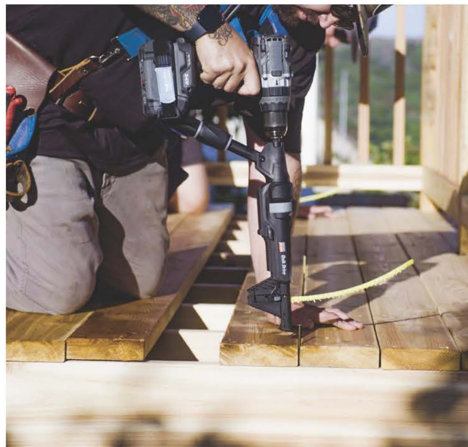
2024



Proven Solutions. Steady Performance.

Simpson Manufacturing Co., Inc.

Annual Report

Proven Solutions.

Steady Performance.

Among the nine principles of business we inherited from our founder, Barc Simpson, was his commitment to a "Long-Range View." We've been an innovator and leader in our business since 1956. We don't measure success over months or quarters, but over the course of years; we're building something to last. And we know that lasting success is built on values — innovation, problem solving, vision, a commitment to quality products and service, and taking care of our people and communities.

All our investments — in infrastructure, technology, employees — are made to ensure a strong future for the company and our customers.


Justin
SIMPSON
Strong-Tie

To our stockholders, customers, and employees

For more than 68 years, Simpson Strong-Tie has dedicated itself to our company mission of delivering innovative solutions that help people design and build safer, stronger structures.

New and veteran employees joined the celebration as Simpson Manufacturing Co. marked 30 years as a publicly traded company by ringing the closing bell at the New York Stock Exchange in September.

This mission supports our vision to provide the most trusted construction solutions on jobs worldwide. It also aligns with our strong business model, which is anchored in values of innovation, quality, service and community. This model comprises several enduring commitments: to a diverse and growing portfolio of product and software solutions; to rigorous research, innovation and testing to ensure both quality products and continuous improvement; to deep, longstanding relationships with our customers and partners; to best-in-class field support, expertise and customer training; to industry-leading product availability and delivery; and to supporting and developing the construction industry and our communities. Commitment to these principles has driven the exceptional growth of our business over the decades and continues to cement our market leadership position.

All the same, commitments must inspire action to be effective, and none of our achievements would have been possible without the passion, creativity and initiative of our world-class employees. Our people are truly the "secret sauce" of our success.

Company Ambitions

We continue to focus on our declared company ambitions, while strengthening those pertaining to operating income margin and EPS growth:

1. Strengthening our values-based culture
2. Being the business partner of choice
3. Striving to be an innovative leader in the markets where we operate
4. Continuing above-market growth relative to US housing starts
5. Maintaining an operating income margin greater than 20%
6. Driving EPS growth surpassing net revenue growth

Financial and Operational Execution

Despite continuing sluggishness in housing starts across the US and Europe, our industry position and growth strategies allowed us again to deliver above-market growth and profitability in 2024, with $2.2 billion in annual net sales, a 19.3% operating income margin and $7.60 of earnings per diluted share.

Capital Investments, Stockholder Value

We generated cash flow from operations of $338.2 million in 2024, enabling significant investments to boost efficiencies and drive productivity so we can best support our customers as housing starts rebound. At the same time, our cash flow enables us to continue returning capital to stockholders via $46.5 million in quarterly cash dividends and the repurchase of $100.0 million of common stock in 2024. Over the past three years, we've paid $135.6 million in dividends and repurchased $228.6 million of our common stock, resulting in approximately 43.7% of free cash flow returned to our stockholders. Furthermore, our solid operational execution and returns to stockholders helped us achieve a strong ROIC[(1)] of 14.9% for the 2024 fiscal year.

> "Three of the nine core Company Values we inherited from our founder, Barclay Simpson, are Everybody Matters, Enable Growth and Give Back. We take these principles seriously."

Anniversary Milestone

The year 2024 marked the 30th year that Simpson Manufacturing Co., Inc. (NYSE: SSD) has been a publicly traded company. To celebrate that milestone, executives and several long-tenured employees of the Company were invited to ring the closing bell on September 6 at the New York Stock Exchange. Achieving this landmark is a testament to our enduring values, our keen focus on innovation, and our commitment to creating long-term value for our shareholders.

Well-Earned Retirements

At the end of 2024 we celebrated the retirement of two longtime executive leaders — Roger Dankel, our Executive Vice President of North America Sales, and Brian Magstadt, our Chief Financial Officer — who between them had dedicated five decades of service to the Company's culture and success. We are profoundly grateful for their contributions to making Simpson Strong-Tie the world-class company it is today; and while we will miss their invaluable guidance, we are very happy for them and wish them the best in their future chapters.

Building a Healthy, Equitable and Sustainable Future

Three of the nine core Company Values we inherited from our founder, Barclay Simpson, are Everybody Matters, Enable Growth and Give Back. We take these principles seriously and strive to integrate them in all our actions. The chief public measure of these commitments is our Corporate Social Responsibility, or CSR (formerly ESG) Report, published annually since 2021, in which we continue to clarify our social and environmental goals and metrics.

In addition to employee health, safety, and development measures, we work hard to strengthen the social and economic future of our industry and communities by supporting efforts to train and develop new generations of workers in the construction trades, through ongoing partnerships with Building Talent Foundation, Habitat for Humanity, and other organizations.

Highlights of our 2024 efforts on this front include the following:

- We became a national sponsor of ACE Mentor, a nonprofit that focuses on bringing young people into the construction trades.
- To support education in the trades, we extended our three-year partnership with Building Talent Foundation through 2025, granting an additional $900,000 in funding; Mike Olosky also joined their board.
- In 2024, we increased the number of our annual Strong-Tie Undergraduate Fellowship awards (for students majoring in structural or civil engineering, architecture, or construction management) from 100 to 120 per year, and the scholarship amount from $2,500 to $3,000 per awardee.
- To encourage our employees' charitable activities, we increased our company match for their donations from $1,000 to $5,000 annually per employee.

It's by giving back in these ways to our industry, people, and communities that our business successes are most meaningfully rewarded.

On behalf of everyone at Simpson Manufacturing, we thank all our loyal customers, employees, suppliers and stockholders for their enduring support.

Sincerely,

Michael L. Olosky
President and Chief Executive Officer

Phil Donaldson
Non-Executive Chairman of the Board of Directors

1. When referred to above, 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 (GAAP) in the US, as divided by (ii) the average of the sum of total stockholders' equity and total long-term debt 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 GAAP financial measures.

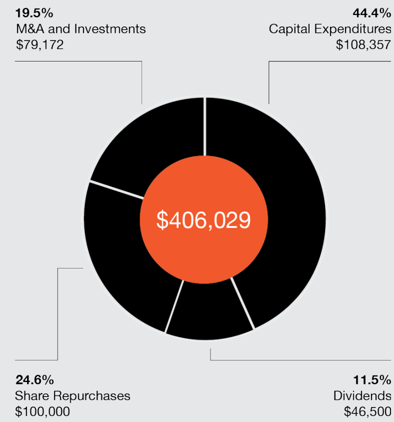
Financial Highlights

	2024	2023	% Change
Net Sales	$2,232,139	$2,213,803	0.8 %
Income from Operations	$429,975	$475,149	(9.5)%
Net Income	$322,224	$353,987	(9.0)%
Diluted Earnings per Share	$7.60	$8.26	(8.0)%
Total Assets	$2,736,168	$2,704,724	1.2 %
Stockholders' Equity	$1,805,348	$1,679,746	7.5 %
Common Shares Outstanding	41,878	42,323	(1.1)%
Number of Employees	5,872	5,497	6.8 %

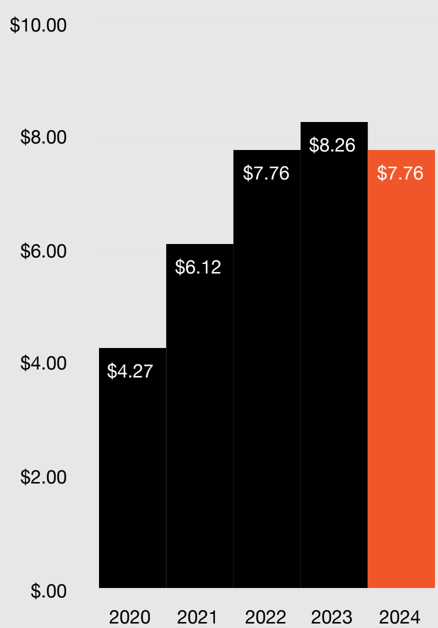
Dollars in thousands except per-share amounts.

2024 Capital Allocation

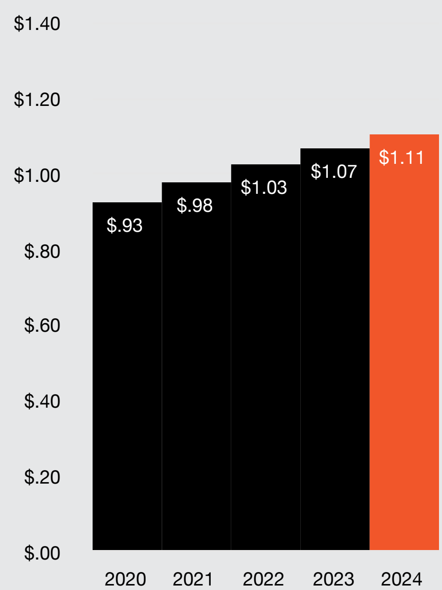
Dollars in thousands



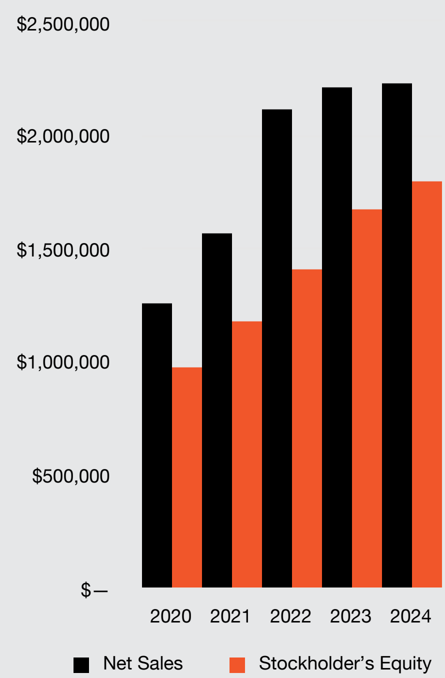
Earnings per Share



Dividends per Share



Net Sales and Stockholder's Equity



Business expansion is a long-term investment. We are capturing opportunities today while strengthening a future we are helping to build.

Gallatin 2.0 Taking Shape. Our ~$110 million net investment in a new facility in Gallatin, Tennessee, will more than double current production capacity. Dubbed "Gallatin 2.0" by the team, this expansion will reshore and add fastener and anchor manufacturing closer to our North America customers. Slated for operation in late 2025, the new site will also improve efficiency, foster exceptional customer service and create more jobs.

Columbus Expansion on Track. Opening in early 2025, our ~$62 million expansion in Columbus will boost production, enhance efficiency and accelerate business growth. Higher capacity enables us to support national retailers, such as Lowe's and The Home Depot, and meet growing demand from OEM customers, including manufacturers for modular buildings, metal buildings, sheds, offsite construction and material handling.

Continued Above-Market Growth in Europe. Simpson Strong-Tie saw above-market overall growth in Europe during 2024. Furthering our company footprint with broader distribution, ETANCO expanded our connector business in Italy. Our S&P subsidiary also delivered a strong performance, and we realized additional growth in the façade business. At the Ireland Hardware Show in February, our Design Series won the most innovative new product award, prompting dealers to begin stocking that product line.

Denmark Smart Factory for Local Production. Our new manufacturing and warehouse facility in Horsens, Denmark, positions Simpson Strong-Tie for increasing support of European markets, including the Nordic region. The plant is utilizing smart-factory technology, such as automated guided vehicles and robotics, to drive productivity and operational efficiency for connectors and other structural solutions.

Our new Denmark Smart Factory makes extensive use of automation, ensuring that our products are readily available for suppliers, builders, contractors and DIYers throughout the region.

The addition of QuickFrames engineered structural roof frame systems enhances our range of innovative solutions for commercial construction.

Risk-Taking Innovation has powered our progress for nearly seventy years. This founding principle continues to strengthen our company and customers.

Enhancing Our Equipment Offering with Monet DeSauw, Inc. Strengthening our commitment to component manufacturers, Simpson Strong-Tie acquired Monet DeSauw, a leading provider of quality saws for truss fabrication, along with material handling equipment. Advanced saws, such as the FWA 500, DeSawyer and DeRobo, automate commercial production of ready-to-install wood framing components including webs, chords, stair stringers, rafters and wedges.

Extending Our Structural Solutions with QuickFrames USA. The acquisition of QuickFrames USA broadened our array of innovative solutions for commercial construction. QuickFrames is the leader in engineered structural roof frames that free up fabrication and detailing to save time, budget and labor. Bolt-in roof frames are easy to install and adjust with no welding required, and fully assembled, drop-in roof frames are a great alternative to using angle iron.

Outdoor Accents® DIY Pergola Hardware Kit for a Great Backyard. The new Outdoor Accents DIY pergola hardware kit makes it possible for DIYers and homeowners to build a strong 8' x 8' or 10' x 10' pergola that enhances outdoor living. The kit includes straps, post

Employees at the Building Component Manufacturers Conference (BCMC) tradeshow in Milwaukee. Simpson Strong-Tie showcased advanced solutions for truss and wall panel component manufacturing, including innovative saws, material handling equipment, hardware connectors and fasteners.

bases and angle connectors from our Avant Collection™, all in a stylish black powder-coat finish. Our structural fastener and hex-head washer combo are also included for fast, easy installation.

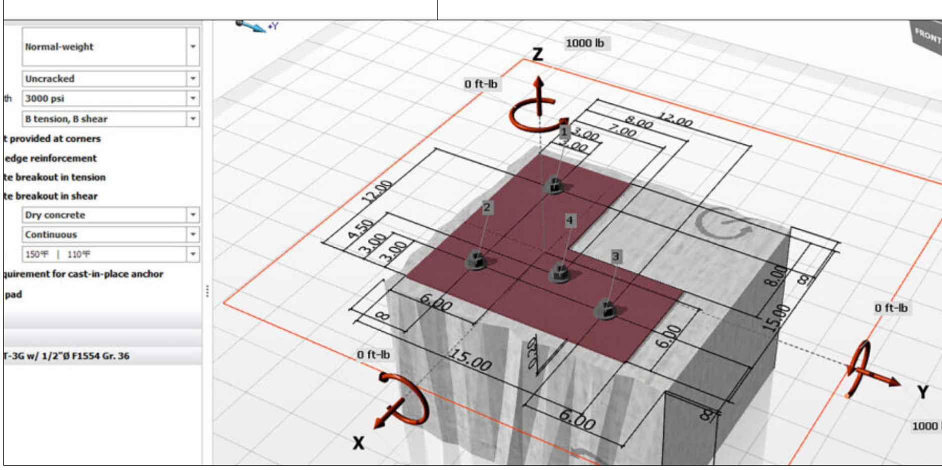
Quik Drive® Project Pro™ Saves Time and Effort. Expanding our Quik Drive lineup of screw driving systems, we launched the Quik Drive Project Pro screw driving tool. Project Pro makes it easy to drive screws up to four times faster than traditional drivers alone. It's perfect for repetitive fastening on decks, fences, flooring and other home improvement projects. Lightweight and simple to attach, Project Pro works with most cordless drills and driver motors.

Research and Innovation to Advance Mass Timber. As part of the Natural Hazards Engineering Research Infrastructure (NHERI) Converging Design project, Simpson Strong-Tie collaborated with several universities to perform a series of outdoor shake table tests on a six-story hybrid structural steel and mass timber structure at the University of California, San Diego (UCSD). This project followed the NHERI TallWood project, also conducted at USCD, which simulated a series of large earthquakes and their effects on a full-scale, 10-story mass timber building.

Leading the Industry with Product Innovation. Simpson Strong-Tie remains committed to advancing the construction industry through innovation based on customer focus, engineering research and extensive testing. In 2024, we launched 69 new products across all categories — structural connectors, fastening systems, anchoring, lateral systems, structural steel, cold-formed steel, mass timber, software applications, outdoor living and more.

Our portfolio of digital solutions is making it easier for homebuilders, manufacturers, retailers and DIYers to plan, design, specify and build.

Advancing Truss Component Project Management and Design. The truss market is a strategic business priority for us and will be an area of continued investment. In June 2024, we made progress along our long-term digital solutions roadmap by acquiring Calculated Structured Designs Inc., a software development company providing solutions for the engineered wood, engineering, design and building industries. Integrating the CSD iStruct applications with our software for truss and wall panel manufacturing enables us to provide a seamless solution for key customers in this growing segment.



Anchor Designer™ for Masonry (ADM) Improves Efficiency. Anchor Designer for Masonry is a new web application that helps specifiers find the most efficient adhesive anchoring solutions for concrete masonry units (CMU). It works in accordance with ICC-ES Acceptance Criteria AC58 for Adhesive Anchors in Cracked and Uncracked Masonry Elements, with the assistance of 3D visualization.

Handy Competitor Cross-Reference Tool (CCRT). Our new Competitor Cross-Reference Tool makes it easy to identify the Simpson Strong-Tie alternative to competitor products. To determine which Simpson Strong-Tie solution is similar to the specified product, customers simply choose the competitor product by name, and the tool suggests the similar product.

Building It Right with Software Applications As of 2024. Developed with input from the professionals who use them, our software solutions enhance project management and design capabilities across a wide range of industry applications. With more than 50 software and specification tools available, everyone from engineers, builders and suppliers to contractors and DIYers can plan and complete projects that are safe, durable and compliant with local building codes.

Employees Kyle Steiner, Bill English, Andrew Billig, Dave Brainard, Greg Koutsouros and Joseph Dorroll at Autodesk University 2024 in San Diego. Simpson Strong-Tie exhibited LotSpec™ option management software, Pipeline™ material management and estimation software,professional design and project management services, and our breadth of specification tools for production homebuilders.

When we deliver products, we deliver a total solution, complete with engineering consultation, design tools, installation training, and field support wherever the customer needs it.

Industry Recognition for Our Service. In 2024, we were honored to win the Preferred Partner Award from one of the largest privately held homebuilders, David Weekley Homes, for consistently offering world-class quality and customer service; Supply Chain Excellence and Supplier of the Year awards (both!) from leading distributor SouthernCarlson; and Building Materials Vendor of the Year from national cooperative Do It Best, among other recognitions from customers and business partners.

Employee Mike Bond accepting 2024 Do It Best Building Materials Vendor of the Year — the 12th time in the last 15 years that Simpson Strong-Tie has won this award, in recognition of our innovative products, strong partnerships and Relentless Customer Focus.

Every year, Simpson Strong-Tie offers hundreds of instructor-led classroom workshops, webinars and online courses, attended by tens of thousands of industry professionals. This curriculum complements the jobsite visits and design consultations that our scores of trainers and field engineers conduct on an almost daily basis.

Project and Business Support for Construction Professionals. In 2024, we launched the StrongPro online community for backyard building professionals to connect with peers, share insights, learn more about the breadth and depth of Simpson Strong-Tie solution offerings, and access expert support from our trainers and engineers.

Enhancing the Ease and Speed of Doing Business with Us. This year, we were awarded Enterprise B2B Ecommerce Manufacturer of the Year from the B2B Ecommerce Association and Digital Commerce 360 for using digital platforms to optimize our customer experience. Our Customer Portal ecommerce site and Authorized Online Reseller program integrate digital catalogs, automated order processing and innovative communication tools with AI-driven insights, 3D visualization tools and cross-channel data analytics to deliver customers a smooth, efficient experience at every point of their online journey. This approach has helped us achieve over 60% of our sales through digital channels.

360° Support in Adopting and Integrating Our New Building Technology. When Simpson Strong-Tie introduced the EasyFrame™ automated lumber marking system and the Monet DeSauw automated commercial saw line, we knew they would revolutionize the efficiency of our wall panel manufacturer, lumber and building material dealer, and component manufacturer customers. As part of the same package, we naturally also offer comprehensive support in setup, operational training, design, and project management to ensure each customer can leverage this technology to optimal business benefit.

Our fundamental commitment is to people — strengthening our customers, employees and communities. A central focus of this commitment is to support the building trades by helping educate and support young people and facilitating their entrance to the industry.

Developing the Next Generation of Builders with Building Talent Foundation. In 2024, Simpson Strong-Tie announced the extension of our partnership with Building Talent Foundation into 2026 by making a new $900,000 investment. At the same time, our CEO Mike Olosky has joined the Building Talent Foundation Board of Directors.

Employees from our Riverside, California, branch hosted one of our Trades Day give back events in October 2024. Held at multiple Simpson Strong-Tie locations, our Trades Day events provided nearly 400 high school students hands-on experience in construction trades and introduced them to potential careers in architecture, engineering and construction.

Partnering with the ACE Mentor Program for Secondary School Students. The ACE Mentor Program (ACE) connects high school students across the US with experts from the design and construction industry. This year, ACE and Simpson Strong-Tie announced a partnership that includes a $50,000 donation to ACE. Most recently, the two organizations joined with the Construction Industry Education Foundation (CIEF) to host local students at some of our manufacturing facilities and research labs in California and Texas. On Do What You Can Day, an annual day when employees around the company coordinate activities for our communities in honor of Barc Simpson's Principle of Business #8, Give Back, employees assembled kits to support the ACE Mentor Program.

Supporting College Students Pursuing Construction Careers. Our partnerships with trade organizations are in addition to the Simpson Strong-Tie Student Scholarship, a renewable annual scholarship of $3,000 for up to 120 eligible college students in the fields of architecture, structural and civil engineering, and construction management technology.

