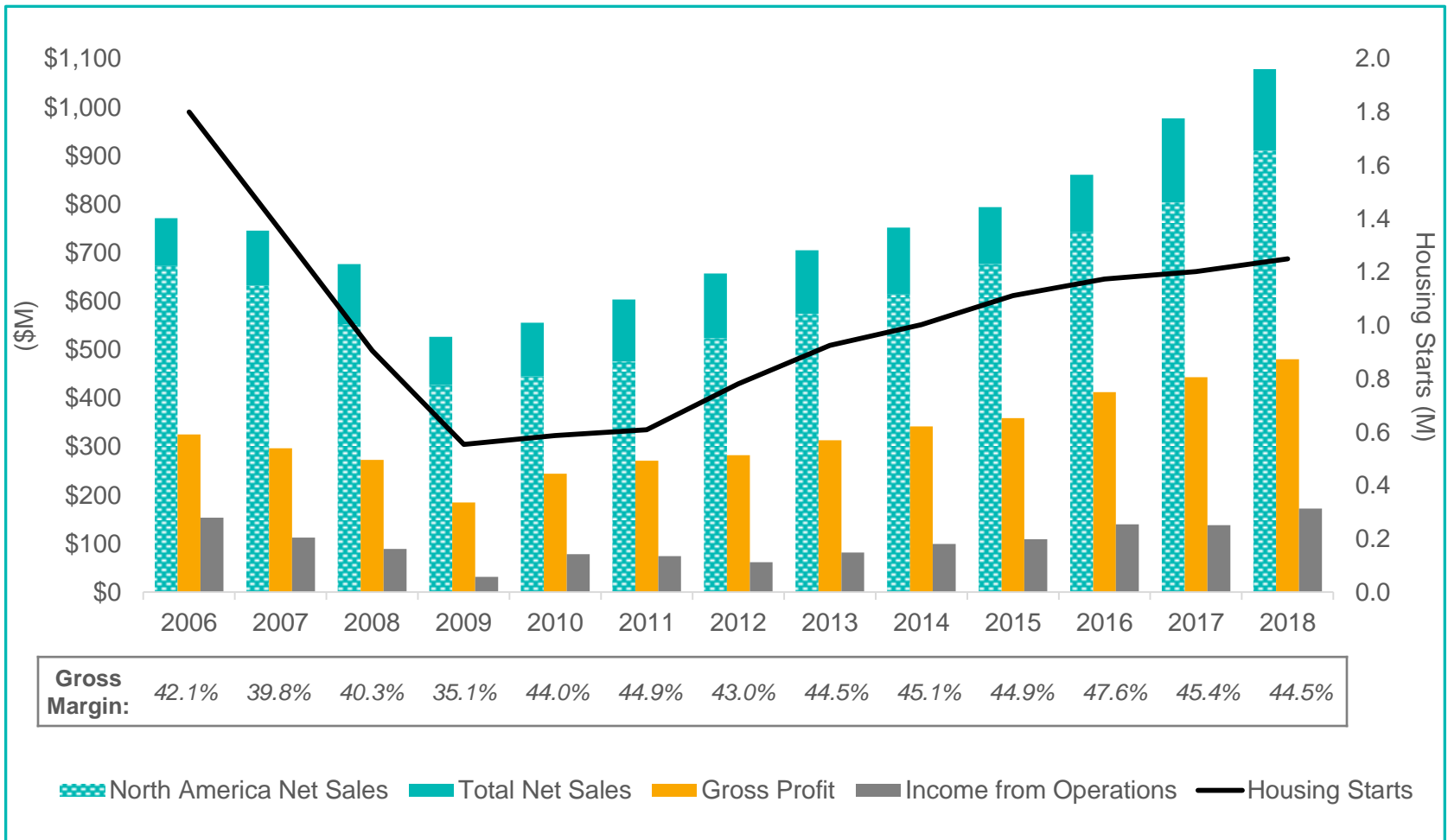
Simpson Manufacturing Co. operates across 3 reporting segments (North America, Europe & Asia/Pacific) with 2 primary product lines (Wood Construction & Concrete Construction)



Our > 24,000 Customers distribute our product through their own distribution channels

Net Sales Correlation to U.S. Housing Starts

Our investments in adjacent products and markets have helped mitigate our exposure to a cyclical U.S. housing market over time...



