

# ModernGraham Valuation

Simpson  
Manufacturing Co,  
Inc.



## Company Name:

Company Ticker SSD

Date of Analysis

8/12/2018

## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$3,375,258,071	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.81	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	257.22%	Pass
5. Earnings Growth	PEmg < 20	34.31	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.76	Fail
7. Moderate Price to Assets			

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	3.81	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.12
MG Growth Estimate	14.95%
<b>MG Value</b>	<b>\$81.39</b>
MG Value based on 3% Growth	\$30.73
MG Value based on 0% Growth	\$18.01
Market Implied Growth Rate	12.90%

### MG Opinion

Current Price	\$72.71
% of Intrinsic Value	89.33%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$9.81
Graham Number	\$35.02
PEmg	34.31
Current Ratio	3.81
PB Ratio	3.76
Current Dividend	\$0.81
Dividend Yield	1.11%
Number of Consecutive Years of Dividend Growth	4

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.88	Next Fiscal Year Estimate	\$2.12
Dec2017	\$1.94	Dec2017	\$1.66
Dec2016	\$1.86	Dec2016	\$1.44
Dec2015	\$1.38	Dec2015	\$1.20
Dec2014	\$1.29	Dec2014	\$1.06
Dec2013	\$1.05	Dec2013	\$0.88
Dec2012	\$0.87	Dec2012	\$0.79
Dec2011	\$1.04	Dec2011	\$0.79
Dec2010	\$0.58	Dec2010	\$0.81
Dec2009	\$0.25	Dec2009	\$1.07
Dec2008	\$1.10	Dec2008	\$1.54
Dec2007	\$1.40	Dec2007	\$1.73
Dec2006	\$2.10	Dec2006	\$1.80
Dec2005	\$2.02	Dec2005	\$1.55
Dec2004	\$1.67	Dec2004	\$1.25
Dec2003	\$1.21	Dec2003	\$1.01
Dec2002	\$1.05	Dec2002	\$0.88
Dec2001	\$0.82	<b>Balance Sheet Information 6/1/2018</b>	
Dec2000	\$0.80	Total Current Assets	\$640,166,000
Dec1999	\$0.79	Total Current Liabilities	\$167,992,000
Dec1998	\$0.65	Long-Term Debt	\$0
		Total Assets	\$1,085,887,000
		Intangible Assets	\$163,159,000
		Total Liabilities	\$182,085,000
		Shares Outstanding (Diluted Average)	46,677,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

**Recommended Reading:**

Other ModernGraham posts about the company

- [5 Best Stocks for Value Investors This Week – 2/18/17](#)
- [Simpson Manufacturing Co Valuation – February 2017 \\$SSD](#)

Other ModernGraham posts about related companies

- [KBR Inc Valuation – August 2018 \\$KBR](#)
- [KB Home Valuation – August 2018 \\$KBH](#)
- [SNC-Lavalin Group Inc Valuation – August 2018 \\$TSE:SNC](#)
- [Stella-Jones Inc Valuation – July 2018 \\$TSE-SJ](#)
- [Aecon Group Inc Valuation – July 2018 \\$TSE:ARE](#)
- [Aecom Valuation – July 2018 \\$ACM](#)
- [Lowe's Companies Inc Valuation – June 2018 \\$LOW](#)
- [Acuity Brands Inc Valuation – June 2018 \\$AYI](#)
- [Quanta Services Inc Valuation – May 2018 \\$PWR](#)
- [Mohawk Industries Inc Valuation – May 2018 \\$MHK](#)