Supporting Victims of Natural Disasters. Almost every year, Simpson Strong-Tie donates many thousands of dollars to the American Red Cross to assist with relief following wildfires, hurricanes, tornadoes and other natural disasters.

Current Officers

Michael Olosky
President and Chief Executive Officer

Matt Dunn
Chief Financial Officer and Treasurer

Michael Andersen
Executive Vice President, Europe
Simpson Strong-Tie Switzerland GmbH

Phil Burton
Executive Vice President, North America
Simpson Strong-Tie Company, Inc.

Jeremy Gilstrap
Executive Vice President, Innovation
Simpson Strong-Tie Company, Inc.

Jennifer Lutz
Executive Vice President, Human Resources
Simpson Strong-Tie Company, Inc.

Udit Mehta
Chief Technology Officer

Cassandra Payton
Executive Vice President, General Counsel

Current Board of Directors

James Andrasick[1,4]
Chairman (retired)
Matson Navigation

Chau Banks[2,4]
Chief Information and Data Officer
The Clorox Company

Felica Coney[1,3]
Vice President, Global Serve Operations
Google, Inc.

Gary Cusumano[2,4]
Chairman (retired)
The Newhall Land and Farming Company

Philip Donaldson[1,2,3,4]
Executive Vice President and Chief
Financial Officer
Andersen Corporation

Angela Drake[1,2]
Chief Financial Officer
The Toro Company

Celeste Volz Ford[2,3]
Board Chair
Stellar Solutions, Inc.

Kenneth Knight[1,3]
Former Chief Executive Officer
Invitae Corporation

Michael Olosky[3]
President and Chief Executive Officer
Simpson Manufacturing Co., Inc.

1. Member of Audit and Finance Committee
2. Member of Compensation and Leadership Development Committee
3. Member of Corporate Strategy and Acquisitions Committee
4. Member of Nominating and CSR Committee

Annual Meeting
The annual meeting of stockholders will take place at 10:00 a.m., Pacific Daylight Time, on Tuesday, May 6, 2025, virtually via live webcast at virtualshareholdermeeting.com/SSD2025.

Stock Listing
Simpson Manufacturing Co., Inc.'s (the "Company's") common stock is traded on the New York Stock Exchange under the ticker "SSD."

Quarterly Stock Data
The table below shows the per-share closing price range of the Company's common stock for the last two years as quoted on the New York Stock Exchange.

Form 10-K
The Company's annual report on Form 10-K (which is available in a separate report) and its quarterly and current reports on Forms 10-Q and 8-K are filed with the Securities and Exchange Commission and are available upon request. These reports can also be accessed on the Company's website at ir.simpsonmfg.com.

Investor Relations
ADDO Investor Relations
Investor.relations@strongtie.com
(310) 829-5400
For an investor information package, please call (925) 560-9097.

Transfer Agent & Registrar
Computershare Trust Company N.A.
P.O. Box 30170, College Station,
Texas 77842
For stockholder inquiries, please call (877) 282-1168.
computershare.com

Independent Registered Public Accountants
Grant Thornton LLP
101 California Street, Suite 2700
San Francisco, CA 94111

	2024			2023		
	High	Low	Close	High	Low	Close
Q1	$214.83	$179.89	$205.18	$114.34	$91.42	$109.64
Q2	$201.35	$160.17	$168.53	$139.63	$103.59	$138.50
Q3	$195.15	$162.45	$191.27	$163.42	$133.27	$149.81
Q4	$196.93	$165.45	$165.83	$200.91	$125.92	$197.98

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2024

OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the transition period from to .

Commission file number: 1-13429

Simpson Manufacturing Co., Inc.

(Exact name of registrant as specified in its charter)

Delaware	**94-3196943**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5956 W. Las Positas Blvd., Pleasanton, CA	**94588**
(Address of principal executive offices)	(Zip Code)

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	**SSD**	**New York Stock Exchange**

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

None

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the shares of common stock, par value $0.01 per share, which is the only outstanding class of voting and non-voting equity, held by non-affiliates of the registrant (based on the closing price for the common stock on the New York Stock Exchange on June 30, 2024) was approximately $7,105,664,832.

As of February 24, 2025, 41,974,436 shares of the registrant's common stock were outstanding.

Documents Incorporated by Reference

Portions of the registrant's definitive Proxy Statement for its 2025 annual meeting of stockholders (the "2025 Annual Meeting") are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such Proxy Statement will be filed with the Securities and Exchange Commission (the "SEC") within 120 days of the registrant's fiscal year ended December 31, 2024.

SIMPSON MANUFACTURING CO., INC.

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

In this filing we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. Such statements are 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 (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended "the "Exchange Act"). 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. Forward-looking statements are all statements other than those of historical fact and 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 and market 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 ongoing integration of recently acquired companies, 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.

Forward-looking statements are subject to inherent uncertainties, risks 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 or implied by our forward-looking statements include, the effect of global pandemics such as the COVID 19 pandemic or other widespread public health crises and their effects on the global economy, the effects of inflation and labor, and supply shortages on our operations, the operations of our customers, suppliers and business partners, and our ongoing integration of recently acquired companies 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2024. Additional risks include: the cyclicality and impact of general economic conditions; changing conditions in global markets including the impact of sanctions and tariffs, quotas and other trade actions and import restrictions; the impact of pandemics, epidemics or other public health emergencies; volatile supply and demand conditions affecting prices and volumes in the markets for both our products and raw materials we purchase; the impact of foreign currency fluctuations; potential limitations on our ability to access capital resources and borrowings under our existing credit agreement; restrictions on our business and financial covenants under our credit agreement; reliance on employees subject to collective bargaining agreements; and or ability to repurchase shares of our common stock and the amounts and timing of repurchases, if any.

We caution that you should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law. Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Securities and Exchange Commission (the "SEC") that advise of the risks and factors that may affect our business.

PART I

Item 1. Business.

Company Background

Simpson Manufacturing Co., Inc. ("Simpson," the "Company," "we," "us," or "our,") through its subsidiaries, including, Simpson Strong-Tie Company Inc. ("SST"), designs, engineers and is a leading manufacturer of structural solutions for wood, concrete, and steel connections. These solutions help customers design and build safer and stronger structures. The Company is relentlessly focused on providing customers with best in-class field support, technical expertise, digital tools, and training. Our research, rigorous testing, and focus on innovation enable us to design cost-effective, high-performing, and easy-to-install solutions for a multitude of applications in wood, steel, and concrete structures. Our products for wood construction are used in light-frame building applications and include connectors, truss plates, screw fastening systems, fasteners and pre-fabricated lateral-force resisting systems. Our products for concrete construction are used in concrete, masonry and steel building applications and include adhesives, chemicals, mechanical anchors, carbide drill bits, powder actuated tools, fiber reinforced materials, and other repair products used for protecting and strengthening structures. The Company markets its products to the residential construction, light industrial, commercial construction, original equipment manufacturer ("OEM"), component manufacturers and national retail markets domestically in North America, primarily in the United States, and internationally, predominantly in Europe. Our European operations includes our subsidiary FIXCO, Invest S.A.S. (together with its subsidiaries, “ETANCO”), which we acquired in 2022 to expand our product portfolio to include commercial building envelope solutions. ETANCO is a leading designer, manufacturer and distributor of fixing and fastening solutions for the European building and construction market. ETANCO's primary product applications directly align with the addressable markets in which the Company operates, expands our portfolio of solutions, including mechanical anchors, fasteners and commercial building envelope solutions, and significantly increase our market presence across Europe. Simpson also provides engineering services to support and enhance products and their specification while growing its offering of digital tools and design, planning and estimating software to facilitate the specification, selection and use of our products. The Company has continuously manufactured structural connectors since 1956 and believes that it benefits from the strong name recognition of the Simpson Strong-Tie® brand in residential, light industrial, and commercial markets.

Sales

The Company attracts and retains customers by designing, manufacturing and selling high quality, high-performing products that are cost effective and easy for our customers to install. The Company manufactures and warehouses its products in geographic proximity to its markets to help ensure availability and facilitate timely delivery to customers, which enables us to promptly respond to customer requests for specially designed products and services. The Company maintains levels of inventory intended to operate with minimum backlog and fill most customer orders within 24-48 hours. High levels of manufacturing automation and flexibility allow the Company to maintain its high-quality standards while continuing to provide prompt delivery to meet our customers' needs.

The Company intends to continue efforts to increase market share in its geographic markets of North America, Europe, and Asia/Pacific as well as across its broad product range through:

- An increasingly diverse portfolio of products and software, and a commitment to developing complete solutions for the markets we serve;
- Our long-standing reputation, relationships and engagement with engineers, building officials, and contractors to design safer, stronger structures and improve construction standards and practices;
- A dedication to innovation and extensive product engineering along with rigorous research and testing in our nine state-of-the-art labs;
- Striving for best-in-class field support, technical expertise, digital tools, and training to make it easy to select, specify, install and purchase our products;
- Industry-leading product availability and delivery standards on our vast product offering across multiple distribution channels, with typical delivery within 24-48 hours and high fill rates;
- A deep commitment to trades education and partnering with organizations that provide training and career opportunities to attract more people to the construction industry and alleviate labor shortages; and
- Expanding our solutions and offerings to our end-market customers in the residential, commercial, OEM, component manufacturer, and national retail areas.

Products and Services

Historically, the Company’s product lines have encompassed connectors, anchors, fasteners, lateral-force resisting systems, and truss plates, as well as repair and strengthening product lines for the industrial and transportation markets. See “Item 7 —

Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Note 19 — Segment Information" to the Company's consolidated financial statements for financial information regarding revenues by product category. The Company has established a presence in Europe through acquisition of companies with existing customer bases and through servicing U.S.-based customers operating in Europe. The Company also distributes connector, anchor, and adhesive products in Canada, Mexico, Chile, Australia, and New Zealand. Additionally, with the acquisition of ETANCO, the Company expanded its product portfolio to include commercial building envelope solutions and significantly increased its market presence across Europe.

Many of the Company's products are code-listed and approved by building code evaluation agencies. To achieve these approvals, the Company conducts extensive product testing, which is witnessed and certified by independent testing laboratories. These tests also provide the basis of load ratings for the Company's structural products. This test and load information is used by architects, engineers, contractors, building officials, and homeowners in selecting our products and comparing them to those of competitors, and is useful across all applications of the Company's products, ranging from the wood deck constructed by a homeowner to a multi-story steel structure designed by an architect or engineer.

Structural Products for Wood Construction. The Company produces and markets over 15,000 standard and custom products for wood construction applications. These products are used primarily to strengthen, support and connect wood applications in residential and commercial construction and do-it-yourself ("DIY") projects. The Company's wood construction products contribute to structural integrity and resistance to seismic, wind and gravitational forces. As described below, the Company's wood construction products include:

- *Connectors* - Connectors are prefabricated metal products designed to join wood, concrete, masonry or steel together and are essential for tying wood construction elements together and create safer and stronger buildings. Included in this category are connectors, holddowns, and truss connector plates.
- *Fasteners* - The fastening line includes variety of nails, screws and staples, which are complemented by the Company's multiple screw fastening systems, which are used exclusively in numerous applications such as building envelope applications, decking, subfloors, drywall and roofing; and
- *Lateral-Force Resisting Systems* - Lateral-force resisting systems are assemblies used to resist earthquake or wind forces and include pre-fabricated steel and wood shearwalls, Anchor Tiedown Systems (ATS), and Yield-Link connections for steel moment and braced frames.

Structural Products for Concrete Construction. The Company produces and markets over 3,000 standard and custom products for concrete construction applications. These products are composed of various materials including steel, chemicals and carbon fiber. They are used primarily to anchor, protect and strengthen concrete, brick and masonry applications in industrial, infrastructure, residential, commercial and DIY projects. The Company's product solutions for concrete construction applications contribute to structural integrity and resistance to seismic, wind and gravitational forces. These products are sold in all segments of the Company. As described below, the Company's concrete construction products include:

- *Anchor Products* - Anchor products include adhesives, mechanical anchors, carbide drill bits, and powder-actuated pins and tools used for numerous applications of anchoring or attaching elements onto concrete, brick, masonry and steel; and
- *Repair, Protection and Strengthening Products* - Concrete construction repair, protection and strengthening products include grouts, coatings, sealers, mortars, fiberglass and fiber-reinforced polymer systems and asphalt products.

Engineering and Design Services. The Company's engineers not only design and test products, but also provide customers with engineering support for a number of products manufactured and sold by the Company. This support might range from the discussion of a load value in a catalog to testing the suitability of an existing product in a unique application. For the truss product line, the Company's engineers review the output of the Company's software to assist customers in ensuring that trusses are properly designed and specified, and in some instances seal design diagrams. Generally, in connection with any engineering services the Company provides, the Company's engineers serve as a point of reference and support for the customer's engineers and other design and construction professionals, who ultimately determine and are responsible for the engineering approach and design loads for any project.

The growth of the Company's business as well as many of its current growth initiatives have been and are currently facilitated by its current technology and software solutions, as well as its ongoing digital development initiatives. The Company has an ever-growing suite of advanced technology tools, including software, to improve operational efficiencies in the building industry. The Company's early software solutions started by supporting engineers and designers with product selection and specification applications as well as estimating solutions for builders and retailers. The Company strategically expanded its software offerings to enhance collaboration with building industry partners in an effort to streamline workflows, reduce labor time and costs, improve accuracy, support scalability, and increase its profitability. The Company has grown its software solutions to support the growth of many customer groups, such as component manufacturers, builders and lumber yards. The Company has also introduced software applications for the DIY and repair and remodel markets. Whether focusing on residential, commercial, or outdoor structures, the Company's technology and digital solutions are designed to solve challenges, simplify tasks and provide cost-effective product and design recommendations that ultimately enhance customer efficiency and business success. The Company's customer-facing software and other technology solutions are anticipated to expand over time to address the growing needs of its end-markets to become a larger portion of the Company's overall value-added offerings.

Distribution Channels and Markets

The Company seeks to expand existing and identify new distributions channels in the markets it serves and expand into new adjacent markets. Presently, the Company primarily serves in three geographic markets, which are also its operating segments, consisting of the North America, Europe and Asia/Pacific segments. The North America segment includes operations primarily in the U.S. and Canada. The Europe segment includes operations primarily in France, the United Kingdom, Germany, Denmark, Switzerland, Portugal, Poland, The Netherlands, Belgium, Spain, Sweden, Norway, and Italy. The Asia/Pacific segment includes operations primarily in Australia, New Zealand, China, Taiwan, and Vietnam. These segments are similar in several ways, including similarities in the products manufactured and distributed, the types of materials used, the production processes, the distribution channels and the product applications.

The Company sells its products through multiple channels, including the following:

- *Dealers.* The Company intends to increase penetration of the residential market by expanding to markets in which it sells products directly to lumber dealers and cooperatives. The Company's sales force maintains ongoing contact with these customers and supports the inventory levels, resets, and displays.
- *Home Centers.* The Company intends to increase penetration of the DIY and contractor customer markets by continuing to expand its product offerings through home centers. The Company's sales force maintains ongoing contact with home centers to work with them in a broad range of areas, including inventory levels, retail display maintenance and product knowledge training. The Company's strategy is to ensure that the home center retail stores are fully stocked with adequate supplies of the Company's products carried by those stores. The Company has further developed extensive bar coding and merchandising aids and has devoted a portion of its research and development efforts to DIY products. The Company's sales to home centers increased year-over-year in 2024, 2023 and 2022.
- *Wood Component Manufacturers.* The Company works directly with wood component manufacturer customers. The Company continues to develop its software solutions, equipment offerings, and provide better technology solutions increasing its truss connector plate sales as well as other Simpson Strong-Tie core products sales within the component industry.
- *OEM Relationships.* The Company works closely with manufacturers of engineered wood, composite laminated timber and OEMs for off-site construction to develop and expand the application and sales of its engineered wood connector, fastener, anchor, and truss products. The Company has relationships with many of the leaders in these industries. The Company also intends to expand opportunities with other OEMs where its products complement their offerings.
- *Distributors.* The Company regularly evaluates its distribution coverage and the service level provided by its distributors, and from time to time implement changes. The Company evaluates distributors' product mix and conducts promotion to encourage them to add the Company's products that complement the mix of their product offerings in their markets.
- *Contractors.* In some markets, the Company sells to a wide range of end customers (contractors) mainly through direct sales.

New Products

In order to innovate, advance and diversify our product offerings, the Company commits substantial resources to new product development. The majority of our products have been developed through its internal research and development team. The Company believes it is the only U.S. manufacturer with the capability to internally test multi-story wall systems, thus enabling full scale testing rather than analysis alone to prove system performance. The Company's engineering, sales, product management, and marketing teams work together with architects, engineers, building inspectors, code officials, builders and customers in the new product development process.

The Company's product research and development is based largely on products or solutions that are identified within the Company, feedback or requests from customers for new or specialty products or in connection with the Company's strategic initiatives to expand into new markets and/or develop new product lines. The Company's strategy is to develop new products on a proprietary basis, to seek patents when appropriate, and to rely on trade secret protection for others. Depending on availability and circumstances, the Company will acquire products or solutions meeting our strategic initiatives.

Since at least 2006, the Company generally develops 45 to 70 new products each year. In 2024, through our research and development efforts, the Company developed over 65 new products expanding its product offerings by adding:

- new connectors and lateral products for wood framing applications;
- new connectors and fasteners for mass timber and offsite constructions;
- connections for structural steel construction;
- new connectors for cold formed steel applications;
- new fastener products and tools for wood construction;
- new mechanical and adhesive anchors for concrete and masonry construction; and
- new repair and strengthening systems for concrete and masonry applications.

By executing on its research and development strategy, the Company intends to continue to expand its product offerings.

The Company provides expertise and resources to offer software solutions and services to builders and lumber building material dealers, and supports efforts to further develop integrated software component solutions for the building industry. The Company also continues to focus on the development of truss software for the design, modeling, and truss plate selection for its integrated component manufacturing customers.

Competition

Simpson is a category creator in the building products space. Its mission is to deliver innovative solutions that help people design and build safer, stronger structures. The Company's products improve the performance and integrity of the structures they are installed in, helping to make those structures more resilient and sustainable, and often helping to save lives in times of natural disasters and catastrophes.

Currently, in the U.S. 26 of the top 30 builders (based on number of housing starts per year) are engaged in our builder program.

The Company encounters a variety of competitors that vary by product line, end market, and geographic area. The Company's competitors include many regional or specialized companies, as well as large U.S. and non-U.S. companies or divisions of large companies. While we do not believe that any single company competes with us across all of our product lines and distribution channels, certain companies compete in one or more product categories and/or distribution channels.

Since 1956, through the Simpson Strong-Tie® brand, the Company has led the industry in the wood connectors products space and a growing presence in both the concrete and fastener markets in the U.S. and Europe. The Company has successfully increased its market share over the years through:

- designing and marketing end-to-end construction product systems;
- product availability with delivery in typically 24 hours to 48 hours;
- strong customer support and education for engineers, builders, contractors and building officials;
- extensive product testing capabilities at our state-of-the-art test lab;
- strong relationships with engineers that get our products specified on the blueprint and pulled through to the job site; and
- active involvement with code officials to improve building codes and construction practices.

The Company believes these value-added services are competitive differentiators and provides the Company with a competitive advantage, helping it to achieve industry-leading margins, strong brand recognition and a trusted reputation. The Company also provides engineering services in support of some of our products and increasingly offer design and other software that facilitates the specification, selection and use of our products. The Company is also investing in software technology, such as 3D visualization software tools, truss design and specification software, Artificial Intelligence ("AI"), and construction-related software, in order to drive increased specification and use of our building material products with engineers, truss component manufacturers, builders, lumber dealers, and homeowners as well as to support our customers with additional solutions and services.

In an effort to help mitigate exposure to the cyclicality of the U.S. housing market as well as to respond to the needs of our customers, the Company has made investments over the years in adjacent products such as anchors, fasteners, and software solutions and expanded operations internationally into Europe. As a result, the Company is less dependent on U.S. housing starts, though they are still a leading indicator for a significant portion of the business.

Resources

Raw Materials

The principal raw material used by the Company is steel, including stainless steel. The Company also uses materials such as carbon fiber, fiberglass, mortars, grouts, epoxies and acrylics in the manufacture of its chemical anchoring and reinforcing products. The Company purchases raw materials from a variety of commercial sources. The Company's practice is to seek cost savings and enhanced quality by developing business relationships with and purchasing from a limited number of suppliers.

The Company purchases steel at market prices, which fluctuate as a result of supply and demand driven by prevailing economic conditions in the marketplace. The steel industry is highly cyclical and prices for the Company's raw materials are influenced by numerous factors beyond the Company's control including geopolitical and macroeconomic factors, supply constraints and supply chain disruptions, foreign currency fluctuations, import tariffs and duties, and unsettled international trade disputes. The steel market continues to be dynamic, with a high degree of uncertainty about future pricing trends. Numerous factors may cause steel prices to increase in the future. In addition to increases in steel prices, steel mills may impose surcharges for zinc, energy and freight in response to their rising costs. See "Item 1A — Risk Factors" and "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations." The Company historically has not attempted to hedge against changes in prices of steel or other raw materials. However, the Company may purchase and carry more steel or other raw materials in inventory to meet projected sales demand in a tight raw materials market.

Patents, Trademarks and Intellectual Property

Generally, the Company seeks statutory protection for strategic or financially important intellectual property developed in connection with its business. Certain intellectual property, where appropriate, is protected by contracts, licenses, confidentiality or other agreements. From time to time, the Company takes action to protect its businesses by asserting its intellectual property rights against third-party infringers.