...while also allowing us to provide a complete product solution to our customers and to improve sales and margins in our core wood connector business.

EUROPE

- Attractive opportunity to grow wood connectors, fasteners and concrete products with tailwinds from improved economic conditions
- Helps diversify from significant exposure to U.S. housing starts
- Expands trusted brand reputation through extensive testing and education capabilities

CONCRETE

- Sharpening focus on higher-margin product lines to drive profitability and increase market share from 10% to 14% by fiscal 2020
- Complementary to wood construction product offering
- Able to perform throughout all industry cycles given less reliance on U.S. housing starts for growth

SOFTWARE

- Preserves market share of core wood connector business through availability of end-to-end product and software solution
- Development of best-in-class truss software solution, specifically, enhances technological capabilities to remain competitive
- Over 40% of our core wood connector sales are to customers with software needs

Simpson Strong-Tie Software Strategy

Over 40% of our core wood connector sales are to customers with software needs



STRATEGIC RATIONALE

- Without software solutions, we believe a meaningful portion of our market share in our core wood connector products would be at risk
- Investments in software have enhanced our technological capabilities to remain competitive in wood construction space
- Simpson's proprietary software allows data to transfer into "estimation workflows", where customers can:
 - Review blueprints and provide builders with a required bill of materials, specified with Simpson products
 - Submit the bill of materials into their back-office systems to save and process the order

Aside from our strong brand recognition and trusted reputation, Simpson is unique due to:



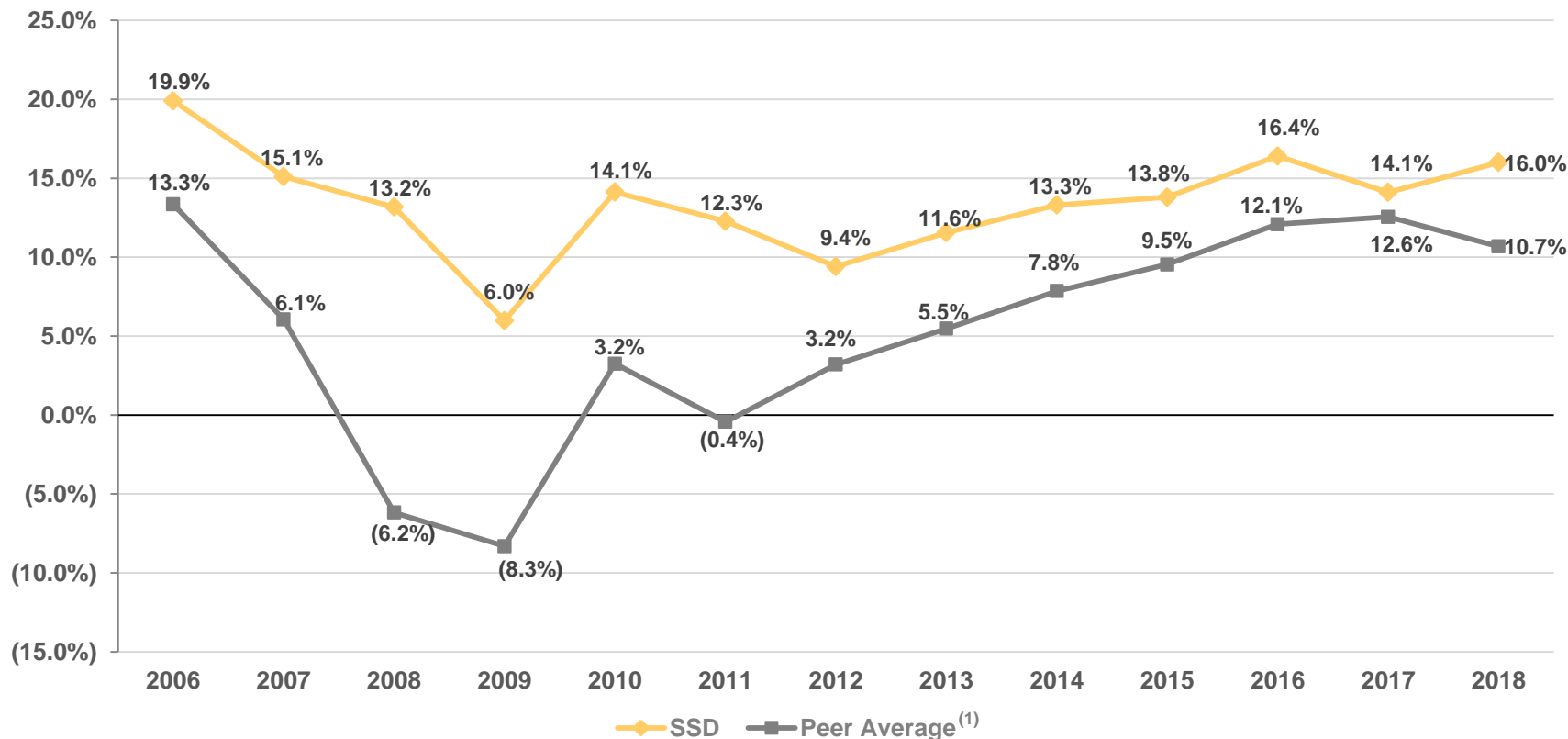
- **Strong customer support and education for engineers, builders, contractors and code officials**
 - Provide on-site customer installation training and support
- **Extensive product testing capabilities at our state-of-the-art test lab**
 - We lead the industry in developing higher load values, faster product installations and increased building safety standards to better serve the needs of our customers
- **Product availability with delivery in typically 24 – 48 hours or less**
- **Active involvement with code officials and agencies to improve building construction practices**