The Company's trademarks are registered or otherwise legally protected in the U.S. and many non-U.S. countries where products and services of the Company are sold. The Company may, from time to time, become involved in trademark licensing transactions. Most works of authorship produced for the Company, such as computer programs, catalogs and sales literature, carry appropriate notices indicating the Company's claim to copyright protection under U.S. law and appropriate international treaties.

The Company has U.S. and foreign patents, the majority of which cover products that the Company currently manufactures and markets. These patents, and applications for new and continuation patents, cover various design aspects of the Company's products, as well as processes used in their manufacture. The Company continues to develop new potentially patentable products, product enhancements and product designs as well as acquire patented products. The Company also seeks continuation patents for all pending patents, and it is dedicated to securing patents for any new developments. Although the Company does not have plans to apply for additional foreign patents covering existing products, the Company is committed to pursuing intellectual property protection for patentable enhancements as appropriate. The Company has developed an international patent program to protect any innovative new product that it may develop, ensuring its competitive advantage is safeguarded. In addition to seeking patent protection, the Company relies on unpatented proprietary technology to maintain its competitive position. See "Item 1A — Risk Factors."

While the Company believes its intellectual property portfolio is important to its business operations and in the aggregate constitutes a valuable asset, no single patent, trademark, license or other intellectual property, or group of such intellectual property, is critical to the success of the business or any segment.

Seasonality and Cyclicality

Although the Company's sales have been seasonal and cyclical, with operating results varying from quarter to quarter, as a result of our European operations, primarily ETANCO, overall sales are becoming less seasonal. Our sales and income have historically been lower in the first and fourth quarters than in the second and third quarters of a fiscal year, as the Company's customers tend to purchase construction materials in the late spring and summer months for the construction season. Additionally, weather conditions, such as extended cold or wet weather, affecting and sometimes delaying installation of some of its products, would negatively affect the Company's results of operations. Operating results vary from quarter to quarter and with economic cycles. Although the Company's sales are also dependent, to a degree, on the U.S. residential home construction industry, the North America Segment accounted for approximately 77.8% of our net sales for the fiscal year ended December 31, 2024. As noted above, the same efforts to mitigate the Company's reliance on housing starts have also softened the effects of seasons and adverse weather on the Company's quarterly results. See “Item 1A — Risk Factors” and “Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Human Capital Resources

Successful execution of the Company's strategy is largely dependent on attracting, developing and retaining key employees and leaders. The skills, experience, industry knowledge, and contributions of our employees significantly benefit our operations and performance. We continuously evaluate, modify, and enhance our internal programs, processes and technologies to increase employee engagement, productivity, and efficiency and provide the opportunities, skills, and resources they need to be successful.

As of December 31, 2024, our employees, including those employed by consolidated subsidiaries, by region were approximately:

Asia Pacific	797
Europe	1,536
Americas	3,539
	5,872

Inclusion and Belonging

Our commitment to inclusion and belonging starts at the top with a highly skilled and diverse board. We strive to have employees representing different genders, ages, ethnicities and abilities by implementing thoughtful, customized solutions and programs.

As of December 31, 2024, we had the following global gender demographics:

	Women	Men	Not Disclosed
All employees	22.0%	70.0%	8.0%
Individual Contributors	23.0%	68.0%	9.0%
Middle Management	20.0%	75.0%	5.0%
Senior Leadership	16.0%	84.0%	—%

As of December 31, 2024, our U.S. employees had the following race and ethnicity demographics:

	All U.S. Employees	Individual Contributors	Middle Management	Senior Leadership
American Indian or Alaska Native	1.0%	1.0%	—%	—%
Asian	10.0%	10.0%	8.0%	14.0%
Black or African American	9.0%	10.0%	4.0%	3.0%
Hispanic or Latino	19.0%	21.0%	9.0%	—%
Native Hawaiian or Other Pacific Islander	1.0%	1.0%	—%	—%
Two or More Races	2.0%	2.0%	2.0%	—%
White	52.0%	48.0%	73.0%	77.0%
Not disclosed	6.0%	7.0%	4.0%	6.0%

Talent Development

The Company's commitment to talent development is fundamental to executing our strategy and advancing the development, manufacture, and marketing of innovative products and services. The opportunity to grow and develop skills and abilities, regardless of job role, division, or geographical location is critical to the success of the Company as a global organization. By investing in the Company's employees' continuous development, we create a culture where every employee can thrive and grow. We provide the tools, resources, and opportunities that empower our team to expand their skills, embrace new challenges, and drive our organization's success. We offer comprehensive global leadership development programs that provide leaders with the training, tools, and experiences necessary to develop their full leadership potential.

Pay Equity

The Company's compensation philosophy is to attract, retain, motivate, and differentiate employees through its rewards programs. We believe people should be paid for what they do and how they do it, regardless of their gender, race, or other personal characteristics, and we are committed to internal pay equity. The Board of Directors, through its Compensation and Leadership Development Committee, monitors the relationship between the pay received by our executive officers, and Human Resources evaluates the compensation program for executive officers. The Company's Human Resources department, along with senior management, evaluates the compensation received by all other employees. The Company's compensation philosophy and strategy are strongly aligned with its strategic priorities and its vision for shareholder value creation.

In addition to financial compensation, the Company offers a comprehensive health and wellness package to its employees which is designed to provide a range of options that can be personalized to suit their individual and/or family needs. As part of an ongoing commitment to attract, retain, and inspire our workforce in the United States, the Company provides remote and flexible work options for positions that support this approach. The Company regularly engages with its partners and benefits consultants to ensure its health and wellness package evolves to meet the needs of our diverse workforce both now and in the future.

Workplace Safety and Health

A vital part of our business is providing our workforce with a safe, healthy and sustainable working environment. Our Environmental, Health and Safety program focuses on implementing change through employee observation feedback channels to recognize risk and continuously improve our processes, as well as conducting regular risk reviews and self-audits at our manufacturing facilities around the world to explore new opportunities to reduce potential employee exposure to occupational injuries. Our continuous focus on workplace safety has enabled us to preserve business continuity without sacrificing our commitment to keeping our colleagues and workplace visitors safe.

Labor Relations

As of December 31, 2024, approximately 18.4% of the Company's employees are represented by labor unions and are covered by collective bargaining agreements. We have two facility locations with collective bargaining agreements covering tool and die craftsmen, maintenance workers, and sheet-metal workers. In Stockton, California, two union contracts will expire in June 2027 and September 2028, respectively. In Riverside, California, two union contracts will expire on February 28, 2025, which is in the process of being renegotiated and in June 2026, respectively. The Company also has two collective bargaining agreements in France, one under the Convention collective nationale de la métallurgie and the other under Plasturgie. Based on current information and subject to future events and circumstances, we believe that, even if new agreements are not reached before the existing labor union contracts expire, it is not expected to have a material adverse effect on the Company's ability to provide products to customers or on the Company's profitability. See "Item 1A — Risk Factors."

Available Information

The Company's website address is www.simpsonmfg.com. We file or furnish annual, quarterly and current reports, proxy statements and other information with the SEC. You may obtain a copy of any of these reports, free of charge, on the "Financials - SEC Filling" page of our website, as soon as reasonably practicable after we file such material with, or furnish it to the SEC. Printed copies of any of these materials will also be provided free of charge on request.

Through the "Governance" page of our website, it is also possible to access copies of the charters for our Audit and Finance Committee, Compensation and Leadership Development Committee, Corporate Strategy and Acquisitions Committee and Nominating and ESG Committee, Sustainability Reports, as well as our Corporate Governance Guidelines and Code of Business Conduct and Ethics. Each of these documents is made available free of charge. We intend to disclose on our website any amendment to, or waiver of, any provisions of our Code of Business Conduct and Ethics that apply to any of our directors, executive officers or senior financial officers that would otherwise be required to be disclosed under the rules of the SEC or the

New York Stock Exchange (the "NYSE"). The foregoing information regarding our website and its content is for your convenience only. The information contained in or connected to our website is not deemed to be incorporated by reference in this Annual Report or filed with the SEC.

In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, where you may obtain a copy of all information we file publicly with the SEC. The SEC website address is www.sec.gov.

Item 1A. Risk Factors.

Investing in the Company's common stock involves a high degree of risk. You should carefully review the following discussion of the risks that may affect our business, results of operations and financial condition, as well as our consolidated financial statements and notes thereto and the other information appearing in this report, for important information regarding risks that affect us. Current global economic events and conditions may amplify many of these risks. These risks are not the only risks that may affect us. Additional risks that we are not aware of or do not believe are material at the time of this filing, may also become important factors that adversely affect our business.

Risks Related to Our Business and Our Industry

Business cycles and uncertainty regarding the housing market, economic conditions, political climate and other factors beyond our control could adversely affect demand for our products and services, and our costs of doing business, any of which may harm our business, financial condition and results of operations.

The primary drivers of our North America segment are U.S. housing starts, residential remodeling, and replacement activities. Accordingly, our business, financial condition, and results of operations depend significantly on the stability of the housing and residential construction and home improvement markets, which are affected by conditions and other factors that are beyond our control. These conditions include, but are not limited to:

- uncertainty about the housing and residential construction and home improvement markets;
- consumer confidence and spending;
- unemployment levels;
- foreclosure rates;
- interest rates;
- raw material, logistics and energy costs;
- labor and healthcare costs;
- capital availability, or lack thereof, to builders, developers and consumers;
- unfavorable weather conditions and natural disasters; and
- political or social instability, such as war, or acts of terrorism or other international incidents.

These factors could adversely affect demand for our products and services, and our costs of doing business, our business, financial condition, and results of operations may be harmed. Further, many of our customers in the construction industry are small and medium-sized businesses that are more likely to be adversely affected by economic downturns than larger, more established businesses. Uncertainty about current global economic conditions may cause these consumers to postpone or refrain from spending or may cause them to switch to lower-cost alternative products, which could reduce demand for our products and materially and adversely affect our financial condition and results of operations.

We have a few large customers, the loss of any one of which could negatively affect our sales and profits.

Our largest customers accounted for a significant portion of net sales for the years ended December 31, 2024, 2023, and 2022. A reduction in, or elimination of, our sales to any of these customers would at least temporarily, and possibly on a longer term basis, cause a material reduction in our net sales, income from operations and net income. Such a reduction in or elimination of our sales to any of our largest customers would also increase our relative dependence on our remaining large customers.

In addition, our distributor customers and builders have increasingly consolidated over time, which has increased the material adverse effect risk of losing any one of them and may increase their bargaining power in negotiations with us. These trends could negatively affect our sales and profitability.

Our growth may depend on our ability to develop new products and services and penetrate new markets, which could reduce our profitability.

Our continued growth depends upon our ability to develop additional products, services, and technologies that meet our customers' expectations of our brand and quality and that allow us to enter into new markets. Expansion into new markets and the development of new products and services may involve considerable costs and may not generate sufficient revenue to be profitable or cover the costs of development. We might not be able to penetrate these product markets and any market penetration that occurs might not be timely or profitable. We may be unable to recoup part or all of the investments we make in attempting to develop new products and technologies and penetrate new markets. Any of these events could reduce our profitability.

Increases in prices of raw materials and energy could negatively affect our sales and profits.

Steel is the principal raw material used in the manufacture of many of our products. The price of steel has historically fluctuated on a cyclical basis and has often depended on a variety of factors over which we have no control including geopolitical and macroeconomic conditions and currency exchange rates. Import tariffs and/or other mandates also could significantly increase the prices on raw materials that are critical to our business, such as steel. The cost of producing our products is also sensitive to the price of energy.

The selling prices of our products have not always increased in response to raw material, energy or other cost increases, and we are unable to determine to what extent, if any, we will be able to pass future cost increases through to our customers. Increases in prices of raw materials and energy, our inability or unwillingness to pass increased costs through to our customers could materially and adversely affect our financial condition or results of operations.

We face significant competition in the markets we serve and we may not be able to compete successfully.

In order to compete effectively we must continue to develop enhancements to our existing products, new products and services on a timely basis that meet changing consumer preferences and successfully develop, manufacture and market these new products, product enhancements and services. There can be no assurance that we will be successful in developing and marketing new products, product enhancements, additional technologies and services. Many of our competitors are dedicating increasing resources to competing with us, especially as our products and services become more affected by technological advances and software innovations. Our inability to effectively compete could reduce the sales of our products and services, which could have a material adverse impact on our business, financial condition, and results of operations.

Additionally, our ability to compete effectively in North America depends, to a significant extent, on the specification or approval of our products by architects, engineers, building inspectors, building code officials and customers and their acceptance of our premium brand. If a significant portion of those communities were to decide that the design, materials, manufacturing, testing or quality control of our products is inferior to that of any of our competitors or the cost differences between our products and any competitors are not justifiable, our sales and profits could be materially reduced.

We depend on third parties for transportation services and the lack of availability of transportation and/or increases in cost could materially and adversely affect our business and operations.

Our business depends on the transportation of both our products to our customers and distributors and the transportation of raw materials to us. We rely on third parties for transportation services of these items, which services are occasionally in high demand (especially at the end of calendar quarters) and/or subject to price fluctuations. Damage or disruption to our supply chain, including transportation and distribution capabilities, could impair our ability to manufacture or sell our products. Failure to take adequate steps to mitigate the likelihood or potential impact of disruptions, or to effectively manage such events if they occur could adversely affect our business or financial results.

If the required supply of transportation services is unavailable when needed, our manufacturing processes may be interrupted if we are not able to receive raw materials or we may be unable to sell our products at full value, or at all. This could harm our reputation, negatively impact our customer relationships and have a material adverse effect on our financial condition and results of operations. In addition, a material increase in transportation rates or fuel surcharges could have a material adverse effect on our profitability.

Expectations relating to environmental, social and governance considerations expose the Company to potential liabilities, increased costs, reputational harm and other adverse effects on the Company's business.

Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on environmental, social and governance considerations relating to businesses, including climate change and greenhouse gas emissions, human capital and diversity, equity and inclusion. We make statements about our environmental, social and governance goals and initiatives through information provided on our website, press statements and other communications, including through our Environmental, Social and Governance Report. Responding to these environmental, social and governance considerations and implementation of these goals and initiatives involves risks and uncertainties, including those described under "Forward-Looking Statements," requires investments and are impacted by factors that may be outside our control. In addition, some stakeholders may disagree with our goals and initiatives and the focus of stakeholders may change and evolve over time. Stakeholders also may have very different views on where environmental, social and governance focus should be placed, including differing views of regulators in various jurisdictions in which we operate. Any failure, or perceived failure, by us to achieve our goals, further our initiatives, adhere to our public statements, comply with federal, state or international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us and materially adversely affect our business, reputation, results of operations, financial condition and stock price.

Risks Related to Our Intellectual Property and Information Technology

We have experienced and may in the future experience delays, outages, cyber-based attacks or security breaches in relation to our information systems and computer networks, which have disrupted and may in the future disrupt our operations and may result in data corruption. As a result, our profitability, financial condition and reputation could be negatively affected. In addition, data privacy statements and laws could subject us to liability.

We depend on information technology networks and systems, including the Internet, to process, transmit and store electronic information. We depend on our information technology infrastructure for electronic communications among our locations around the world and between our personnel and our subsidiaries, customers and suppliers. We collect and retain large volumes of internal and customer, vendor and supplier data, including some personally identifiable information, for business purposes. We also maintain personally identifiable information about our employees. The integrity and protection of our customer, vendor, supplier, employee and other Company data is critical to our business. The regulatory environment governing information, security and privacy laws is increasingly demanding and continues to evolve. Maintaining compliance with applicable security and privacy regulations may increase our operating costs or adversely affect our business operations.

Despite the security and maintenance measures we have in place, our facilities and systems, and those of the retailers, dealers, licensees and other third-parties with which we do business, we remain vulnerable to security breaches, cyber-attacks, acts of vandalism, computer viruses, malware, data corruption, delays, disruptions, programming and/or human errors or other similar events, such as those accomplished through fraud, trickery or other forms of deceiving our employees, contractors or other agents or representatives and those due to system updates, natural disasters, malicious attacks, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins or similar events. Such incidents have occurred, continue to occur, and may occur in the future.

Security breaches of our infrastructure could create system disruptions, shutdowns or unauthorized disclosures of confidential information. Despite the security measures we have in place, our facilities and systems, and those of the retailers, dealers, licensees and other third parties with which we do business, we may be vulnerable to security breaches, cyber-attacks, acts of vandalism, computer viruses, misplaced or lost data, programming and/or human errors or other similar events. Such incidents may involve misappropriation, loss or other unauthorized disclosure of confidential data, materials or information, including those concerning our customers, employees or suppliers, whether by us or by the retailers, dealers, licensees and other third-party distributors with which we do business, disrupt our operations, result in losses, damage our reputation, and expose us to the risks of litigation and liability (including regulatory liability); and may have a material adverse effect on our business, results of operations and financial condition.

Our recent efforts to increase our technology offerings and integrate new software and application offerings may prove unsuccessful and may affect our future prospects.

In North America the residential construction industry has experienced increased complexity in some home design and builders are more aggressively trying to reduce their costs. One of our responses has been to develop and market sophisticated software and applications to facilitate the specification, selection and use of our product systems. We have continued to commit substantial resources to our software development endeavors in recent years and expect that trend to continue.

We may not be able to create and further develop commercially successful software and applications. Even if we are able to create and develop initially successful ideas, the technology industry is subject to rapid changes. We may not be able to adapt quickly enough to keep up with changing demands, and our software may become obsolete.

While we see having a software interface with the construction industry as a potential growth area, we also face competition from other companies that are focused solely or primarily on the development of software and applications. These companies may have significantly greater expertise and resources to devote to software development, and we may be unable to compete with them in that space.

If we cannot protect our intellectual property, we will not be able to compete effectively.

We monitor and protect against activities that might infringe, dilute, or otherwise harm our patents, trademarks and other intellectual property and rely on the patent, trademark and other laws of the U.S. and other countries. However, we may be unable to prevent third parties from using our intellectual property without our authorization. To the extent we cannot protect our intellectual property, unauthorized use and misuse of our intellectual property could harm our competitive position and have a material adverse impact on our business, financial condition and results of operations. In addition, the laws of some non-U.S. jurisdictions provide less protection for our proprietary rights than the laws of the U.S. and we therefore may not be able to effectively enforce our intellectual property rights in these jurisdictions. If we are unable to maintain certain exclusive licenses, our brand recognition and sales could be adversely impacted. Current employees, contractors and suppliers have, and former employees, contractors and suppliers may have, access to trade secrets and confidential information regarding our operations which could be disclosed improperly and in breach of contract to our competitors or otherwise used to harm us.

Third parties may also claim that we are infringing upon their intellectual property rights. If we are unable to successfully defend or license such alleged infringing intellectual property or if we are required to substitute similar technology from another source, our operations could be adversely affected. Even if we believe that such intellectual property claims are without merit, defending such claims can be costly, time consuming and require significant resources. Claims of intellectual property infringement also might require us to redesign affected products, pay costly damage awards, or face injunctions prohibiting us from manufacturing, importing, marketing or selling certain of our products. Even if we have agreements to indemnify us, indemnifying parties may be unable or unwilling to do so.

We are subject to cyber security risks and may incur increasing costs in efforts to minimize those risks and to comply with regulatory standards.

We employ information technology systems and operate websites which allow for the secure storage and transmission of proprietary or confidential information regarding our customers, employees and others. We make significant efforts to secure our computer network to mitigate the risk of possible cyber-attacks, including, but not limited to, data breaches, and are continuously working to upgrade our existing information technology systems to ensure that we are protected, to the greatest extent possible, against cyber risks and security breaches. Despite these efforts security of our computer networks could be compromised which could impact operations and confidential information could be misappropriated, which could lead to negative publicity, loss of sales and profits or cause us to incur significant costs to reimburse third- parties for damages, which could adversely impact profits.

We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection, to the extent possible. However, we continue to see increasingly complex, rigorous and more stringent state and national regulatory standards enacted to protect businesses and personal data, including the General Data Protection Regulation (“GDPR”) and the California Consumer Privacy Act of 2018 ("CCPA"). GDPR is a comprehensive European Union privacy and data protection reform, effective in 2018, which applies to companies that are organized in the European Union or otherwise provide services to consumers who reside in the European Union, and imposes strict standards regarding the sharing, storage, use, disclosure and protection of end user data and significant penalties (monetary and otherwise) for non-compliance. The CCPA, which became effective in 2023 established a new privacy framework for covered businesses by, among other things, creating an expanded definition of personal information, establishing new data privacy rights for consumers in the State of California and creating a new and potentially severe statutory damages framework for violations of the CCPA and for businesses that fail to implement reasonable security procedures and practices to prevent data breaches. More recently, on November 3, 2020, California enacted the California Privacy Rights Act (the “CPRA”). The CPRA, which went into effect on January 1, 2023, expands upon the protections provided by the CCPA, including new limitations on the sale or sharing of consumers' personal information, and the creation of a new state agency to enforce the CPRA’s protections. Any failure to comply with GDPR, the CCPA, the CPRA, or other state or regulatory standards, could subject the Company to legal and reputational risks. Misuse of or failure to secure personal information could also result in violation of data privacy laws and regulations, proceedings against us by governmental entities or others, damage to our reputation and credibility, and could have a material adverse effect on our business and results of operations.

We publicly post our privacy policies and practices concerning our processing, use, and disclosure of personally identifiable information on our websites. If we fail to adhere to our privacy policy and other published statements or applicable laws concerning our processing, use, transmission and disclosure of protected information, or if our statements or practices are found to be deceptive or misrepresentative, we could face regulatory actions, fines and other liability.

We rely on complex software systems and hosted applications to operate our business, and our business may be disrupted if we are unable to successfully and efficiently update these systems or convert to new systems.

We are increasingly dependent on technology systems to operate our business, reduce costs, and enhance customer service. These systems include complex software systems and hosted applications that are provided by third parties such as financial management and human capital management platforms from SAP America, Inc. and Workday, Inc. Software systems need to be updated on a regular basis with patches, bug fixes and other modifications. Hosted applications are subject to service availability and reliability of hosting environments. We also migrate from legacy systems to new systems from time to time. Maintaining existing software systems, implementing upgrades and converting to new systems are costly and require a significant allocation of personnel and other resources. The implementation of these systems upgrades and conversions is a complex and time-consuming project involving substantial expenditures for implementation activities, consultants, system hardware and software, often requires transforming our current business and financial processes to conform to new systems, and therefore, may take longer, be more disruptive, and cost more than forecast and may not be successful. If the implementation is delayed or otherwise is not successful, it may hinder our business operations and negatively affect our financial condition and results of operations. There are many factors that may materially and adversely affect the schedule, cost, and execution of the implementation process, including, without limitation, problems during the design and testing phases of new systems; system delays and malfunctions; the deviation by suppliers and contractors from the required performance under their contracts with us; the diversion of management attention from our daily operations to the implementation project; reworks due to unanticipated changes in business processes; difficulty in training employees in the operation of new systems and maintaining internal control while converting from legacy systems to new systems; and integration with our existing systems. Some of such factors may not be reasonably anticipated or may be beyond our control.

Some of our agreements for software and software-as-services products have limited terms, and we may be unable to renew such agreements and may lose access to such products.

We have various agreements with a number of third parties that provide software and software-as-a-service products to us. These agreements often require reoccurring payments for online access to the products and have limited terms. In the future, we will be required to renegotiate the terms of these agreements, and may be unable to renew such agreements on favorable terms. If any such agreement cannot be renewed or can only be renewed on terms that are materially worse for us, we may be unable to access the applicable software, and our business and operating results may be adversely affected.

Risks Related to Our International Operations

International operations and our financial results in those markets may be affected by legal, regulatory, political, currency exchange and other economic risks.

During 2024, revenue from sales outside of the U.S. was $591.5 million, representing approximately 26.5% of consolidated sales. In addition, a portion of our manufacturing and production operations are located outside the U.S. As a result, our business is subject to risks and uncertainties associated with international operations, including:

- difficulties and costs associated with complying with a wide variety of complex and changing laws, including securities laws, tax laws, employment and pension-related laws, competition laws, U.S. and foreign export and trading laws, and laws governing improper business practices, treaties and regulations;
- limitations on our ability to enforce legal rights and remedies;
- adverse domestic or international economic and political conditions, business interruption, war and civil disturbance;
- changes to tax, currency, or other laws or policies that may adversely impact our ability to repatriate cash from non-U.S. subsidiaries, make cross-border investments, or engage in other intercompany transactions;
- potential future or existing regulatory guidance and interpretations of the tax legislation, as well as any associated assumptions that the Company makes related to the change;
- changes to tariffs or other import or export restrictions, penalties or sanctions, including modification or elimination of international agreements covering trade or investment;

- costs and availability of shipping and transportation;
- nationalization or forced relocation of properties by foreign governments;
- currency exchange rate fluctuations between the U.S. dollar and foreign currencies; and
- uncertainty with respect to any potential changes to laws, regulations and policies that could exacerbate the risks described above.

All of these factors could result in increased costs or decreased revenues and could materially and adversely affect our sales, financial condition, and results of operations. Additionally, international construction standards, techniques and methods differ from those in the U.S. and as a result, we may need to redesign our products, or design new products, to compete effectively and profitably in international markets.

In addition, we operate in many parts of the world that have experienced governmental corruption and we could be adversely affected by violations of the Foreign Corrupt Practices Act ("FCPA") and similar worldwide anti-corruption laws. The FCPA and similar anti-corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. Although we mandate compliance with these anti-corruption laws, we cannot provide assurance that these measures will necessarily prevent violations of these laws by our employees or agents. If we were found to be liable for violations of anti-corruption laws, we could be liable for criminal or civil penalties or other sanctions, which could have a material adverse impact on our business, financial condition and results of operations.

If significant tariffs or other restrictions are placed on our imports or any related counter-measures are taken by other countries, our costs of doing business, revenue and results of operations may be negatively impacted.

If significant tariffs or other restrictions are placed on Chinese or other imports or any related countermeasures are taken by China or other countries, our costs of doing business, revenue and results of operations may be materially harmed. If duties are imposed on our imports, we may be required to raise our prices, which may result in the loss of customers and harm our operating performance. Alternatively, we may seek to shift production outside of China, resulting in diversion of management's attention, significant costs and disruption to our operations as we would need to pursue the time-consuming processes of establishing a new supply chain, identifying substitute components and establishing new manufacturing locations.

Failure to comply with export, import, and sanctions laws and regulations could materially and adversely affect us.

We are subject to a number of export, import and economic sanction regulations, including the International Traffic in Arms Regulations (“ITAR”), the Export Administration Regulations (“EAR”) and U.S. sanction regulations administered by the U.S. Department of Treasury, Office of Foreign Assets (“OFAC”). Foreign governments where we have operations also implement export, import and sanction laws and regulations, some of which may be inconsistent or conflict with ITAR and EAR. Where we face such inconsistencies, it may be impossible for us to comply with all applicable regulations.

If we do not obtain all necessary import and export licenses required by applicable export and import regulations, including ITAR and EAR, or do business with sanctioned countries or individuals, we may be subject to fines, penalties and other regulatory action by governmental authorities, including, among other things, having our export or import privileges suspended. Even if our policies and procedures for exports, imports and sanction regulations comply, but our employees fail or neglect to follow them in all respects, we might incur similar liability.

Any changes in applicable export, import or sanction laws or regulations or any legal or regulatory violations could materially and adversely affect our business and financial condition.

Our manufacturing facilities in China complicate our supply and inventory management.

We maintain manufacturing capability in various parts of the world, including Jiangsu, China, in part to allow us to serve our customers with prompt delivery of needed products. In recent years, we have significantly expanded our manufacturing capabilities in China. Substantially all of our manufacturing output in China was and is currently intended for export to other parts of the world. Any halting or disruption to our operations at or near our Jiangsu, China manufacturing facility could substantially interfere with our general commercial activity related to our supply chain and customer base, which could have a material adverse effect on our financial condition, results of operations, business or prospects. In such event, we may need to seek alternative sources of supply for products for our customers, which may increase the costs to manufacture and deliver our products.

We are subject to U.S. and international tax laws that could affect our financial results.

We generally conduct international operations through our wholly-owned subsidiaries. Our income tax liabilities in the different countries where we operate depend in part on internal settlement prices and administrative charges among us and our subsidiaries. These arrangements require us to make judgments with which tax authorities may disagree. Tax authorities may impose additional tariffs, duties, taxes, penalties and interest on us. Transactions that we have arranged in light of current tax rules could have material and adverse consequences if tax rules change, and changes in tax rules or imposition of any new or increased tariffs, duties and taxes could materially and adversely affect our sales, profits and financial condition.

Tax laws are dynamic and subject to change as new laws are passed and new interpretations are issued or applied. If the U.S. or other foreign tax authorities change applicable tax laws, our overall taxes could increase, and our business, financial condition or results of operations may be adversely impacted.

Significant judgment and certain estimates are required in determining our worldwide provision for income taxes. Future tax law changes may materially increase the Company's prospective income tax expense.

We are subject to income taxation in the U.S. as well as numerous foreign jurisdictions. Significant judgment is required in determining our worldwide income tax provision and, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made.

Increases in income tax rates, changes in income tax laws or disagreements with tax authorities could adversely affect our financial performance.

Increases in income tax rates or other changes in tax laws, including changes in how existing tax laws are interpreted or enforced, could adversely affect our financial performance. For example, economic and political conditions in countries where we are subject to taxes, including the United States, have in the past and could continue to result in significant changes in tax legislation or regulation. For example, numerous countries have agreed to a statement in support of the Organization for Economic Co-operation and Development model (OECD) rules that propose a partial global profit reallocation and a global minimum tax rate of 15.0%. Numerous countries, including European Union member states, have already enacted legislation incorporating the global minimum tax with effect and widespread implementation of a global minimum tax is expected by 2025. While we are subject to Pillar II, the enacted legislative changes to date did not have a material impact to our overall operations. As the legislation becomes effective in other countries in which we do business, our taxes could increase and negatively impact our provision for income taxes. As the legislation continues to become effective in countries in which we do business, our taxes could increase and negatively impact our provision for income taxes. This increasingly complex global tax environment could increase tax uncertainty, which could in turn result in higher compliance costs and adverse effects on our financial performance. We are also subject to regular reviews, examinations and audits by numerous taxing authorities with respect to income and non-income based taxes. Economic and political pressures to increase tax revenues in jurisdictions in which we operate, or the adoption of new or reformed tax legislation or regulation, also could make resolving any tax disputes more difficult and the final resolution of any tax audits could have an adverse effect on our financial performance.

We are a global company with significant revenues and earnings generated internationally, which exposes us to the impact of foreign currency fluctuations, as well as political and economic risks.

Sales outside of the U.S. accounted for 26.5% of our consolidated net sales and a portion of our earnings in 2024. We anticipate that sales and earnings from international operations will continue to represent a portion of our net sales and earnings in the future. In addition, many of our manufacturing facilities and suppliers are located outside of the U.S. Our foreign operations subject us to certain commercial, political and financial risks. Our business in these foreign markets is subject to general political conditions, including any political instability (such as those resulting from war, terrorism and insurrections) and general economic conditions in these markets, such as inflation, deflation, interest rate volatility and credit availability. Additionally, a number of factors, including U.S. relations with the governments of the foreign countries in which we operate, changes to international trade agreements and treaties, increases in trade protectionism, or the weakening or loss of certain intellectual property protection rights in some countries, may affect our business, financial condition and results of operations. Foreign regulatory requirements, including those related to the testing, authorization, and labeling of products and import or export licensing requirements, could affect the availability of our products in these markets.

In addition to risks associated with general political conditions, our international operations are subject to fluctuations in foreign currency exchange rates The functional currency for most of our foreign operations is the applicable local currency. As a result, fluctuations in foreign currency exchange rates affect the results of our operations and the value of our foreign assets and liabilities, which in turn may adversely affect results of operations and cash flows and the comparability of period-to-period results of operations. Foreign governmental policies and actions regarding currency valuation could result in actions by the United States and other countries to offset the effects of such fluctuations. Given the unpredictability and volatility of foreign currency exchange rates, ongoing or unusual volatility may adversely impact our business and financial conditions.

Global and Economic Risks

Changes in the global economic environment, inflation, elevated interest rates, recessions or prolonged periods of slow economic growth, and global instability and actual and threatened geopolitical conflict, could continue to adversely affect our operations.

Overall economic conditions in the U.S. and globally, including in Europe, including adverse factors such as heightened inflation, capital market volatility, rising or sustained high interest rates, currency rate fluctuations, and economic slowdown or recession, may result in unfavorable conditions that could negatively affect demand for our products due to customers decreasing their inventories in the near-term or long-term, reduction in sales due to raw material shortages, reduction in research and development efforts, our inability to sufficiently hedge our currency and raw material costs, insolvency of suppliers and customers and exacerbate some of the other risks that affect our business, financial condition and results of operations. Periods of economic downturn or continued uncertainty could result in difficulty increasing or maintaining our level of sales or profitability and we may experience an adverse effect on our business, results of operations, financial condition and cash flows.

The impact of public health crises, could have a significant effect on supply and/or demand for our products and services and have a negative impact on our business, financial condition and results of operations.

Global pandemics, such as COVID-19, or other public health crises may adversely affect, among other things, our supply chain and associated costs; demand for our products and services; our operations and sales, marketing and distribution efforts; our research and development capabilities; our engineering, design, and manufacturing processes; and other important business activities. These events could result in significant losses, adversely affect our competitive position, increase our costs, require substantial expenditures and recovery time, make it difficult or impossible to provide services or deliver products to our customers or to receive components from our suppliers, create delays and inefficiencies in our supply chain and result in the need to impose employee travel restrictions. Our operations and those of our suppliers and distributors could be adversely affected if manufacturing, logistics, or other operations in key locations, are disrupted for any reason, such as those described above or other economic, business, labor, environmental, public health, regulatory or political reasons. In addition, even if our operations are unaffected or recover quickly, if our customers cannot timely resume their own operations, they may reduce or cancel their orders, or these events could otherwise result in a decrease in demand for our products.

Changes in government and industry regulatory standards pertaining to health and safety and various political factors could have a material adverse effect on our business, financial condition or results of operations.

Public health crises, such as the COVID-19 pandemic, and the measures taken in response to such events have in the past negatively impacted, and may again in the future negatively impact, our operations and workforce, as well as those of our partners, customers and suppliers. Additionally, concerns over the economic impact of such events have, from time to time, caused increased volatility in financial and other capital markets. The negative impacts of any such events on business operations and demand for our offerings will depend on future developments and actions taken in response to such events, which may be outside our control, highly uncertain, and cannot be predicted at this time. Political factors that could impact us include, but are not limited to, changes to tax laws and regulations resulting in increased income tax liability, changes in administration resulting in increased or newly imposed tariffs, increased regulation, limitations on exports of energy and raw materials, and trade remedies. Actions taken by the U.S. government could affect our results of operations, cash flows and liquidity.

Risks Related to Seasonality and Weather Conditions

Seasonality and weather-related conditions may have a significant impact on our financial condition from period to period.

The demand for our products and services is heavily correlated to both seasonal changes, with operating results varying from quarter to quarter, and unpredictable weather patterns. Our sales and income have historically been lower in the first and fourth quarters than in the second and third quarters, as customers tend to purchase construction materials in the late spring and summer months for the construction season. In addition, weather conditions, such as unseasonably warm, cold or wet weather, which affect, and sometimes delay or accelerate installation of some of our products, may significantly affect our results of operations. Sales that we anticipate in one quarter may occur in another quarter, affecting both quarters' results and potentially our stock price.

In addition, we typically ship orders as we receive them and maintain inventory levels to allow us to operate with minimum backlog. The efficiency of our inventory system, and our ability to avoid backlogs and potential loss of customers, is closely tied to our ability to accurately predict seasonal and quarterly variances. Further, our planned expenditures are also based primarily on sales forecasts. When sales do not meet our expectations, our operating results will be reduced for the relevant quarters, as we will have already incurred expenses based on those expectations. This could result in a material decline in our stock price.

Climate change, drought, weather conditions and storm activity could have a material adverse impact on our results of operations.

In North America, weather conditions and the level of severe storms can have a significant impact on the markets for residential construction and home improvement. As a result, climate change that results in altered weather conditions or storm activity could have a significant impact on our business by:

- depressing or reversing economic development;
- reducing the demand for construction;
- increasing the cost and reducing the availability of wood products used in construction;
- increasing the cost and reducing the availability of raw materials and energy;
- increasing the cost and reducing the availability of insurance covering damage from natural disasters; and
- lead to new laws and regulations that increase our expenses and reduce our sales.

Generally, any weather conditions that slow or limit residential or construction activity can adversely impact demand for our products and services.

Lower demand for our products or services as a result of this scenario could adversely impact our business, financial condition and results of operations. Additionally, severely low temperatures may lead to significant and immediate spikes in costs of natural gas, electricity and other commodities that could negatively affect our results of operation.

Natural disasters or other catastrophes could decrease our manufacturing capacity or harm our business and financial condition.

Some of our manufacturing facilities are located in geographic regions that have experienced, or may experience in the future, major natural disasters and other catastrophes, such as fires, earthquakes, floods and hurricanes. Our disaster recovery plan may not be adequate or effective to respond in such events. Further, although we maintain various form and levels of insurance to protect us against potential loss exposures, the scope of our available insurance coverage may not be adequate to protect us against all potential risks. For example, we do not carry earthquake insurance and other insurance that we carry is limited in the risks covered and the amount of coverage. Our insurance may not be adequate to cover all of our resulting costs, business interruption and lost profits when a major natural disaster or catastrophe occurs. A natural disaster rendering one or more of our manufacturing facilities totally or partially inoperable, whether or not covered by insurance, would materially and adversely affect our business and financial condition.

Risks Related to Product, Services and Sales Risks

Product liability claims and litigation could affect our business, reputation, financial condition, results of operations and cash flows.

In the ordinary course of business, the products that we design and/or manufacture, and/or the services we provide, have led to product liability claims or other legal claims being filed against us. To the extent that plaintiffs are successful in showing that a defect in a product's design, manufacture or warnings led to personal injury or property damage, or that our provision of services resulted in similar injury or damage, we may be subject to claims for damages. Although we are insured for damages above a certain amount, we bear the costs and expenses associated with defending claims, including frivolous lawsuits, and are responsible for damages up to the insurance retention amount. The insurance that we carry is limited in the amount of coverage and may not be adequate to cover all of our resulting costs, business interruption and lost profits if we are subject to product liability claims. We might also face increases in premiums and reductions in the availability of insurance covering product liability, which could have a significant impact on our business. In addition to claims concerning individual products, as a manufacturer, we can be subject to costs, potential negative publicity and lawsuits related to product recalls, which could adversely impact our results of operations and damage our reputation.

Design defects, labeling defects, product formula defects, inaccurate chemical mixes, product recalls and/or product liability claims could harm our business, reputation, financial condition and results of operations.

Many of our products are integral to the structural soundness or safety of the structures in which they are used and we have on occasion found flaws and deficiencies in the design, manufacturing, assembling, labeling, product formulations, chemical mixes or testing of our products. We also have on occasion found flaws and deficiencies in raw materials and finished goods produced by others and used with or incorporated into our products. Some flaws and deficiencies have not been apparent until after the products were installed or used by customers.

If any flaws or deficiencies exist in our products and if such flaws or deficiencies are not discovered and corrected before our products are incorporated into structures, the structures could be unsafe or could suffer severe damage, such as collapse or fire, and personal injury or death could result. To the extent that such damage or injury is not covered by our product liability insurance and we are held to be liable, we could be required to correct such damage and to compensate persons who might have suffered injury or death, and our business, reputation, financial condition, results of operations and cash flows could be materially and adversely affected.

As a result of the nature of many of our products and their use in construction projects, claims (including product warranty claims and claims resulting from a natural disaster) may be made against us with regard to damage or destruction of structures incorporating our products whether or not our products failed. Any such claims, if asserted, could require us to expend material time and efforts defending the claim and may materially and adversely affect our business, reputation, financial condition and results of operations. Costs associated with resolving such claims (such as repair or replacement of the affected parts) could be material and may exceed any amounts reserved in our consolidated financial statements.

While we generally attempt to limit our contractual liability and our exposure to price or expense increases, we may have uncapped liabilities or significant exposure under some contracts, and could suffer material losses under such contracts.

We enter into many types of contracts with our customers, suppliers and other third parties, including in connection with our expansion into new markets and new product lines. Under some of these contracts, our overall liability may not be limited to a specified maximum amount or we may have significant potential exposure to price or expense increases. If we receive claims under these contracts or experience significant price increases or comparable expense increases, we may incur liabilities significantly in excess of the revenues associated with such contracts, which could have a material adverse effect on our results of operations.

Some of our technology offerings provide planning and design functions to customers, and we are involved both in product sales and engineering services. Any software errors or deficiencies or failures in our engineering services could have material adverse effects on our business, reputation, financial condition, results of operations and cash flows.

Our planning/design software applications facilitate the creation by customers of complex construction and building designs and is extremely complex. If our software applications contain defects or errors, our engineers prepare, approve or seal drawings that contain defects or we are otherwise involved in any design or construction that contains flaws, regardless of whether we caused such flaws, we may be required to correct deficiencies and may become involved in litigation. Further, if any damage or injury is not covered by our insurance and we are held to be liable, we could be required to correct such damage and to compensate persons who might have suffered injury, and our business, reputation, financial condition, results of operations and cash flows could be materially and adversely affected.

Risks Related to Human Capital

We depend on executives and other key employees, the loss of whom could harm our business.

We depend, in part, on the efforts and skills of our executives and other key employees, including members of our sales force. Our executives and key employees are experienced and highly qualified. The loss of any of our executive officers or other key employees could harm the business and the Company's ability to timely achieve its strategic initiatives. Our success also depends on our ability to identify, attract, hire and retain our key personnel. We face strong competition for such personnel and may not be able to attract or retain such personnel. In addition, when we experience periods with little or no profits, a decrease in compensation based on our profits may make it difficult to attract and retain highly qualified personnel. We may not be able to attract and retain key personnel or may incur significant costs to do so.

Our work force could become increasingly unionized in the future and our unionized or union-free work force could strike, which could adversely affect the stability of our production and reduce our profitability.

A significant number of our employees are represented by labor unions and covered by collective bargaining agreements that will expire between 2025 and 2028. Generally, collective bargaining agreements that expire may be terminated after notice by the union. After termination, the union may authorize a strike similar to the strike which was initiated at our Stockton facility in the third quarter of 2019. Although we believe that our relations with our employees are generally good, no assurance can be given that we will be able to successfully extend or renegotiate our collective bargaining agreements as they expire. If we fail to extend or renegotiate our collective bargaining agreements, if disputes with our unions arise, or if the workers covered by one or more of the collective bargaining agreements engage in a strike, lockout, or other work stoppage, we could have a material adverse effect on production at one or more of our facilities, incur higher labor costs, and, depending upon the length of such dispute or work stoppage, on our business, results of operations, financial position and liquidity.

Capital Expenditures, Expansions, Acquisitions and Divestitures Risks

Acquisitions, divestitures, and other strategic transactions could fail to achieve financial or strategic objectives, disrupt our ongoing business, and adversely impact our results of operations.