Testing of Simpson Strong-Tie® FX-70 Structural Repair and Strengthening System at Simpson's Tyrell Gilb Research Lab – the industry's first full-scale, cyclic test of a repaired wood pile.

Operating Income Margin Outperformance

Simpson Historical Operating Income Margin Versus Peer Average⁽¹⁾



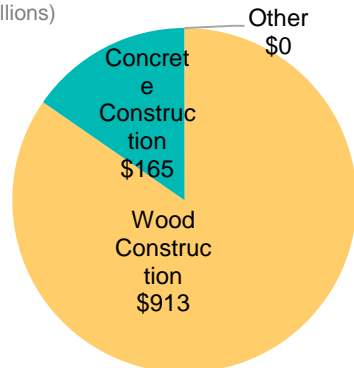
(1) Peer average includes: AAON, AMWD, APOG, AWI, CBPX, EXP, ROCK, IIN, DOOR, PATK, PGTI, NX, SUM, TREX, USCR and WMS.

Strong Business Drives Shareholder Value

Since 2010, Simpson has grown EPS by 370% and increased its quarterly dividend by 130%⁽¹⁾

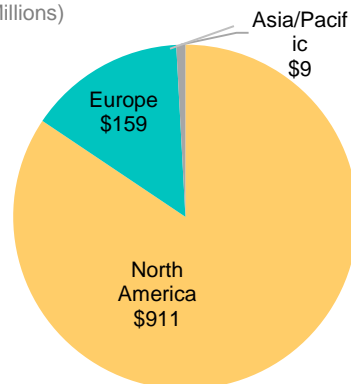
Our 2018 Sales by Product...

(\$ USD Millions)

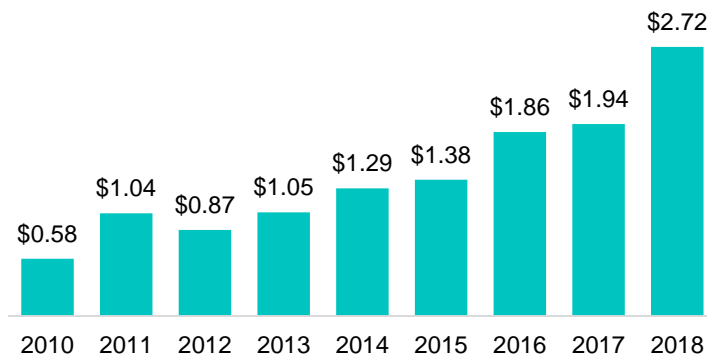


and Across Operating Segments

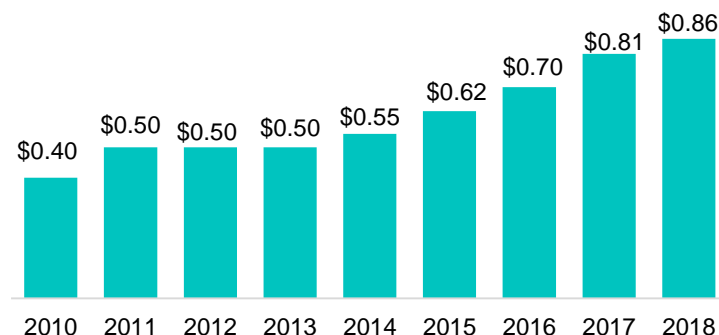
(\$ USD Millions)