In furtherance of our business strategy, we routinely evaluate opportunities and may enter into agreements for possible acquisitions, divestitures, or other strategic transactions. A significant portion of our growth has been generated by acquisitions, such as the acquisition of ETANCO and we may continue to acquire businesses in the future as part of our growth strategy. Furthermore, there is no assurance that any such transaction will result in synergistic benefits. A potential acquisition, divestiture, or other strategic transaction may involve a number of risks including, but not limited to:

- the transaction may not effectively advance our business strategy, and its anticipated benefits may never materialize;
- integration of an acquired business' accounting, information technology, human resources, and other administrative systems may fail to permit effective management and expense reduction;
- diversion of management’s attention from business operations to integration matters;
- departure of key personnel from the acquired business;
- effectively managing entrepreneurial spirit and decision-making;
- unanticipated costs and exposure to unforeseen liabilities; and
- impairment of assets.

As a result, if we fail to evaluate and execute these transactions properly, we might not achieve the anticipated benefits of such transactions and we may incur costs in excess of what we anticipate. These risks would likely be greater in the case of larger transactions.

In addition, future acquisitions may involve issuance of additional equity securities that dilute the value of our existing equity securities, increase our debt, cause impairment related to goodwill and cause impairment of, and amortization expenses related to, other intangible assets, which could materially and adversely affect our profitability.

Our capital expenditures may not be adequate to maintain our competitive position and may not be implemented in a timely or cost-effective manner.

Our capital expenditures are limited by our liquidity and capital resources and the amount we have available for capital spending is limited by the need to pay our other expenses and to maintain adequate cash reserves and borrowing capacity to meet unexpected demands that may arise. Productivity improvements through process re-engineering, design efficiency and manufacturing cost improvements may be required to offset potential increases in labor and raw material costs and competitive price pressures. If we are unable to make sufficient capital expenditures, or to maximize the efficiency of the capital expenditures we do make, our competitive position may be harmed and we may be unable to manufacture the products necessary to compete successfully in our targeted market segments.

Additional financing, if needed, to fund our working capital, growth or other business requirements may not be available on reasonable terms, or at all.

If the cash needed for working capital or to fund our growth or other business requirements increases to a level that exceeds the amount of cash that we generate from operations and have available through our current credit arrangements, we will need to seek additional financing. Additional or new borrowings may not be available on reasonable terms, or at all. Our ability to raise money by issuing and selling shares of our common or preferred stock depends on general market conditions and the demand for our stock. If we sell stock, our existing stockholders could experience substantial dilution. Our inability to secure additional financing could prevent the expansion of our business, internally and through acquisitions.

Regulatory Risks

Failure to comply with industry regulations could result in reduced sales and increased costs.

We are subject to environmental laws and regulations governing emissions into the air, discharges into water, and generation, handling, storage, transportation, treatment and disposal of waste materials. We are also subject to other federal and state laws and regulations regarding health and safety matters.

Our manufacturing operations involve the use of solvents, chemicals, oils and other materials that are regarded as hazardous or toxic. We also use complex and heavy machinery and equipment that can pose severe safety hazards, especially if not properly and carefully used. Some of our products also incorporate materials that are hazardous or toxic in some forms, such as:

- zinc and lead used in some steel galvanizing processes;
- chemicals used in our acrylic and epoxy anchoring products, our concrete repair, strengthening and protecting products; and
- gun powder used in our powder-actuated tools, which is explosive.

We have in the past, and may in the future, need to take steps to remedy our failure to properly label, store, transport, use and manufacture such toxic and hazardous materials.

If we do not obtain all material licenses and permits required by environmental, health and safety laws and regulations, or otherwise fail to comply with applicable laws and regulations, we may be subject to regulatory action by governmental authorities. If our policies and procedures are flawed, or our employees fail or neglect to follow our policies and procedures in all respects, we might incur liability. Relevant laws and regulations could change or new ones could be adopted that require us to incur substantial expense to comply.

Complying or failing to comply with conflict minerals regulations could materially and adversely affect our supply chain, our relationships with customers and suppliers and our financial results.

We are currently subject to conflict mineral disclosure regulations in the U.S. and may be affected by new regulations concerning conflict and similar minerals adopted by other jurisdictions where we operate. While we have been successful to date in adapting to such regulations, we have and will continue to incur added costs to comply with the disclosure requirements, including costs related to determining the source of such minerals used in our products. We may not be able to ascertain the origins of such minerals that we use and may not be able to satisfy requests from customers to certify that our products are free of conflict minerals. These requirements also could constrain the pool of suppliers from which we source such minerals. We may be unable to obtain conflict-free minerals at competitive prices. Such consequences will increase costs and may materially and adversely affect our manufacturing operations and profitability.

When we provide engineering services we are subject to various local, state and federal rules and regulations which can increase our potential liability.

As part of our product offerings, we may provide engineering and design-related services to our clients. Some of these services require us to stamp drawings or otherwise be involved in the engineering process. While we generally attempt to limit our liability through our internal processes and through our legal agreements with third parties to which we provide such services, under various local, state and federal rules and regulations these limitations may not be effective and we may be held liable for engineering failures. Any such liability could materially and adversely affect our profitability.

General Risk Factors

Any issuance of preferred stock may dilute your investment and reduce funds available for dividends.

Our Board of Directors is authorized by our certificate of incorporation to determine the terms of one or more series of preferred stock and to authorize the issuance of shares of any such series on such terms as our Board of Directors may approve. Any such issuance could be used to impede an acquisition of our business that our Board of Directors does not approve, further dilute the equity investments of holders of our common stock and reduce funds available for the payment of dividends to holders of our common stock.

Provisions in our amended and restated certificate of incorporation and bylaws or Delaware law might discourage, delay or prevent a change in control of our company or changes in our management.

Our amended and restated certificate of incorporation and bylaws contain provisions that may discourage, delay or prevent a change in control of our Company or changes in our management that our stockholders may deem advantageous. For example, under our charter documents, our stockholders cannot call special meetings and cannot take action by written consent.

Additionally, we are subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder and which may discourage, delay or prevent a change in control of our company. Delaware law and our corporate governance documents could deter takeover attempts that might otherwise be beneficial to our stockholders.

If we were required to write down all or part of our goodwill or other indefinite-lived intangible assets, our results of operations or financial condition could be materially adversely affected in a particular period.

Declines in the Company's business may result in an impairment of the Company's tangible and intangible assets which could result in a material non-cash charge. At least annually, or at other times when events occur that could affect the value of such assets, we perform impairment tests on our goodwill, indefinite-lived intangible assets and definite-lived intangible assets. To determine whether an impairment has occurred, we may utilize "Step Zero" qualitative test or compare fair value of each of our reporting units with its carrying value. In the past, these tests have led us to incur significant impairment charges. Significant and unanticipated changes in circumstances, such as significant adverse changes in business climate, adverse actions by regulatory authorities, unanticipated competition, loss of key customers or changes in technology or markets, can require a charge for impairment that can negatively impact our results of operations.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk Management and Strategy

Our cybersecurity risk management efforts are an integral part of our overall risk management processes, and we are deeply committed to safeguarding our digital and information technology environment for our employees, customers and vendors. We employ a robust, global and multi-layered security strategy, known as "defense-in-depth," to assess, identify and manage cybersecurity risks and protect our cyber work environment from potential threats and vulnerabilities. These risks, threats and vulnerabilities include those that could result in significant operational disruption to the Company, such as production disruption, business downtime or loss of containment, as well as risks that could have significant reputational or compliance/ regulatory impact.

The Company's Information Security team monitors information security risks that target both technology and manufacturing environments and identifies potential risks to Simpson's information security posture. Any identified risks are prioritized in terms of impact to Simpson's information security posture and, if critical, addressed immediately or added to Simpson's information security roadmap. To supplement our internal cybersecurity resources, we also engage external third parties to perform information security assessments, penetration tests and related services to enhance our information security program.

Risks Associated with Third-Party Service Providers

In addition, we implement robust processes to oversee and manage risks associated with our business arrangements with third-party service providers. All new Simpson third-party business agreements are reviewed and assessed by our Information Security team. We also perform information security program investigations on the security posture of, and assess any publicly known information security events related to, these third-party service providers. If a third party service provider with a business agreement with Simpson experiences an information security breach or incident, our Information Security Team reviews and assesses such event to understand Simpson's overall exposure to the security incident.

Insurance

We maintain cybersecurity insurance coverage at industry standard levels as a part of our comprehensive insurance portfolio to help mitigate risk in the event an information security event occurs.

Risks from Cybersecurity Threats

Despite our security measures, our information technology and infrastructure may remain vulnerable to disruptions, including as a result of attacks by increasingly sophisticated intruders or others who attempt to cause harm to, or otherwise interfere with the normal use of our systems. We have experienced targeted and non-targeted cybersecurity attacks and incidents in the past that have resulted in unauthorized persons gaining access to our information systems and computer networks, and we could in the future experience similar attacks. When we do experience cybersecurity incidents like these and the one we disclosed in October 2023, we aim to utilize that experience to inform and strengthen our cybersecurity management efforts. In response to the October 2023 incident, we increased our phishing awareness training and testing, deployed a cybersecurity tool that continuously monitors and verifies the security posture of individual devices within our network, and deployed technology that provides visibility into our sensitive data across different cloud environments, allowing the identification of potential vulnerabilities and take proactive measures to protect data from unauthorized access, misuse, or theft.

We do not believe any risks from cybersecurity threats, including as a result of any previous cybersecurity incident, have materially affected or are reasonably likely to materially affect the Company or our business strategy, results of operations, or financial condition. For additional information regarding the risks from cybersecurity threats we face, see the section captioned "*Risks Relating to Our Intellectual Property and Information Technology*" under Part I, Item 1A "Risk Factors" above.

Governance

Board and Committee Oversight

Although our full Board of Directors is ultimately responsible for risk oversight, our Board is assisted in discharging its risk oversight responsibility by its committees. The Audit and Finance Committee of the Board is responsible for providing oversight of our information security program and cybersecurity risks. In connection with this oversight role, the Audit and Finance Committee receives information technology updates from management at least quarterly. Cybersecurity risks facing the Company and updates on the Company's practices and progress to mitigate such risks are also the subject of management reports to the Audit and Finance Committee on a more frequent basis, as necessary or appropriate.

Management's Role in Assessing and Managing Risk

The Company's information security efforts are led by our Executive Vice President, Chief Technology Officer ("CTO") and our Director of Information Security ("IT Director"), supported by our executive management team. These efforts are designed to address information security governance and risk, product security, identification and protection of critical assets, third-party risk, security awareness, cyber defense operations, artificial intelligence and data protection governance, and related risk management matters. Our CTO and IT Director have an average of over 25 years of prior work experience in various roles involving information technology, including security, auditing compliance, systems and programming. These individuals have relevant educational and industry experience, including holding similar positions at other large companies.

Our CTO provides relevant cybersecurity and information technology reports to the Audit and Finance Committee, and to the executive and senior leadership teams. These reports are provided at quarterly Audit and Finance Committee meetings and at our Digital Quarterly Business Review ("Digital QBR") meetings. These reports typically include analyses of recent significant cybersecurity threats and incidents at the Company and across the industry, as well as a review of our security controls, assessments and program maturity, top risks, risk mitigation status, and a review of our third-party service providers as appropriate. Simpson's information security roadmap and posture are also reviewed quarterly with members of the executive leadership team and the Audit and Finance Committee. In accordance with our information security program, any information security event is assessed and reviewed by our Digital Leadership team and members of the executive leadership team.

Through the Digital QBR process, the executive leadership team is responsible for assessing and reviewing our information security program and the Company's material risks from cybersecurity threats. Additional supervision and management is provided by our Digital Leadership team, comprised of our CTO; VP, Digital Infrastructure and Operations; VP, Digital Enterprise Applications; and International IT Director.

Item 2. Properties.

Our headquarters and principal executive offices in Pleasanton, California, and our principal U.S. manufacturing facilities in Stockton and Riverside, California; McKinney, Texas; Columbus, Ohio; West Chicago, Illinois; and Gallatin, Tennessee are located in owned premises. The principal manufacturing facilities located outside the U.S., the majority of which we own, are in France, Italy, Denmark, Germany, Poland, Switzerland, Sweden, Portugal and China. We also own and lease smaller manufacturing facilities, warehouses, research and development facilities and sales offices in the U.S., Canada, the United

Kingdom, Europe, Asia, Australia, New Zealand, and Chile. As of February 28, 2025, the Company's owned and leased facilities were as follows:

	Number Of Properties	Approximate Square Footage		
		Owned	Leased	Total
			(in thousands of square feet)	
North America	47	2,365	1,751	4,116
Europe	37	1,793	836	2,629
Asia/Pacific	9	175	123	298
Administrative and all other	1	92	—	92
Total	94	4,425	2,710	7,135

We believe that our properties are maintained in good operating condition. Our manufacturing facilities are equipped with specialized equipment and use extensive automation. Our leased facilities typically have renewal options and have expiration dates through 2039. We believe we will be able to extend leases on our various facilities as necessary, or as they expire. Currently, our manufacturing facilities are being operated with at least one full-time shift. Based on current information and subject to future events and circumstances, we anticipate that we may require additional facilities to accommodate possible future growth.

Item 3. Legal Proceedings.

From time to time, the Company is involved in various legal proceedings and other matters arising in the normal course of business. Corrosion, hydrogen embrittlement, cracking, material hardness, wood pressure-treating chemicals, misinstallations, misuse, design and assembly flaws, manufacturing defects, labeling defects, product formula defects, inaccurate chemical mixes, adulteration, environmental conditions, or other factors can contribute to failure of fasteners, connectors, anchors, adhesives, specialty chemicals, such as fiber reinforced polymers, and tool products. In addition, inaccuracies may occur in product information, descriptions and instructions found in catalogs, packaging, data sheets, and the Company's website.

The Company currently is not a party to any legal proceedings which the Company expects individually or in the aggregate to have a material adverse effect on the Company's financial condition, cash flows or results of operations. Nonetheless, the resolution of any claim or litigation is subject to inherent uncertainty and we could in the future incur judgments, enter into settlements of claims or revise our expectations regarding the outcome of the various legal proceedings and other matters we are currently involved in, which could materially impact our financial condition, cash flows or results of operations. Refer to Note 15, "Commitments and Contingencies," to the Company's consolidated financial statements included in this Annual Report on Form 10-K for a discussion of recent developments related to certain of the legal proceedings in which we are involved.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information for Common Stock

The Company’s common stock is listed on the NYSE under the symbol “SSD.”

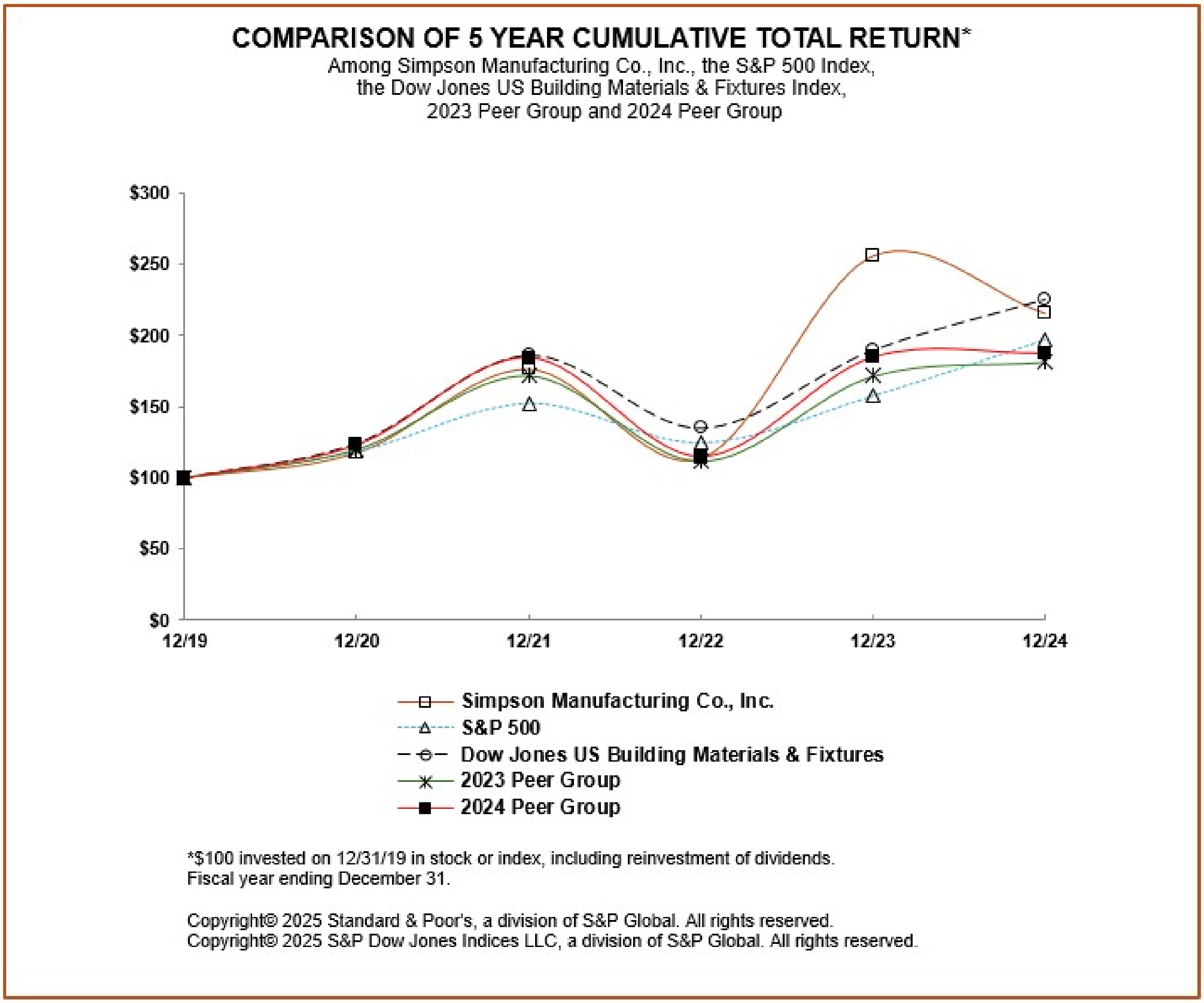
As of February 24, 2025 there were 97,545 holders of record of the Company’s common stock, although we believe that there are a significantly larger number of beneficial owners of our common stock.

Dividends

During 2024, the Company paid a total of $46.5 million in cash dividends. On January 31, 2025, the Company declared a quarterly cash dividend of $0.28 per share of common stock to be paid on April 23, 2025 to stockholders of record as of April 3, 2025. See "Note 20 — Subsequent Events" to the Company's consolidated financial statements. Future dividends, if any, will be determined by the Company’s Board of Directors, based on the Company’s future earnings, cash flows, financial condition and other factors deemed relevant by the Board of Directors. See “Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Stock Performance Graph

The following graph compares the cumulative total stockholder return on the Company's common stock from December 31, 2019 through December 31, 2024, with the cumulative total return on the S&P 500 Index (a broad equity market index), the Dow Jones U.S. Building Materials & Fixtures Index (a published industry or line-of-business index) and a Peer Group Index over the same period (assuming the investment of $100 in the Company's common stock and in each of the indices on December 31, 2019, and reinvestment of all dividends into additional shares of the same class of equity securities at the frequency with which dividends are paid on such securities during the applicable fiscal year). To provide an additional comparison to our performance, we included an index consisting of companies in the building products or construction materials industries that are most comparable to us in terms of size and nature of operations, which group has also been referenced by us in connection with setting our executive compensation. The Peer Group Index below consisted of A.O. Smith Corporation; AAON, Inc.; Advance Drainage Systems, Inc.; Allegion Plc; American Woodmark Corp.; Apogee Enterprises, Inc.; Armstrong World Industries, Inc.; Atkore, Inc.; Azek Company, Inc.; Eagle Materials, Inc.; Gibraltar Industries, Inc.; James Hardie Industries plc; Lousiana-Pacific Corporation; Patrick Industries, Inc.; Quanex Building Products Corp.; Summit Materials, Inc.; and Trex Company, Inc.



Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The table below shows the monthly repurchases of shares of the Company's common stock in the fourth quarter of 2024.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share[1]	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Value of Shares that May Yet Be Purchased Under the Plans or Programs *(in millions)*[2]
October 1 - October 31, 2024	165,590	$ 181.87	165,000	$20.0
November 1 - November 30, 2024	111,315	$ 180.32	110,906	$—
December 1 - December 31, 2024	13	$ 188.38	—	$—
Total	276,918			

Approximately 41 thousand shares of the Company's common stock were repurchased in 2024, in connection with the withholding of shares to cover payroll taxes on vesting of stock-based compensation awards vested and for retirement eligible employees who retired during 2024.

Approximately 559 thousand shares of the Company's common stock were repurchased in 2024 for a total amount of $100.0 million which authorization expired on December 31, 2024.

On October 23, 2024, we announced the Board of Directors authorized a new share repurchase program pursuant to which the Company my purchase up to $100.0 million of the Company's common stock from January 1, 2025 through December 31, 2025. This authorization replaces the previous share repurchase authorizations.

From February 1, 2025 to February 27, 2025, the Company repurchased 146,640 shares of the Company's common stock in the open market at an average price of $170.48 per share for a total of approximately $25.0 million. As a result, as of February 28, 2025, approximately $75.0 million remained available for share repurchase through December 31, 2025 under the Company's previously announced $100.0 million share repurchase authorization.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Each of the terms the "Company," "we," "our," "us" and similar terms used herein refer collectively to Simpson Manufacturing Co., Inc., a Delaware corporation, and its wholly-owned subsidiaries, including Simpson Strong-Tie Company Inc., unless otherwise stated. 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 the Company. The information on our website is not incorporated by reference into this report or other material we file with or furnish to the SEC, except as explicitly noted or as required by law.

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of the Company's consolidated financial condition and results of operations. This discussion should be read in conjunction with the accompanying Condensed Consolidated Financial Statements and notes thereto included in this report.