EPS⁽²⁾



Dividends Per Share⁽³⁾

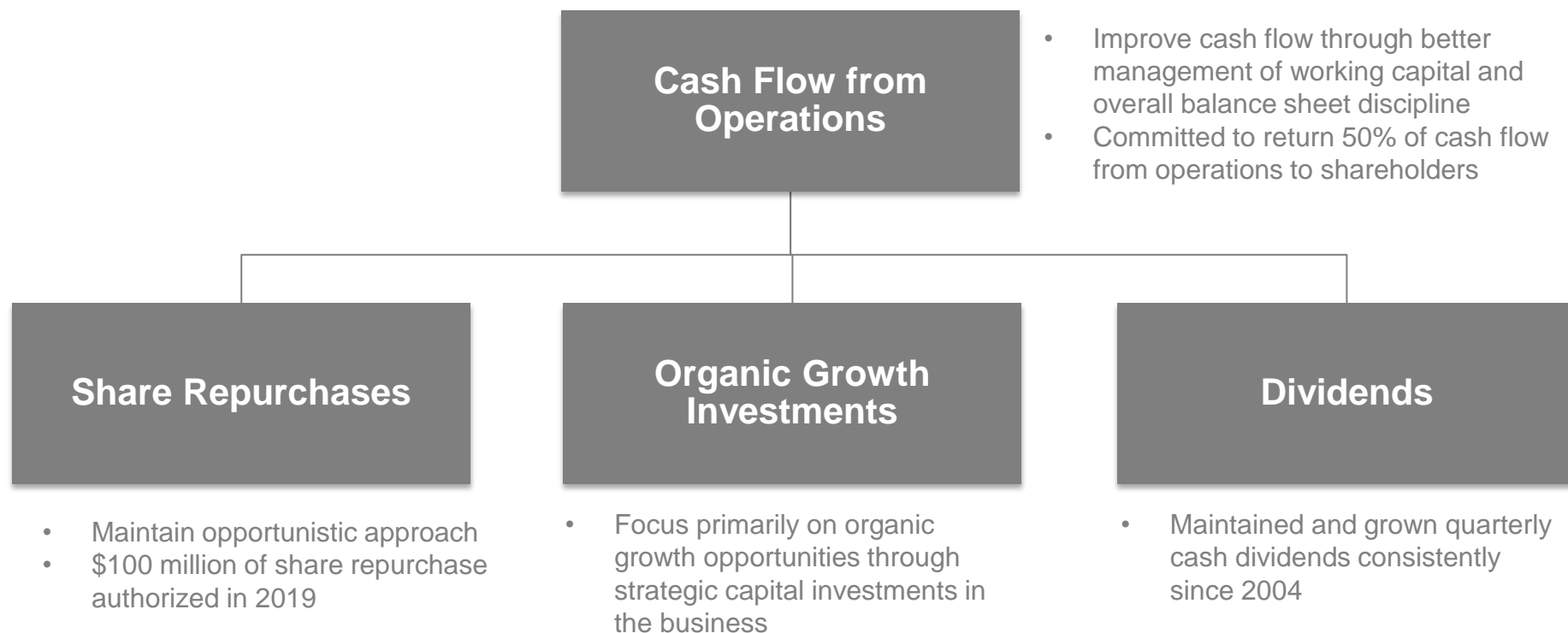


(1) As of March 31, 2019.

(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) Part of the 2013 dividend was accelerated due to uncertainty of changes to tax code in 2013. The dividend paid in Dec 2012 is included in 2013.

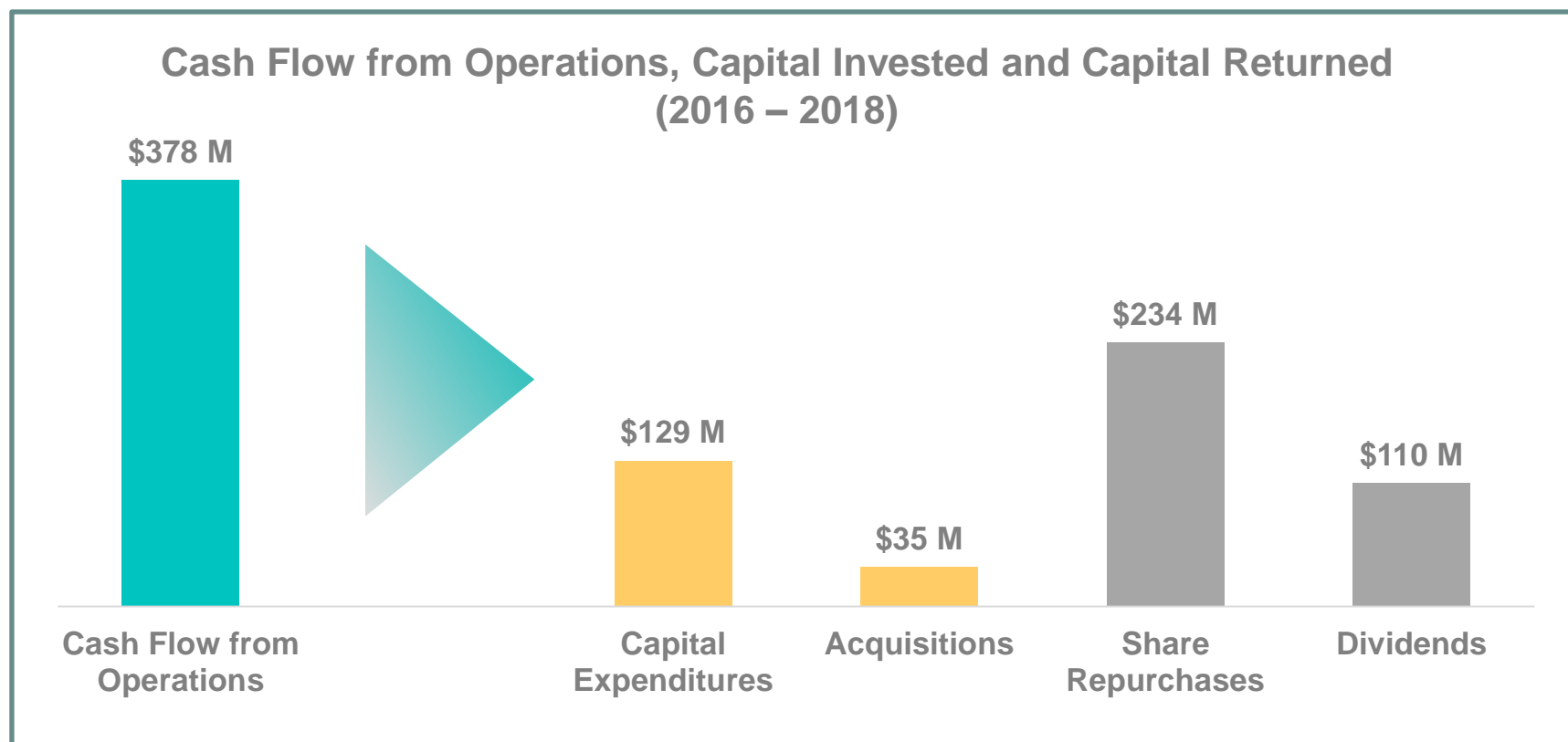
Simpson has established a current target capital return to shareholders of a minimum of 50% of cash flows from operations through both dividends and repurchases of its common stock



Over the past three years we have...

- Increased our annual dividend by approximately 40%
- Repurchased more than \$230 million in shares, including a record \$111 million in fiscal 2018

...resulting in returns of our cash flow from operations to stockholders of over 90%



KEY OBJECTIVES

FY 2016A

2020 TARGETS

1

FOCUS ON ORGANIC GROWTH



- \$861 million Net Sales

- ~8% Organic Net Sales CAGR⁽¹⁾

2

RATIONALIZE COST STRUCTURE TO INCREASE PROFITABILITY



- 31.8% Operating Expenses as a % of Net Sales
- 16.2% Operating Income Margin⁽²⁾

- ~26% - 27% Operating Expenses as a % of Net Sales
- ~21% - 22% Operating Income Margin⁽²⁾
- Working with leading management consultant to identify additional opportunities

3

IMPROVE WORKING CAPITAL MANAGEMENT & BALANCE SHEET DISCIPLINE



- 2x Inventory Turn Rate

- 4x Inventory Turn Rate
- Working with external consultant to identify further improvements to inventory management

IMPROVE RETURN ON INVESTED CAPITAL⁽³⁾

- Execution on the 2020 Plan is expected to substantially enhance ROIC
- Expect to achieve 17% to 18% ROIC target by FY 2020, up from 10.5% in FY 2016

INCREASE CAPITAL RETURN TO SHAREHOLDERS

- Committed to returning a minimum of 50% of cash flow from operations to shareholders
- Utilize capital from inventory reductions and balance sheet efficiency improvements to repurchase shares
- Review of owned real estate properties for potential sale; capital release to be used for repurchases

(1) Based on FY 2016 reported net sales of \$861 million.

(2) Operating income margin refers to consolidated income from operations as a percentage of net sales.

(3) See slide 29 for Return on Invested Capital (ROIC) definition.

3-Year Relative Price Performance

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



Note: Peer average includes: AAON, AMWD, APOG, AWI, CBPX, EXP, ROCK, IIN, DOOR, PATK, PGTI, NX, SUM, TREX, USCR and WMS.
Note: As of April 30, 2019.

We believe in doing what's right for our people, customers and community

Environmental Efforts



Manufacturing Process

Our value engineering process optimizes design while maximizing performance for construction



Energy Efficiencies

We strive to increase energy efficiencies at our facilities for environmentally friendly, cost-effective operations



Sustainable Building Practices

We support established national and local sustainable building practices



Recycling

We recycle most key materials to reduce our impact on the environment



Innovative Product Use

Our products strengthen structures they are installed in, making them more able to resist natural forces



Quality Programs

We follow a quality system that manages defined procedures to ensure consistent product quality



Environmental Health & Safety

We conduct safety audits at our manufacturing facilities around the world

Social Programs

Employee Involvement

Our employees dedicate hundreds of volunteer hours each year in their local communities