"Strong-Tie" and our other trademarks appearing in this report are our property. This report contains additional trade names and trademarks of other companies. We do not intend our use or display of other companies' trade names or trademarks to imply an endorsement or sponsorship of us by such companies, or any relationship with any of these companies.

[1] Average price paid per share of common shares repurchased excludes excise tax. As of January 1, 2024, the Company's share repurchases are subjected to a 1.0% excise tax enacted by the Inflation Reduction Act of 2022. The amount of excise tax incurred is included in the Company's Consolidated Statement of Stockholders' Equity for the year ended December 31, 2024.
[2] Pursuant to the $100.0 million repurchase authorization from the Board of Directors on October 19, 2023, and which expired on December 31, 2024. See "Note 5 — Stockholder's Equity".

Overview

We design, manufacture and sell building construction products that are of high quality and performance, easy to use and cost-effective for customers. We operate in three business segments determined by geographic region: North America, Europe and Asia/Pacific. Within the North America segment, our sales efforts are aligned to customer market teams dedicated to serving the following markets:

- Residential;
- Commercial;
- Original Equipment Manufacturers ("OEM");
- National Retail; and
- Component Manufacturers

Our organic growth opportunities are focused on expanding our product lines with our current customers while also identifying new market share gain opportunities within our core product and market competencies.

In order to grow in these markets, we aspire to be among the leaders in engineered load-rated construction building products and systems and digital product offerings. We also aspire to leverage our engineering expertise, deep-rooted relationships with top builders, engineers, contractors, code officials and distributors, along with our ongoing commitment to testing, research and innovation. Importantly, we currently have existing products, testing results, distribution and manufacturing capabilities to support our ambitions. This will ultimately be a function of expanding our sales and/or marketing functions to promote our products to different end users and distribution channels, expanding our customer base, and introducing new products in the future.

Our commitment to continuous improvement has fostered our core Company ambitions, which we will pursue including:

- Strengthen our values-based culture;
- Be the partner of choice;
- Be an innovative leader in the markets we operate;
- Above market growth relative to the U.S. housing starts (exceeding our historical average volume performance in North America of approximately 250 basis points above the housing starts market);
- An operating income margin at or above 20%; and
- Earnings per share growth exceeding net revenue growth.

Since announced in 2021, we made great progress on our key growth initiatives. Examples include:

- Added approximately $1.0 billion in revenue and $200.0 million in operating profit.
- Realigned our sales team by end market, significantly reduced two-step distribution, and made significant investments in our field sales and engineering teams.
- Made significant footprint investments in both production and warehouses. Our investment in our new Gallatin Tennessee facility enables us to onshore additional fastener and anchor production, and the operation will in-source key manufacturing processes such as heat treating and coating of fasteners. Additional warehouse capabilities will also enhance next day delivery for our North American customers.
- Invested significantly in digital solutions, combined with the other initiatives strengthened our business model, which drove hardware sales, created value for our customers and made us a partner of choice.
- Strengthened our senior leadership team through a combination of internal development and external experts.

As a result, we are now in an even stronger market position in connectors with significant gains in both fasteners and anchors. In addition, due to our high service levels, increasingly diverse portfolio of products and software as well as our commitment to innovation and developing complete solutions for the markets we serve, we believe we can continue to achieve above market growth in the North America relative to U.S. housing starts for fiscal 2025 and beyond. These examples further emulate our Founder, Barclay Simpson's, nine principles of doing business, and more specifically the focus and obsession on customers and users.

Non-GAAP Financial Measures

In addition to financial information prepared in accordance with GAAP, we use Adjusted EBITDA as a non-GAAP financial measure in evaluating the ongoing operating performance of our business. The Company defines adjusted EBITDA as net income (loss) before income taxes, adjusted to exclude depreciation and amortization, integration, acquisition and restructuring costs, non-qualified deferred compensation adjustments, goodwill impairment, gain on bargain purchase, net loss or gain on disposal of assets, interest income or expense, and foreign exchange and other expense (income). We use adjusted EBITDA to provide additional insight into the Company's operating performance in light of the significant levels of growth investment we have made in our operations, the effect depreciation as well as acquisition and integration costs will have on our operating results. We believe this will also provide a better approximation of our cash flows compared to operating income.

Factors Affecting Our Results of Operations

The Company's business, financial condition, and results of operations depend in large part on the level of U.S. housing starts and residential construction activity. Overall housing starts decreased 3.9% over the trailing twelve months ending December 31, 2024 compared to the trailing twelve months ending December 31, 2023. Lower housing starts in the U.S. could result in lower demand, which would affect the Company's sales and possibly operating profit.

Unlike lumber or other products that have a more direct correlation to U.S. housing starts, our products are used to a greater extent in areas that are subject to natural forces, such as seismic or wind events. Our products are generally used in a sequential progression that follows the construction process. Residential and commercial construction begins with the foundation, followed by the wall and the roof systems, and then the installation of our products, which flow into a project or a house according to these schedules.

In prior years, our sales were heavily seasonal with operating results varying from quarter to quarter depending on weather conditions that could delay construction starts. Our sales and income have historically been lower in the first and fourth quarters than in the second and third quarters of a fiscal year. Increasing interest rates, tariffs, political uncertainty due to rising energy costs, volatility in the steel market and stressed product transportation systems, can also have an effect on our gross and operating profits as well. Due to efforts in diversifying our geographic footprint, product offerings, and changing our path to market in the U.S., sales from our product lines, customer base and customer purchases are becoming less seasonal. Changes in raw material cost could impact the amount of inventory on-hand, and negatively affect our gross profit and operating margins depending on the timing of raw material purchases or how much sales prices can be increased to offset any increases in raw material costs. Changes in labor, freight and warehousing costs, could also negatively impact gross profit depending on timing and amount of sales price can be increased to offset the higher costs.

Our operations also expose us to risks associated with pandemics, epidemics or other public health crises.

Business Segment Information

Historically, our North America segment has generated more revenues from wood construction products compared to concrete construction products. North America net sales increased 1.1% for the year ended December 31, 2024 compared to December 31, 2023. Our wood construction product net sales increased 0.5% for the year ended December 31, 2024 compared to December 31, 2023, primarily due to increased sales volumes, partly offset by product price decreases implemented during the first quarter of 2023. Our concrete construction product sales increased 5.0% over the same periods. For 2025, U.S. housing starts could improve in the low-single digit range from 2024 levels, with growth weighted towards the second half of the year. With the investments we have made, we believe we will be able to continue to grow net sales above the US housing starts market, one of our company ambitions.

Operating income decreased 7.1% to $439.6 million from $473.2 million on lower gross profits as well as increased personnel costs software and hardware costs and professional fees, party offset by lower incentive costs. Fiscal year 2024 operating margins were also affected by recent acquisitions including acquisition and integration related costs. For 2025, incremental investments in the current business will be limited until the U.S. housing market shows long-term improvement.

During 2024, work continued on our Columbus, Ohio facility expansion as well as the construction of our new Gallatin, Tennessee facility. We expect the expansion and operation of these facilities to be completed and commence in 2025. The expanded and new facilities will improve our overall service, production efficiencies and safety in the workplace, as well as reduce our reliance on certain outsourced finished goods and component products and continue to ensure we have ample capacity to meet our customer needs. These investments reinforce our core business model differentiators to remain the partner of choice as we continue to produce products locally and ensure superior levels of customer service.

Europe net sales decreased slightly for the fiscal year December 31, 2024 compared to December 31, 2023, due to lower sales volumes, offset by the positive effect of $3.7 million in foreign currency translation. Both wood and concrete construction product sales decreased for the twelve months ended December 31, 2024 compared to the twelve months ended December 31, 2023. Gross profit decreased $8.1 million primarily due to increased factory overhead, warehouse and freight costs, as a percentage of net sales. Operating income decreased $12.2 million on lower gross profits and increased costs supporting the optimization of the European footprint, including the realization of defensive Etanco related synergies, which resulted in $5.7

million in restructuring and severance charges for fiscal year 2024. As a result of these efforts and projected increased sales, we currently anticipate Europe's 2025 operating margin to improve compared to fiscal year 2024.

Our Asia/Pacific segment has generated revenues from both wood and concrete construction products. We believe that the Asia/Pacific segment is not significant to our overall performance.

Business Outlook

Based on business trends and conditions, the Company's outlook for the full fiscal year ending December 31, 2025 is as follows:

- Given the uncertainty regarding 2025 U.S. housing starts compared to prior year housing starts, consolidated operating margin is estimated to be in the range of 18.5% to 20.5% with the low end of the range based on flat to declining 2025 housing starts compared to prior year. The operating margin range includes a projected gain between $10.0 million to $12.0 million from the sale of the old Gallatin facility based on a $19.0 million contracted sale price.

- The effective tax rate is estimated to be in the range of 25.5% to 26.5%, including both federal and state income tax rates as well as international income tax rates, and assuming no tax law changes are enacted.

- Capital expenditures are estimated to be approximately $150.0 million to $170.0 million, which includes $75.0 million for the Columbus, Ohio facility expansion and construction of the new Gallatin, Tennessee facility.

Results of Operations

Our discussion of our results focuses on 2024 and 2023 and year-to-year comparisons between those periods. Discussions of 2022 results and year-to-year comparison between 2023 and 2022 results are not included in this Annual Report on Form 10-K and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. The following table sets forth, for the years indicated, the Company's operating results as a percentage of net sales for the years ended December 31, 2024, 2023 and 2022, respectively:

	Years Ended December 31,		
	2024	2023	2022
Net sales	100.0 %	100.0 %	100.0 %
Cost of sales	54.0 %	52.9 %	55.5 %
Gross profit	46.0 %	47.1 %	44.5 %
Research and development and other engineering expenses	4.2 %	4.2 %	3.2 %
Selling expense	9.8 %	9.2 %	8.0 %
General and administrative expense	12.4 %	12.1 %	10.8 %
Total operating expense	26.4 %	25.5 %	22.0 %
Acquisition and integration related costs	0.3 %	0.2 %	0.8 %
Net gain on disposal of assets	— %	— %	(0.1)%
Income from operations	19.3 %	21.4 %	21.8 %
Interest income and other finance costs, net	0.2 %	0.2 %	(0.4)%
Other and foreign exchange loss, net	(0.1)%	(0.1)%	(0.2)%
Income before taxes	19.4 %	21.5 %	21.2 %
Provision for income taxes	5.0 %	5.5 %	5.4 %
Net income	14.4 %	16.0 %	15.8 %

Comparison of the Years Ended December 31, 2024 and 2023

Unless otherwise stated, the results announced below, when providing comparisons (which are generally indicated by words such as "increased," "decreased," "unchanged" or "compared to"), compare the results of operations for the year ended December 31, 2024, against the results of operations for the year ended December 31, 2023.

The following table shows the change in the Company's operations from 2023 to 2024, and the increases or decreases from the prior year, for each category by segment:

		Increase (Decrease) in Operating Segment				
(in thousands)	2023	North America	Europe	Asia/ Pacific	Admin & All Other	2024
Net sales	$ 2,213,803	$ 19,457	$ (1,701)	$ 580	—	$ 2,232,139
Cost of sales	1,170,048	31,511	6,365	461	(2,097)	1,206,288
Gross profit	1,043,755	(12,054)	(8,066)	119	2,097	1,025,851
Operating expenses:						
Research and development and other engineering expense	92,167	(292)	991	710	—	93,576
Selling expense	203,980	14,330	453	639	—	219,402
General and administrative expense	268,103	7,717	3,603	(378)	(1,513)	277,532
Operating expenses	564,250	21,755	5,047	971	(1,513)	590,510
Net gain on disposal of assets	(276)	(145)	26	(24)	(28)	(447)
Acquisition and integration related costs	4,632	—	(947)	—	2,128	5,813
Income from operations	475,149	(33,664)	(12,192)	(828)	1,510	429,975
Interest income and other financing costs, net	3,391	597	763	(578)	1,104	5,277
Other and foreign exchange loss, net	(1,993)	(3,844)	(3,397)	1,485	6,540	(1,209)
Income before taxes	476,547	(36,911)	(14,826)	79	9,154	434,043
Provision for income taxes	122,560	(10,762)	(2,103)	(42)	2,166	111,819
Net income	$ 353,987	$ (26,149)	$ (12,723)	$ 121	$ 6,988	$ 322,224

Net Sales increased approximately 0.8% to $2.2 billion from prior year, primarily due to higher sales volumes, incremental sales from the Company's 2024 acquisitions, and the positive effect of $3.7 million in foreign currency translation related mostly to Europe's currencies weakening against the United States dollar. Wood construction product net sales, including sales of connectors, truss plates, fastening systems, fasteners and shearwalls, represented 85.1% and 85.4% of the Company's total net sales for the years ended December 31, 2024 and 2023, respectively. Concrete construction product net sales, including sales of adhesives, chemicals, mechanical anchors, powder actuated tools and reinforcing fiber materials, represented 14.8% and 14.5% of the Company's total net sales for the years ended December 31, 2024 and 2023, respectively.

Gross profit decreased approximately 1.7% to $1.0 billion from prior year, primarily due to lower gross margins. Gross margins decreased to 46.0% from 47.1%, primarily due to higher factory and overhead as well as warehouse and freight costs, partly offset by lower material costs, as a percentage of net sales. Gross margins, including some inter-segment expenses, which were eliminated upon consolidation, and excluding certain expenses that are allocated according to product group, decreased from 47.2% to 45.6% for wood construction products and increased from 46.0% to 47.5% for concrete construction products.

Research and development and other engineering expense increased 1.5% to $93.6 million from $92.2 million, primarily due increased personnel costs of $4.6 million partially offset by a decrease of $3.2 million in variable incentive compensation costs.

Selling expense increased 7.6% to $219.4 million from $204.0 million, primarily due to increases of $17.3 million in personnel costs and $4.0 million in advertising and trade shows, partially offset by a decrease of $7.9 million in variable compensation costs.

General and administrative expense increased 3.5% to $277.5 million from $268.1 million, primarily due to increases of $12.8 million in personnel costs, $7.1 million in professional fees, and $1.6 million in depreciation and amortization, partially offset by a decrease of $13.2 million in variable compensation costs.

Our *effective income tax rate* increased to 25.8% from 25.7%.

Consolidated net income was $322.2 million compared to $354.0 million. Diluted net income per share of common stock was $7.60 compared to $8.26.

Adjusted EBITDA[1] of $520.1 million decreased 6.2% compared to $554.2 million, primarily due to lower gross profits and higher operating expenses, as noted above.

Net Sales

The following table shows net sales by segment for the years ended December 31, 2024 and 2023, respectively:

(in thousands)	North America	Europe	Asia/ Pacific	Total
December 31, 2023	$1,716,422	$ 480,756	$ 16,625	$2,213,803
December 31, 2024	1,735,879	479,055	17,205	2,232,139
Increase (decrease)	$ 19,457	$ (1,701)	$ 580	$ 18,336
Percentage increase (decrease)	1.1 %	(0.4)%	3.5 %	0.8 %

The following table shows segment net sales as percentages of total net sales for the years ended December 31, 2024 and 2023, respectively:

	North America	Europe	Asia/ Pacific	Total
Percentage of total 2023 net sales	77.5 %	21.7 %	0.8 %	100.0 %
Percentage of total 2024 net sales	77.8 %	21.5 %	0.7 %	100.0 %

Gross Profit

The following table shows gross profit by segment for the years ended December 31, 2024 and 2023, respectively:

(in thousands)	North America	Europe	Asia/ Pacific	Admin & All Other	Total
December 31, 2023	$ 862,557	$ 177,048	$ 5,679	$ (1,529)	$1,043,755
December 31, 2024	850,504	168,982	5,798	567	1,025,851
Increase (decrease)	(12,053)	(8,066)	119	2,096	(17,904)
Percentage decrease	(1.4)%	(4.6)%	*	*	(1.7)%

* The statistic is not meaningful or material.

The following table shows gross margins by segment for the years ended December 31, 2024 and 2023, respectively:

	North America	Europe	Asia/ Pacific	Admin & All Other	Total
2023 gross margin	50.3 %	36.8 %	34.2 %	*	47.1 %
2024 gross margin	49.0 %	35.3 %	33.7 %	*	46.0 %

* The statistic is not meaningful or material.

North America

- *Net sales* increased 1.1% primarily due to higher sales volumes and incremental sales from the Company's 2024 acquisitions.

- *Gross margin* decreased to 49.0% from 50.3%, primarily due to higher factory and overhead as well as warehouse costs, partially offset by lower material costs, as a percentage of net sales.

- *Research and development and engineering expense* decreased $0.3 million.

- *Selling expense* increased $14.3 million, primarily due to increases of $16.9 million in personnel costs, $2.9 million in advertising and trade shows, partially offset by a decrease of $7.7 million in variable compensation costs.

[1] Adjusted EBITDA is a non-GAAP financial measure and it is defined in the Non-GAAP Financial Measures Item 7. For a reconciliation of Adjusted EBITDA to U.S. GAAP ("GAAP) net income see the schedule titled "Reconciliation of Non-GAAP Financial Measures."

- *General and administrative expense* increased $7.7 million, primarily due to increases of $7.3 million in personnel costs and $4.6 million in professional and legal fees, partially offset by a decrease of $5.7 million in variable compensation costs.

- *Income from operations* decreased $33.7 million, primarily due to lower gross profit as well as increases in operating expenses. The operating expense increases were driven by higher personnel costs, professional fees, and travel-related expenses, which were partially offset by a decrease in variable compensation costs.

Europe

- *Net sales de*creased 0.4%, primarily due to lower sales volumes. Net sales benefited from the positive effect of approximately $3.7 million in foreign currency translation.

- *Gross margin* decreased to 35.3% from 36.8%, primarily due to higher factory and overhead as well as warehouse and freight costs, partly offset by lower material costs, as a percentage of net sales.

- *Income from operations* decreased $12.2 million, primarily due to lower gross profit as well as $5.0 million in higher operating expenses including personnel costs.

Asia/Pacific

- For information about the Company's Asia/Pacific segment, please refer to the table above setting forth changes in our operating results for the years ended December 31, 2024 and 2023.

Administrative and All Other

- *General and administrative expense* decreased $1.5 million, primarily due to a decrease of $6.1 million in variable compensation costs, partially offset by increases of $2.3 million in professional and legal fees and $1.9 million in personnel costs.

Critical Accounting Policies and Estimates

The critical accounting policies described below affect the Company's more significant judgments and estimates used in the preparation of the Company's consolidated financial statements. If the Company's business conditions change or if it uses different assumptions or estimates in the application of these and other accounting policies, the Company's future results of operations could be adversely affected.

Inventory Valuation

Inventories are stated at the lower of cost or net realizable value (market). Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials and purchased finished goods — principally valued at a cost determined on a weighted average basis; and
- In-process products and finished goods — the cost of direct materials and labor plus attributable overhead based on a normal level of activity.

The Company applies net realizable value and makes estimates for obsolescence to the gross value of inventory. The Company estimates net realizable value is based on estimated selling price less further costs expected to be incurred through completion and disposal. The Company impairs slow-moving products by comparing inventories on hand to projected demand. If on-hand supply of a product exceeds projected demand or if the Company believes the product is no longer marketable, the product is considered obsolete inventory. The Company revalues obsolete inventory to its net realizable value and has consistently applied this methodology. The Company believes that this approach is suitable for impairments of slow-moving and obsolete inventory. When impairments are established, a new cost basis of the inventory is created. Unexpected changes in market demand, building codes or buyer preferences could reduce the rate of inventory turnover and require the Company to recognize more obsolete inventory.

Business Combinations.

Accounting for business combinations requires us to make significant estimates and assumptions. We use our best estimates and assumptions to accurately assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date as well as the useful lives of those acquired intangible assets.

Critical estimates in valuing certain of the intangible assets and goodwill we have acquired are:

- future expected cash flows from operations;
- historical and expected customer attrition rates and anticipated growth in revenue from acquired customers;
- assumptions about the period of time the acquired trade name will continue to be used in our offerings; and
- discount rates.

Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

Goodwill and Other Intangible Assets

Our goodwill balance is not amortized to expense, and we may assess quantitative or qualitative factors to determine whether it is more likely than not that the fair value of each reporting unit is less than its carrying amount as a basis for determining whether it is necessary to complete quantitative impairment assessments. The Company evaluates the recoverability of goodwill in accordance with Accounting Standard Codification ("ASC") Topic 350, *"Intangibles - Goodwill and Other,"* annually, or more frequently if an event occurs or circumstances change in the interim that would more likely than not reduce the fair value of the asset below its carrying amount.

Intangible assets acquired are recognized at their fair value at the date of acquisition. Finite-lived intangibles are amortized over their applicable useful lives. We monitor conditions related to these assets to determine whether events and circumstances warrant a revision to the remaining amortization or depreciation period. We test these assets for potential impairment annually and whenever management concludes events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company tests goodwill for impairment at the reporting unit level on an annual basis (in the fourth quarter for the Company). The Company also reviews goodwill for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, or disposition or relocation of a significant portion of a reporting unit.

During fiscal year 2023, we re-evaluated our European reporting units after a full year of operations from our acquisition of ETANCO as it has become further integrated into our other European operations resulting in changes to the management, product distribution, and operations structure of our European operations. As a result of this re-evaluation, all European reporting units were consolidated for reporting purposes into one overall Europe reporting unit. A qualitative assessment was performed immediately preceding the reporting unit change and determined that it was not more likely than not that any impairment existed prior to the reporting unit change.

We determined that the U.S. reporting unit includes four components: Northwest United States, Southwest United States, Northeast United States and Southeast United States. The Australia reporting unit includes two components: Australia and New Zealand. For each of these reporting units, the Company aggregated the components because management concluded that they are economically similar, and that the goodwill is recoverable from these components working in concert.

We applied the ("Step 0") approach in the fourth quarter of 2024 to assess qualitative factors related to the goodwill of the reporting units to determine whether it is necessary to perform an impairment test. For this qualitative assessment, we assessed various assumptions, events and circumstances that could have affected the estimated fair value of the reporting units. Based on the qualitative assessment performed, the Company concluded that there was no evidence of events or circumstances that would indicate a material change from the Company's prior year quantitative assessment by reporting unit and therefore, it was more likely than not that the estimated fair value of reporting units exceeded their respective carrying values. The annual testing of goodwill for impairment did not result in impairment charges.

Revenue from Contracts with Customers

Generally, the Company's revenue contract with a customer exists when (1) the goods are shipped, services are rendered, and the related invoice is generated, (2) the duration of the contract does not extend beyond the promised goods or services already transferred and (3) the transaction price of each distinct promised product or service specified in the invoice is based on its relative stated standalone selling price. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a product to a customer at a point in time. The Company's shipping terms provide the primary indicator of the transfer of control. The general shipping terms are Incoterm C.P.T. (F.O.B. shipping point), where the title, and risk and rewards of ownership transfer at the point when the products are no longer on the Company's premises. Other Incoterms are allowed as exceptions depending on the product or service being sold and the nature of the sale. The Company recognizes revenue based on the consideration specified in the invoice with a customer, excluding any sales incentives, discounts, and amounts collected on behalf of third parties (i.e., governmental tax authorities).

Volume rebates, discounts and rights of return are accounted for as variable considerations because the transaction price is either uncertain until the customer completes or fails the specified volumes or returned product are not returned by the return period. The Company estimates allowances based on historical experience from prior periods and the customer's historical purchasing pattern. These estimates are deducted from revenues and are reevaluated periodically during the reporting period.

Effect of New Accounting Standards

See "Note 1 — Operations and Summary of Significant Accounting Policies" for effects of new accounting standards on the Company's consolidated financial statements.

Liquidity and Capital Resources

We have historically met our capital needs through a combination of cash flows from operating activities and, when necessary, borrowings under our credit facilities. Our principal uses of capital include the costs and expenses associated with our operations, including financing working capital requirements and continuing our capital allocation strategy, which includes supporting capital expenditures, paying cash dividends, repurchasing the Company's common stock, and financing other investment opportunities from time to time.

On March 30, 2022, the Company entered into an Amended and Restated Credit Agreement. The Amended and Restated Credit Agreement provides for a 5-year revolving credit facility of $450.0 million, which includes a letter of credit-sub-facility up to $50.0 million, and for a 5-year term loan facility of $450.0 million. As of December 31, 2024, the Company had no borrowings under the revolving credit facility and $388.1 million under the term loan facility, and has $450.0 million available to borrow under the revolving credit facility.

The Company has certain contractual obligations, primarily debt interest, operating leases, and purchase obligations, which include annual facility fees. Refer to "Note 12 - Leases", "Note 14 - Debt" and "Note 15 - Commitment and Contingencies" in Part II, Item 8 for details related to the Company's obligations and debt annual facility fees. The Company did not have any significant off-balance sheet commitments as of December 31, 2024.

As of December 31, 2024, our cash and cash equivalents consisted of deposits and money market funds held with established national financial institutions, and includes $111.6 million held in the local currencies of our foreign operations and could be subject to additional taxation if repatriated to the U.S. The Company is maintaining a permanent reinvestment assertion on its foreign earnings relative to remaining cash held outside the United States.

The following table presents selected financial information as of December 31, 2024, 2023 and 2022, respectively:

	As of December 31,		
(in thousands)	2024	2023	2022
Cash and cash equivalents	$ 239,371	$ 429,822	$ 300,742
Property, plant and equipment, net	531,655	418,612	361,555
Equity investment, goodwill and intangible assets	903,498	883,079	872,699
Non-cash net working capital	570,602	521,362	529,945

The following table presents the significant categories of cash flows for the twelve months ended December 31, 2024, 2023 and 2022, respectively:

	Years Ended December 31,		
(in thousands)	**2024**	**2023**	**2022**
Net cash provided by (used in):			
Operating activities	$ 338,160	$ 427,022	$ 399,821
Investing activities	(259,259)	(103,251)	(870,244)
Financing activities	(261,464)	(199,034)	465,526

Cash flows from operating activities result primarily from our earnings before non-cash items such as depreciation, amortization, and stock based compensation, and are affected by changes in operating assets and liabilities which consist primarily of working capital balances. Our revenues are derived from manufacturing and sales of building construction materials. Our operating cash flows are impacted by prevailing macro-economic conditions and subject to seasonality, which is cyclically associated with the volume and timing of construction project starts. For example, as a result of seasonality, our trade accounts receivable is generally at its lowest at the end of the fourth quarter and increases during the first, second and third quarters as construction activity ramps up in markets we serve.

In 2024, cash provided by operating activities of $338.2 million in cash and cash equivalents as a result of $322.2 million from net income and adding back $113.4 million for non-cash adjustments from net income which includes depreciation and amortization, stock-based compensation and non-cash lease expense, partially offset by a decrease of $97.5 million for the net change in operating assets and liabilities. The net change in operating assets and liabilities included increases of $50.4 million in inventory and $12.7 million in other current assets as well as a $17.0 million net change in other non-current assets and liabilities.

Cash used in investing activities of $259.3 million during the year ended December 31, 2024, was primarily for capital spending of $180.4 million for facility expansion projects, and machinery and equipment purchases as well as $79.2 million for the acquisitions of Calculated Structured Designs, Inc.; Monet DeSauw, Inc. and certain properties of Callaway Properties, LLC ("Monet"); and QuickFrames USA, LLC. In which Monet was acquired for $48.7 million net of cash received. Based on current forecasts, capital expenditures are estimated to range between $150.0 million to $170.0 million for 2025 including the expected spend of $75.0 million to complete the Columbus, Ohio facility expansion and replacement of Gallatin, Tennessee facility. The remaining $75.0 million to $95.0 million in capital expenditures will be primarily focused on purchases of new equipment to support increased productivity and efficiencies, the timing of which is subject to future events and circumstances.

Cash used in financing activities of $261.5 million during the year ended December 31, 2024, consisted primarily of $100.8 million in loan principal payments, $100.0 million for the repurchase of the Company’s common stock and $46.5 million used to pay cash dividends. The Company purchased and received approximately 559 thousand shares of it’s common stock on the open market at an average price of $178.83 per share.

On October 23, 2024, the Company's Board of Directors (the "Board") authorized the Company to repurchase up to $100.0 million of the Company's common stock, effective January 1, 2025 through December 31, 2025. From February 1, 2025 to February 28, 2025, the Company repurchased 146,640 shares of the Company’s common stock in the open market at an average price of $170.48 per share for a total of approximately $25.0 million. Further, on January 31, 2025, the Board declared a quarterly cash dividend of $0.28 per share payable on April 23, 2025 to stockholders of record on April 3, 2025, and estimated to be $11.8 million in total.

For the fiscal year ended December 31, 2024, the Company returned $146.5 million to the Company's shareholders, which represents 92.8% of our free cash flow from operations during the same period. Since the beginning of 2021 to the fiscal year ended December 31, 2024, the Company has returned $430.0 million to shareholders, which represents 45.7% of our free cash flow. During the same period the Company has repurchased approximately 2.0 million shares of the Company's common stock, which represents approximately 4.5% of the outstanding shares of the Company's common stock.

Cash flows from operating activities years ended December 31, 2023 and 2022 are incorporated by reference to Form 10-K 2023 filing.

Reconciliation of Non-GAAP Financial Measures

(In thousands) (Unaudited)

A reconciliation of adjusted EBITDA to net income, the most directly comparable GAAP measure, is set forth below.

	Twelve Months Ended December 31,	
	2024	**2023**
Net Income	$ 322,224	$ 353,987
Provision for income taxes	111,819	122,560
Interest (income) expense, net and other financing costs	(5,277)	(3,391)
Depreciation and amortization	84,584	74,707
Other*	6,732	6,382
Adjusted EBITDA	$ 520,082	$ 554,245

*Other: Includes acquisition, integration, restructuring related expenses, non-qualified deferred compensation plan adjustments, other & foreign exchange loss net, and net loss or gain on disposal of assets.

Contingencies

From time to time, we are subject to various claims, lawsuits, legal proceedings (including litigation, arbitration or regulatory actions) and other matters arising in the ordinary course of business. Periodically, we evaluate the status of each matter and assess our potential financial exposure.

The Company records a liability when we believe that it is both probable that a loss has been incurred, and the amount is reasonably estimable. Significant judgment is required to determine both probability of a loss and the estimated amount. The outcomes of claims, lawsuits, legal proceedings and other matters brought against the Company are subject to significant uncertainty, some of which are inherently unpredictable and/or beyond our control. Therefore, although management considers the likelihood of such an outcome to be remote, if one or more of these matters were resolved against the Company for amounts in excess of management's expectations, they could have a material adverse impact on our business, results of operations, financial position and liquidity.

See "Item 3 — Legal Proceedings" above and "Note 15 — Commitments and Contingencies" to the Company's consolidated financial statements.

Inflation and Raw Materials

Inflation rates continued to increase during fiscal year 2024, which negatively affected labor costs and other costs of doing business, and as such may adversely affect our operating profits if we cannot recover the higher costs through price increases. Our main raw material is steel, and as such, increases in steel prices may adversely affect our gross margin if we cannot recover the higher costs through price increases. See "Item 1 — Raw Materials" and "Item 1A — Risk Factors."

Indemnification

In the normal course of business, to facilitate transactions of services and products, we have agreed to indemnify certain parties with respect to certain matters. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. In addition, we have entered into indemnification agreements with our officers and directors, and the Company's bylaws as permitted by the Company's certificate of incorporation require the Company to indemnify corporate servants, including our officers and directors, to the fullest extent permitted by law. The Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations. The Company has not incurred significant obligations under indemnification provisions historically, and does not expect to incur significant obligations in the future. It is not possible to determine the maximum potential amount under these indemnities due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Accordingly, the Company has not recorded any liability for costs related to these indemnities through December 31, 2024.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We have operations both within the U.S. and internationally, and we are exposed to market risks in the ordinary course of our business, including changes to foreign currency exchange rates and interest rates and fluctuations in commodity prices.

Foreign Exchange Risk

We have foreign exchange rate risk in our international operations, and through purchases from foreign vendors. Changes in the values of currencies of foreign countries affect our financial position, income statement and cash flows when translated into U.S. Dollars. We estimate that if the exchange rate were to change by 10.0% in any one country where we have our operations, the change in net income would not be material to our operations taken as a whole.

We may manage our exposure to transactional exposures by entering into foreign currency forward contracts for forecasted transactions and projected cash flows for foreign currencies in future periods. In 2022 and 2023, we entered into financial contracts at various times to hedge the risk of fluctuations associated with the Euro and the Chinese Yuan. Refer to “Note 9 — Derivative Instruments” to the Company’s consolidated financial statements.

Foreign currency translation adjustments on our underlying assets and liabilities resulted in an accumulated other comprehensive loss of $37.3 million for the year ended December 31, 2024, due to the effects of the strengthening United States Dollar in relation to almost all other countries. The loss was partially offset by $2.5 million in accumulated other comprehensive losses from foreign currency forward contracts. Refer to “Note 5 — Stockholders' Equity” to the Company’s consolidated financial statements.

Interest Rate Risk

Our primary exposure to interest rate risk results from outstanding borrowings under the Amended and Restated Credit Agreement, which bears interest at variable rates. As of December 31, 2024, the outstanding debt under the Amended and Restated Credit Agreement subject to interest rate fluctuations was $388.1 million. The variable interest rates on the Credit Agreement fluctuate and expose us to short-term changes in market interest rates as our interest obligation on this instrument is based on prevailing market interest rates. Interest rates fluctuate as a result of many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors that are beyond our control.

We have entered into an interest rate swap agreement to convert the variable interest rate on our revolver and term loan to fixed interest rates. The objective of the interest rate swap agreement is to eliminate the variability of the interest payment cash flows associated with the variable interest rate outstanding under the borrowings. We designated the interest rate swaps as cash flow hedges. Refer to "Note 9 — Derivatives Instruments" to the Company’s consolidated financial statements, for further information on our interest rate swap contracts in effect as of December 31, 2024.

Commodity Price Risk

In the normal course of business, we are exposed to market risk related to our purchase of steel, a significant raw material upon which our manufacturing depends. Steel cost started decreasing at the end of 2022 with prices stabilizing by the end of 2023 and during 2024. While steel is typically available from numerous suppliers, the price of steel is a commodity subject to fluctuations that apply across broad spectrums of the steel market. We do not use any derivative or hedging instruments to manage steel price risk. If the price of steel increases, our variable costs would also increase. While historically we have successfully mitigated these increased costs through the implementation of price increases, in the future we may not be able to successfully mitigate these costs, which could cause our operating margins to decline.

Item 8. Consolidated Financial Statements and Supplementary Data.

SIMPSON MANUFACTURING CO., INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Simpson Manufacturing Co., Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Simpson Manufacturing Co., Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule included under Item 15a (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 28, 2025 expressed an unqualified opinion.

Basis for opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Grant Thornton LLP

We have served as the Company's auditor since 2015.

San Francisco, California
February 28, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Simpson Manufacturing Co., Inc.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Simpson Manufacturing Co., Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2024, and our report dated February 28, 2025 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting ("Management's Report"). Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Grant Thornton LLP

San Francisco, California
February 28, 2025

Simpson Manufacturing Co., Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except per share data)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 239,371	$ 429,822
Trade accounts receivable, net	284,392	283,975
Inventories	593,175	551,575
Other current assets	59,383	47,069
Total current assets	1,176,321	1,312,441
Property, plant and equipment, net	531,655	418,612
Operating lease right-of-use assets	93,933	68,792
Goodwill	512,383	502,550
Intangible assets, net	375,051	365,339
Other noncurrent assets	46,825	36,990
Total assets	$2,736,168	$2,704,724
LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 100,972	$ 107,524
Accrued liabilities and other current liabilities	242,876	231,233
Long-term debt, current portion	22,500	22,500
Total current liabilities	366,348	361,257
Long-term debt, net of current portion and issuance costs	362,563	458,791
Operating lease liabilities, net of current portion	76,184	55,324
Deferred income tax	90,303	98,170
Other long-term liabilities	27,636	51,436
Total liabilities	923,034	1,024,978
Commitments and contingencies (see Note 15)		
Non-qualified deferred compensation plan share awards	7,786	—
Stockholders' equity		
Common stock, par value $0.01; authorized shares, 160,000; issued and outstanding shares, 41,878 and 42,323 at December 31, 2024 and 2023, respectively	424	426
Additional paid-in capital	307,197	313,119
Retained earnings	1,646,568	1,426,554
Common stock held in non-qualified deferred compensation plan ("DCP")	(1,297)	—
Treasury stock	(100,771)	(50,363)
Accumulated other comprehensive loss	(46,773)	(9,990)
Total stockholders' equity	1,805,348	1,679,746
Total liabilities, mezzanine equity, and stockholders' equity	$2,736,168	$2,704,724

The accompanying notes are an integral part of these consolidated financial statements

Simpson Manufacturing Co., Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share data)

	Years Ended December 31,		
	2024	**2023**	**2022**
Net sales	$ 2,232,139	$ 2,213,803	$ 2,116,087
Cost of sales	1,206,288	1,170,048	1,174,794
Gross profit	1,025,851	1,043,755	941,293
Operating expenses:			
Research and development and other engineering	93,576	92,167	68,354
Selling	219,402	203,980	169,378
General and administrative	277,532	268,103	228,468
Total operating expenses	590,510	564,250	466,200
Acquisition and integration related costs	5,813	4,632	17,343
Net gain on disposal of assets	(447)	(276)	(1,317)
Income from operations	$ 429,975	$ 475,149	$ 459,067
Interest income (expense), net and other financing costs	5,277	3,391	(7,594)
Other & foreign exchange loss, net	(1,209)	(1,993)	(3,408)
Income before taxes	434,043	476,547	448,065
Provision for income taxes	111,819	122,560	114,070
Net income	$ 322,224	$ 353,987	$ 333,995
Other comprehensive income			
Translation adjustment and other, net of tax	(37,313)	19,690	(20,733)
Unamortized pension adjustments, net of tax	(1,956)	73	2,065
Cash flow hedge adjustment, net of tax	2,486	(25,694)	32,214
Comprehensive income	$ 285,441	$ 348,056	$ 347,541
Net income per common share:			
Basic	$ 7.64	$ 8.31	$ 7.78
Diluted	$ 7.60	$ 8.26	$ 7.76
Weighted average number of shares of common stock outstanding			
Basic	42,182	42,598	42,925
Diluted	42,383	42,837	43,047

The accompanying notes are an integral part of these consolidated financial statements

Simpson Manufacturing Co., Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
For the years ended December 31, 2022, 2023 and 2024

(In thousands, except per share data)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive loss	DCP Vested Stock	Treasury Stock	Total
	Shares	Par Value						
Balance as of January 1, 2022	43,217	$ 432	$ 294,330	$ 906,841	$ (17,605)	—	$ —	$ 1,183,998
Net income	—	—	—	333,995	—	—	—	333,995
Translation adjustment and other, net of tax	—	—	—	—	(20,733)	—	—	(20,733)
Pension adjustment, net of tax	—	—	—	—	2,065	—	—	2,065
Cash flow hedges, net of tax	—	—	—	—	32,214	—	—	32,214
Stock-based compensation expense	—	—	12,422	—	—	—	—	12,422
Repurchase of common stock	(811)	—	—	—	—	—	(78,622)	(78,622)
Retirement of common stock	—	(8)	—	(78,614)	—	—	78,622	—
Cash dividends declared on common stock, $1.03 per share	—	—	—	(44,192)	—	—	—	(44,192)
Shares issued from release of restricted stock units	138	1	(9,553)	—	—	—	—	(9,552)
Common stock issued at $110.13 per share	16	—	1,784	—	—	—	—	1,784
Balance as of December 31, 2022	42,560	425	298,983	1,118,030	(4,059)	—	—	1,413,379
Net income	—	—	—	353,987	—	—	—	353,987
Translation adjustment and other, net of tax	—	—	—	—	19,690	—	—	19,690
Pension adjustment, net of tax	—	—	—	—	73	—	—	73
Cash flow hedges, net of tax	—	—	—	—	(25,694)	—	—	(25,694)
Stock-based compensation expense	—	—	19,627	—	—	—	—	19,627
Repurchase of common stock including excise tax	(361)	—	—	—	—	—	(50,363)	(50,363)
Cash dividends declared on common stock, $1.07 per share	—	—	—	(45,463)	—	—	—	(45,463)
Shares issued from release of restricted stock units	114	1	(7,431)	—	—	—	—	(7,430)
Common stock issued at $197.98 per share	10	—	1,940	—	—	—	—	1,940
Balance as of December 31, 2023	42,323	426	313,119	1,426,554	(9,990)	—	(50,363)	1,679,746
Net income	—	—	—	322,224	—	—	—	322,224
Translation adjustment and other, net of tax	—	—	—	—	(37,313)	—	—	(37,313)
Pension adjustment, net of tax	—	—	—	—	(1,956)	—	—	(1,956)
Cash flow hedges, net of tax	—	—	—	—	2,486	—	—	2,486
Stock-based compensation and deferred compensation plan ("DCP") expense	(12)	—	6,696	—	—	—	—	6,696
Common stock held in DCP	—	—	1,297	—	—	(1,297)	—	—
Change in redemption value of share awards in DCP	—	—	—	(2,311)	—	—	—	(2,311)
Acquisition of redeemable noncontrolling interests	—	—	(6,171)	(2,742)	—	—	—	(8,913)
Repurchase of common stock, including excise tax	(559)	—	—	—	—	—	(100,771)	(100,771)
Retirement of common stock		(3)	—	(50,360)	—		50,363	—
Cash dividends declared on common stock, $1.11 per share	—	—	—	(46,797)	—	—	—	(46,797)
Shares issued from release of Restricted Stock Units	126	1	(7,744)	—	—	—	—	(7,743)
Balance at December 31, 2024	41,878	$ 424	$ 307,197	$ 1,646,568	$ (46,773)	(1,297)	$ (100,771)	$ 1,805,348

Simpson Manufacturing Co., Inc. and Subsidiaries
Consolidated Statements of Cash Flows

(In thousands)

	Years Ended December 31,		
	2024	**2023**	**2022**
Cash flows from operating activities			
Net income	$ 322,224	$ 353,987	$ 333,995
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of assets and other	(447)	(558)	(1,317)
Write-off of software development project	710	—	—
Depreciation and amortization	85,399	74,707	60,890
Noncash lease expense	17,380	14,205	11,327
Release of acquisition related tax and legal contingency	(1,797)	—	—
Inventory step-up expense	—	—	13,572
Loss (income) in equity method investment, before tax	740	281	(914)
Deferred income taxes	(4,239)	(7,541)	(13,156)
Noncash compensation related to stock plans and changes in the fair value of DCP	19,022	23,859	14,980
Provision for credit losses	115	730	1,146
Deferred hedge gain	(3,472)	(3,860)	(2,690)
Changes in operating assets and liabilities, net of amounts acquired (see Note 3)			
Trade accounts receivable	(3,650)	(13,051)	19,763
Inventories	(50,373)	15,656	(28,421)
Other current assets	(12,745)	734	(6,107)
Trade accounts payable	(5,812)	(3,066)	(4,016)
Accrued liabilities and other current liabilities	(7,860)	(2,806)	20,394
Other noncurrent assets and liabilities	(17,035)	(26,255)	(19,625)
Net cash provided by operating activities	338,160	427,022	399,821
Cash flows from investing activities			
Capital expenditures	(180,357)	(88,824)	(62,362)
Acquisitions, net of cash acquired (see Note 3)	(79,172)	(23,353)	(810,765)
Purchases of equity investments	(1,615)	(1,361)	(3,178)
Termination forward contracts	—	—	3,535
Proceeds from sale of property and equipment	1,885	1,743	2,526
Proceeds from sale of a business	—	8,544	—
Net cash used in investing activities	(259,259)	(103,251)	(870,244)
Cash flows from financing activities			
Proceeds from lines of credit	2,445	2,276	717,268
Repayments of line of credit	(100,752)	(98,679)	(134,120)
Termination of cash flow hedge	—	—	21,252
Debt issuance costs	—	—	(6,804)
Repurchase of common stock	(100,000)	(50,000)	(78,622)
Dividends paid	(46,500)	(45,201)	(43,895)
Cash paid on behalf of employees for shares withheld	(7,744)	(7,430)	(9,553)
Acquisition of redeemable noncontrolling interests	(8,913)	—	—
Net cash provided by (used in) financing activities	(261,464)	(199,034)	465,526
Effect of exchange rate changes on cash	(7,888)	4,343	4,484
Net increase (decrease) in cash and cash equivalents	(190,451)	129,080	(413)
Cash and cash equivalents at beginning of year	429,822	300,742	301,155
Cash and cash equivalents at end of year	$ 239,371	$ 429,822	$ 300,742

The accompanying notes are an integral part of these consolidated financial statements

Supplemental Disclosure of Cash Flow Information

Cash paid during the year for			
Interest	$ 13,435	$ 16,439	$ 17,028
Income taxes	117,800	123,400	113,208
Noncash activity during the year for			
Noncash Capital expenditures	$ 12,481	$ 11,139	$ 1,671
Contingent consideration for acquisitions	—	1,189	6,500
Issuance of Company's common stock for compensation	—	1,940	960
Dividends declared but not paid	11,729	11,518	11,223

1. Operations and Summary of Significant Accounting Policies

Nature of Operations

Simpson Manufacturing Co., Inc., through Simpson Strong-Tie Company Inc. and its other subsidiaries (collectively, the "Company"), focuses on designing, manufacturing, and marketing systems and products to make buildings and structures safe and secure. The Company designs, engineers and is a leading manufacturer of wood construction products, including connectors, truss plates, fastening systems, fasteners and shearwalls, and concrete construction products, including adhesives, specialty chemicals, mechanical anchors, powder actuated tools and fiber reinforcing materials. The Company markets its products to the residential construction, industrial, commercial and infrastructure construction, remodeling and do-it-yourself markets.