All Inclusive Workplace

Our Boulstrop, Denmark, branch was named "Inclusive Workplace of the Year" in 2014



Scholarships

Our program provides financial assistance to employees' children, and to engineering and architecture students



Sponsorships

We sponsor a variety of campaigns to help support those in our industry



Disaster Relief

Simpson supports disaster relief and recovery efforts around the globe



Industry Recognition

We collaborated with academia on the NEESWood Capstone project



Careers

We value the individuals and the creativity that individuals can bring to the workplace



For more information, visit <http://www.simpsonmfg.com/social-responsibility>



APPENDIX

Truss Products

- Truss plates are made from light-gauge galvanized steel and are pressed into lumber to join wood members together, which create a structural roof truss
- Our manufacturing facilities incorporate state-of-the-art technology to consistently produce top-quality truss connector plates with some of the highest loads in the industry

Select Truss Products and Software



TRUSS PLATES



**ROOF TRUSS
CLIPS**



**SEISMIC AND
HURRICANE TIES**



Truss Software

- Our truss software supports our core wood product offering by providing a complete system
- Our Component Solutions® truss software suite offers comprehensive project management and design tools in a real-time 3D experience
- Truss Studio® provides simple, robust tools for truss design that enable Designers to become proficient in less time
- CS Director® streamlines project management by scheduling and tracking tasks, creating truss libraries, managing workflows and providing access to remote team members
- EWP Studio® is a layout, design and analysis solution for engineered wood products that complements our component software offering



Outdoor Accents® Decorative Hardware

- Outdoor Accents wood connectors and fasteners offer decorative appeal and structural strength to outdoor living areas such as pergolas, gazebos and patio covers
- The hardware accommodates various lumber sizes, providing flexibility for designing and building custom outdoor structures



Select Outdoor Accents Products



**APB ADJUSTABLE
POST BASE FOR
COLUMNS AND POSTS**



**APT FLAT
STRAPS FOR
90° ANGLES**



**OUTDOOR ACCENTS
STRUCTURAL WOOD SCREW
AND HEX-HEAD WASHER**



Mechanical Anchors

- Our mechanical anchors are designed to install easily and securely into a variety of base materials — including concrete, brick and stone
- For applications where there is a risk of concrete cracking, specific anchors have been designed and tested to offer reliability under these conditions
- Engineers and contractors trust Simpson Strong-Tie anchors for optimum performance under the most demanding structural applications



Select Mechanical Anchors Products



**TITEN HD® HEAVY
DUTY SCREW ANCHOR**



**TITEN® 2 CONCRETE
AND MASONRY SCREW**



**STRONG-BOLT® 2
WEDGE ANCHOR**



Technology strengthens our value proposition as the industry trusted partner in construction solutions and building software systems.

INVESTMENTS IN SOFTWARE

Acquired CG Visions (January 2017)

- Provides expertise and resources to offer software solutions and services to builders and lumber building material dealers
- Supports efforts to further develop integrated software component solutions for the building industry

Proprietary Truss Software

- Ongoing development to support truss component manufacturers
- Small and medium-sized component manufacturers represent >40% of truss market
 - Focused on converting medium-sized customers
 - Enabled by increased software capabilities and sophistication of our solutions

THREE PILLARS

DEVELOPMENT

- **Truss Studio design**
- Director management
- Web apps

PARTNER

- Hyphen back office ERP
- CSD I joist floor design
- Wall panel design

ACQUIRE

- **CG Visions**
- LotSpec Acad & Revit options

SAP STRATEGY

- ✓ Why? Legacy platform no longer able to support growing and complex needs of the business
- ✓ Current focus on converting all North American locations before other foreign operations to create efficiencies
- ✓ No scope creep helps contain costs
- ✓ Limited customization helps ensure consistency

PROJECT COSTS

(\$ millions)

	2016A	2017A	2018A	2019E - 2021E	Total
Total Project Costs	\$3	\$8	\$15	~\$12 - \$14	~\$38 - \$40
Total Expense	\$1	\$2	\$10		

Notes:

~\$5.0 million contingency included: IT Business analysts, full-time Business Process Owners, IT training

2020 Plan Improvements by Initiative

In an effort to both reduce costs and drive profitability, we will be focused on operational improvements in our key focus areas.

EUROPE

- Consolidated European management team to one head of operations; creates efficiencies and accountability across European business
- Divested Gbo Poland and Gbo Romania; enables management to focus on end user markets core to its strategy

CONCRETE

- Ceased development of low-margin concrete repair product lines; addressable market size shifts to \$1.3B
- Improved concrete gross profit margins by 240 basis points year-over-year in 2018
- Focus on higher-margin product lines and cease acquisitions in concrete repair space

SOFTWARE

- Investing in software solution enhancements while holding R&D expenses steady
- Refocus efforts on medium-sized truss component manufacturers to grow share
 - Continue to support smaller-sized customers
- Improve operating efficiencies through rationalization of manufacturing footprint

We will continuously review our progress against these initiatives – if we are not on track, we will evaluate more aggressive steps.

Track Record of Shareholder Engagement and Responsiveness

2015

- Members of our management and Board engaged with stockholders, representing ~51% of our shares, regarding compensation and governance topics, which resulted in the following changes:
 - ✓ Introduced long-term incentive award with three year relative TSR performance modifier
 - ✓ Increased percentage of NEO's compensation that is delivered in equity and vests over multiple years
 - ✓ Added stock ownership guidelines for each of our Named Executive Officers and directors
 - ✓ Improved disclosure of our compensation programs
- Hired independent compensation consultant to assist the Board in redesigning the compensation plan

2016

- In direct response to stockholder feedback and following a deep review of our executive compensation and governance practices, the Board approved several significant changes including:
 - ✓ Transformed our executive compensation program to enhance long-term performance orientation
 - Increased the proportion of total NEO compensation delivered in equity with multi-year vesting
 - Established three year performance measurement period in long-term incentive awards
 - Adopted operational metrics in long-term incentives that align with our strategy
 - Modified compensation targeting practices to target the median for compensation elements
 - ✓ Eliminated the stockholder rights plan
 - ✓ Shortened director term limits to 15 years for new directors that are elected to the Board (*current directors' term limits will remain at 20 years*)
 - ✓ Adopted compensation risk policies; clawback, anti-hedging and anti-pledging

2017

- Called a special meeting to provide stockholders with an opportunity to vote on Board declassification and the elimination of cumulative voting
- Committed to adopt proxy access after the special meeting of stockholders
- Announced the retirement of Thomas Fitzmyers as Vice Chairman of the Board, effective as of the 2017 Annual Meeting of Stockholders
- Elected new independent director, Michael Bless, at the 2017 Annual Meeting of Stockholders
- Unveiled "2020 Plan" to improve operational performance and enhance shareholder value

2018

- Announced the election of current board member James Andrasick as chairman of the Board, effective January 1, 2019
- Peter Louras served as the Company's chairman until December 31, 2018 and will continue to serve on the Board until the 2019 annual meeting. In accordance with the Board's Corporate Governance Guidelines on director tenure, which provides that no non-employee director who was on the Board prior to 2016 will be nominated for reelection after 20 years of board service, the Board does not plan to nominate Mr. Louras for re-election at the 2019 annual meeting of the Company's stockholders.

The Board has a track record of engaging with and seeking the feedback of our stockholders as well as taking action on the feedback received.

Return on Invested Capital (“ROIC”) Definition

When referred to in this presentation, the Company’s return on invested capital (“ROIC”) for a fiscal year is calculated based on (i) the net income of that year as presented in the Company’s 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 year, as presented in the Company’s consolidated balance sheets prepared pursuant to GAAP for that applicable year. 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 overalls, stands in a factory with his arms crossed. He is looking slightly to the right. 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