The Company operates exclusively in the building products industry. The Company's products are sold primarily in the U.S., Canada, Europe and Pacific Rim. A significant portion of the Company's business is dependent on economic activity within the North America segment. The Company's business is also dependent on the availability of steel, its primary raw material.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Simpson Manufacturing Co., Inc. and its subsidiaries. Investments in 50.0% or less owned entities are accounted for using either cost or equity method. All significant intercompany transactions have been eliminated. Certain prior years' amounts have been reclassified to conform to the fiscal 2024 presentation. These reclassifications had no impact on the Company's Consolidated Balance Sheets, Consolidated Statements of Operations, Consolidated Statements of Stockholders' Equity or Consolidated Statements of Cash Flow.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that these consolidated financial statements include all normal and recurring adjustments necessary for a fair presentation under GAAP.

Cash Equivalents

The Company classifies investments that are highly liquid and have maturities of three months or less at the date of purchase as cash equivalents. As of December 31, 2024, and 2023, the value of these investments was $49.3 million and $163.6 million, respectively, consisting of money market funds. The value of the investments is based on cost, which approximates fair value based on Level 1 inputs.

Current Estimated Credit Loss - Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts receivable for estimated future expected credit losses resulting from customers' failure to make payments on its accounts receivable. The Company determines the estimate of the allowance for doubtful accounts receivable by considering several factors, including (1) specific information on the financial condition and the current creditworthiness of customers, (2) credit rating, (3) payment history and historical experience, (4) aging of the accounts receivable, and (5) reasonable and supportable forecasts about collectability. The Company also reserves 100.0% of the amounts deemed uncollectible due to a customer's deteriorating financial condition or bankruptcy.

Every quarter, the Company evaluates the customer group using the accounts receivable aging report and its best judgment when considering changes in customers' credit ratings, level of delinquency, customers' historical payments and loss experience, current market and economic conditions, and expectations of future market and economic conditions.

The changes in the allowance for credit losses for the year ended December 31, 2024 are outlined in the table below:

(in thousands)	Balance as of December 31, 2023	Expense (Deductions), net	Write-Offs[1]	Balance as of December 31, 2024
Allowance for credit losses	$ 3,881	$ 115	$ 998	$ 2,998

[1]Amount is net of recoveries and the effect of foreign currency fluctuations for the year ended December 31, 2024

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash in banks, short-term investments in money market funds and trade accounts receivable. The Company maintains its cash on demand deposit and in money market accounts held in 35 banks, and at times these cash and investments may be in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). However, we have not experienced any losses on these accounts.

Inventory Valuation

Inventories are stated at the lower of cost or net realizable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials and purchased finished goods for resale — principally valued at a cost determined on a weighted average basis; and
- In-process products and finished goods — the cost of direct materials and labor plus attributable overhead based on a normal level of activity.

The Company applies net realizable value when making estimates for obsolescence to the gross value of inventory. Estimated net realizable value is based on estimated selling price less further costs expected to be incurred through completion and disposal. The Company impairs slow-moving products by comparing inventories on hand to projected demand. If on-hand supply of a product exceeds projected demand or if the Company believes the product is no longer marketable, the product is considered obsolete inventory. The Company revalues obsolete inventory to its net realizable value and has consistently applied this methodology. When impairments are established, a new cost basis of the inventory is created. An unexpected change in market demand, building codes or buyer preferences could reduce the rate of inventory turnover and require the recognition of more obsolete inventory.

Other Current Assets

Other current assets consist primarily of prepaid expenses, derivative assets-current, and other miscellaneous assets. Refer to Note 9 for more information for derivative assets-current. The remaining assets are less than 5% of the other current assets.

Warranties and Recalls

The Company provides product warranties for specific product lines and records estimated expenses in the period in which the recall occurs, none of which has been material to the consolidated financial statements. In a limited number of circumstances, the Company may also agree to indemnify customers against legal claims made against those customers by the end users of the Company’s products. Historically, payments made by the Company, if any, under such agreements have not had a material effect on its consolidated statement of operations, cash flows or financial position.

Equity Investments

The Company accounts for investments and ownership interests under either cost or the equity method accounting when it has the ability to exercise significant influence but does not have a controlling financial interest. The Company records its interest in the net earnings of its equity method investees, along with adjustments for unrealized profits or losses within earnings or loss from equity interests in the consolidated statement of operations. The investment is reviewed for impairment whenever factors indicate the carrying amount might not be recoverable and the decrease in value, if any, is recognized in the period the impairment occurs in the consolidated statement of operations.

Fair Value of Financial Instruments

Fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between unrelated market participants. As such, fair value is a market-based measurement that is determined based on assumptions that unrelated market participants would use in pricing an asset or a liability. Assets and liabilities recorded at fair value are measured and classified under a three-tier fair valuation hierarchy based on the observability of the inputs available in the market: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument; and Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The carrying amounts of trade accounts receivable, accounts payable, accrued liabilities and other current liabilities approximate fair value due to the short-term nature of these instruments. The fair values of the Company's investments and liabilities in the deferred compensation plan are classified as Level 1 within the fair value hierarchy, and are subject to investment risks. The fair values of interest rate and foreign currency contracts are classified as Level 2 within the fair value hierarchy. The fair values of the Company's contingent consideration related to acquisitions is classified as Level 3 within the fair value hierarchy, as these amounts are based on unobservable inputs such as management estimates and entity-specific assumptions and are evaluated on an ongoing basis.

The following tables summarize the financial assets and financial liabilities measured at fair value for the Company as of December 31, 2024 and 2023:

	2024			2023		
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Cash equivalents (1)	$ 49,273	$ —	$ —	$ 163,558	$ —	$ —
Term loan due 2027 (2)	—	388,125	—	—	410,625	—
Revolver due 2027 (2)	—	—	—	—	75,038	—
Derivative instruments - assets (3)	—	32,355	—	—	21,835	—
Derivative instruments - liabilities (3)	—	7,198	—	—	30,111	—
Investment in deferred compensation plan (4)	944	—	—	—	—	—
Deferred compensation plan liabilities (4)	1,974	—	—	—	—	—
Contingent considerations	—	—	5,400	—	—	6,600

(1) The carrying amounts of cash equivalents, representing money market funds traded in an active market with relatively short maturities, are reported on the consolidated balance sheet as of December 31, 2024 and 2023 as a component of "Cash and cash equivalents".
(2) The carrying amounts of our term loan and revolver approximate fair value as of December 31, 2024 and 2023 based upon their terms and conditions as disclosed in Note 14 in comparison to debt instruments with similar terms and conditions available on the same date.
(3) Derivatives for interest rate, foreign exchange, and forward swap contracts are discussed in Note 9.
(4) Non-qualified deferred compensation plan.

Derivative Instruments

The Company uses derivative instruments as a risk management tool to mitigate the potential impact of certain market risks. Foreign currency and interest rate risk are the primary market risks the Company manages through the use of derivative instruments, which are accounted for as cash flow hedges or net investment hedges under the accounting standards and carried at fair value as other current or noncurrent assets or as other current or other long-term liabilities in the consolidated balance sheets. Assets and liabilities with the legal right of offset are not offset in the consolidated balance sheets. Net deferred gains and losses related to changes in fair value of cash flow hedges are included in accumulated other comprehensive income/loss ("OCI"), a component of stockholders' equity in the consolidated balance sheets; and are reclassified into the line item in the consolidated statement of operations in which the hedged items are recorded in the same period the hedged item affects earnings. The effective portion of gains and losses attributable to net investment hedges is recorded net of tax to OCI to offset the change in the carrying value of the net investment being hedged. Recognition in earnings of amounts previously recorded to OCI are limited to circumstances such as complete or substantially complete liquidation of the net investment in the hedged foreign operation. Changes in fair value of any derivatives that are determined to be ineffective are immediately reclassified from OCI into earnings.

Deferred Compensation Plan

The Company established a non-qualified deferred compensation plan ("DCP" or “the Plan”) in April 2023 for eligible employees and members of the Board of Directors. The Plan provides eligible participants the opportunity to defer and invest a specified percentage of their compensation, including the Company stock awards upon vesting. The Plan is a non-qualified plan that is informally funded by assets in a rabbi trust, which restricts the Company's use and access to the assets held but is subject to the claims of the Company's creditors in the event that the Company becomes insolvent. The amount of compensation to be deferred by participants are based on their own elections and are adjusted for any investment changes that the participants direct. This plan does not provide for employer contributions.

The Plan permits diversification of vested shares (common stock) into other equity securities subject to a six-month holding period subsequent to vesting. Accounting for deferred common stock will be under either plan C or plan D. Accounting will depend on whether or not the employee has diversified the common stock. Under plan C, diversification is permitted but the employee has not diversified. Under plan D, diversification is permitted and the employee has diversified.

For common stock that have not been diversified, the employer stock held in the deferred compensation plan is classified in a manner similar to treasury stock and presented separately on the consolidated balance sheets as the Company's common stock held by the non-qualified deferred compensation plan. Common stock will be recorded at fair value of the stock at the time it vested, subsequent changes in the value of the common stock is not recognized. The deferred compensation obligations are measured independently at fair value of the common stock with a corresponding charge or credit to compensation cost. Fair value is determined as the product of the common stock and the closing price of the stock each reporting period.

Under plan D, assets held by the rabbi trust are subject to applicable GAAP. The deferred compensation obligation is measured independently at fair value of the underlying assets.

The Company previously presented certain DCP transactions within existing financial statement line items of the consolidated balance sheets and consolidated statement of stockholders’ equity for periods ended December 31, 2023. For the year ended December 31, 2024, the Company presented the equity balances related to "Non-qualified deferred compensation plan share awards" as mezzanine equity for $7.8 million and they were combined with stock-based compensation expense in the consolidated statement of stockholders’ equity for the year ended December 31, 2024. The Company has evaluated the errors both qualitatively and quantitatively and has concluded that they have immaterial impact on the periods presented.

Business Combinations and Asset Acquisitions

Business combinations are accounted for under the acquisition method in accordance with *ASC 805, Business Combinations*. The acquisition method requires identifiable assets acquired and liabilities assumed and any noncontrolling interest in the business acquired be recognized and measured at fair value on the acquisition date, which is the date that the acquirer obtains control of the acquired business. The amount by which the fair value of consideration transferred as the purchase price exceeds the net fair value of assets acquired and liabilities assumed is recorded as goodwill.

Acquisitions that do not meet the definition of a business under the ASC are accounted for as an acquisition of assets, whereby all of the cost of the individual assets acquired and liabilities assumed, including certain transactions costs, are allocated on a relative fair value basis. Accordingly, goodwill is never recognized in an asset acquisition. Refer to Note 3 for more information.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Major renewals and betterments are capitalized while maintenance and repairs are expensed as incurred. When assets are sold or retired, their costs and accumulated depreciation are removed from the accounts, and the resulting gains or losses are reflected in the consolidated statements of operations.

The *ASC 350 Intangibles—Goodwill and Other* provides guidance on capitalization of the costs incurred for computer software developed or obtained for internal use. The Company capitalizes qualified external costs and internal costs related to the purchase and implementation of software projects used for business operations and engineering design activities. Capitalized software costs primarily include purchased software, internal costs and external consulting fees. Capitalized software projects are amortized over the estimated useful lives of the software.

Depreciation and Amortization

Software, including amounts capitalized for internally developed software is amortized on a straight-line basis over an estimated useful life of three to five years. Machinery and equipment is depreciated using accelerated methods over an estimated useful life of three to ten years. Buildings and site improvements are depreciated using the straight-line method over their estimated useful lives, which range from 15 to 45 years. Leasehold improvements are amortized using the straight-line method over the shorter of the expected life or the remaining term of the lease. Purchased intangible assets with finite useful lives are amortized using the straight-line method over the estimated useful lives of the assets.

Preferred Stock

The Company's Board of Directors has the authority to issue authorized and unissued preferred stock in one or more series with such designations, rights and preferences as may be determined from time to time by the Board of Directors. Accordingly, the Board of Directors is empowered, without stockholder approval, to issue preferred stock with dividend, redemption, liquidation, conversion, voting or other rights that could adversely affect the voting power or other rights of the holders of the Company's common stock.

Common Stock

Subject to the rights of holders of any preferred stock that may be issued in the future, holders of common stock are entitled to receive dividends, if any, as may be declared from time to time by the Board of Directors out of legally available funds, and in the event of liquidation, dissolution or winding-up of the Company, to share ratably in all assets available for distribution. The holders of common stock have no preemptive or conversion rights. Subject to the rights of any preferred stock that may be issued in the future, the holders of common stock are entitled to one vote per share on any matter submitted to a vote of the stockholders. A director in an uncontested election is elected if the votes cast "for" such director's election exceed the votes cast "against" such director's election, except that, if a stockholder properly nominates a candidate for election to the Board of Directors, the candidates with the highest number of affirmative votes (up to the number of directors to be elected) are elected. There are no redemption or sinking fund provisions applicable to common stock.

Comprehensive Income or Loss

Comprehensive income is defined as net income plus other comprehensive income or loss. Other comprehensive income or loss consists of changes in cumulative translation adjustments, changes in unamortized pension adjustments and changes in the fair value of derivative instruments classified as cash flow hedge instruments, all of which are recorded directly in accumulated other comprehensive income within stockholders' equity.

Foreign Currency Translation

The local currency is the functional currency for all of the Company's operations in Europe, Canada, Asia, Australia and New Zealand. Assets and liabilities denominated in foreign currencies are translated using the exchange rate on the balance sheet date. Revenues and expenses are translated using average exchange rates prevailing during the year. The translation adjustment resulting from this process is shown separately as a component of stockholders' equity. Foreign currency transaction gains or losses are presented below operating income.

Revenue Recognition

Generally, the Company's revenue contract with a customer exists when (1) the goods are shipped, services are rendered, and the related invoice is generated, (2) the duration of the contract does not extend beyond the promised goods or services already transferred and (3) the transaction price of each distinct promised product or service specified in the invoice is based on its relative stated standalone selling price. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a product to a customer at a point in time. Our shipping terms provide the primary indicator of the transfer of control. The Company's general shipping terms are Incoterm C.P.T. (F.O.B. shipping point), where the title, and risk and rewards of ownership transfer at the point when the products are no longer on the Company's premises. Other Incoterms are allowed as exceptions depending on the product or service being sold and the nature of the sale. The Company recognizes revenue based on the consideration specified in the invoice with a customer, excluding any sales incentives, discounts, and amounts collected on behalf of third parties (i.e., governmental tax authorities). Based on historical experience with the customer, the customer's purchasing pattern, and its significant experience selling products, the Company concluded that a significant reversal in the cumulative amount of revenue recognized would not occur when the uncertainty (if any) is resolved (that is, when the total amount of purchases is known).

Contract liability is recorded when consideration is received from a customer and the Company has remaining unsatisfied performance obligations.

The Company presents taxes collected and remitted to governmental authorities on a net basis in the consolidated statements of operations. Additionally, all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected from a customer (e.g., sales, use, value added, and some excise taxes) are excluded from revenue. Refer to Note 2 for more information.

Cost of Sales

Cost of sales includes material, labor, factory and tooling overhead, shipping, and freight costs. Major components of these expenses are steel and other materials, packaging and cartons, personnel costs, and facility costs, such as rent, depreciation and utilities, related to the production and distribution of the Company's products. Inbound freight charges, purchasing and receiving costs, inspection costs, warehousing costs, internal transfer costs, and other costs of the Company's distribution network are also included in cost of sales.

Tool and Die Costs

Tool and die costs are included in product costs in the year incurred.

Product and Software Research and Development Costs

Product research and development costs, which are included in operating expenses and are charged against income as incurred, were $20.7 million, $24.8 million and $15.7 million in 2024, 2023 and 2022, respectively. Product research and development expenses include all related personnel costs including salary, benefits, retirement, stock-based compensation costs, as well as computer and software costs, professional fees, supplies, tools and maintenance costs. In 2024, 2023 and 2022, the Company incurred software development expenses related to its ongoing expansion into the component manufacturing and residential markets as well as ongoing development of construction-related applications that serve multiple end markets, and some of the software development costs were capitalized that were amortized over the estimated useful lives and reviewed for impairment. The Company amortizes acquired patents over their remaining lives and performs periodic reviews for impairment. The cost of internally developed patents is expensed as incurred. Refer to Note 10 for more information.

Selling Costs

Selling costs include expenses associated with selling, merchandising and marketing the Company's products. Major components of these expenses are personnel, sales commissions, facility costs such as rent, depreciation and utilities, professional services, information technology costs, sales promotion, advertising, literature and trade shows.

Advertising Costs

Advertising costs are included in selling expenses and were $14.6 million, $12.3 million, and $12.6 million in 2024, 2023, and 2022, respectively.

General and Administrative Costs

General and administrative costs include personnel, information technology related costs, facility costs such as rent, depreciation and utilities, professional services, amortization of intangibles and bad debt charges.

Accounting for Leases

The Company has operating leases for certain facilities, equipment, autos and data centers. As an accounting policy for short-term leases, the Company elected to not recognize a right-of-use asset ("ROU asset") and liability if, at the commencement date, the lease (1) has a term of 12 months or less and (2) does not include renewal and purchase options that the Company is reasonably certain to exercise. Monthly payments on short-term leases are recognized on a straight-line basis over the full lease term.

Stock-Based Compensation

The Company recognizes stock-based compensation expense related to the estimated fair value of restricted stock awards on a straight-line basis, net of estimated forfeitures, over the requisite service period of the awards, which is generally the vesting term of three or four years. Stock-based compensation related to performance share grants are measured based on grant date fair value and expensed on a graded basis over the service period of the awards, which is generally a performance period of three years. The performance conditions are based on the Company's achievement of revenue growth and return on invested capital over the performance period, and are evaluated for the probability of vesting at the end of each reporting period with changes in expected results cumulatively recognized as an adjustment to expense. The assumptions used to calculate the fair value of restricted stock grants are evaluated and revised, as necessary, to reflect market conditions and the Company's experience.

Income Taxes

Income taxes are calculated using an asset and liability approach. The provision for income taxes includes federal, state and foreign taxes currently payable, and deferred taxes due to temporary differences between the financial statement and tax bases of assets and liabilities. In addition, future tax benefits are recognized to the extent that realization of such benefits is more likely than not. This method gives consideration to the future tax consequences of the deferred income tax items and immediately recognizes changes in income tax laws in the year of enactment.

Net Income per Share

Basic net income per common share is computed based on the weighted average number of common shares outstanding. Potentially dilutive shares are included in the diluted per-share calculations using the treasury stock method for all periods when the effect of their inclusion is dilutive.

Accounting Standard Adopted

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update ("ASU") 2023-07 requiring enhanced segment disclosures. ASU 2023-07 requires disclosure of significant segment expenses regularly provided to the chief operating decision maker ("CODM") included within segment operating profit or loss. Additionally, ASU 2023-07 requires a description of how the CODM utilizes segment operating profit or loss to assess segment performance. The requirements of the ASU are effective for the annual period ending December 31,2024, and requires companies to apply them retrospectively. The Company adopted the ASU using retrospective transition method, and it had no impact on the Company's consolidated financial statements. Refer to Note 19 for more information.

Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09 requiring enhanced income tax disclosures. The ASU requires disclosure of specific categories and disaggregation of information in the rate reconciliation table. The ASU also requires disclosure of disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. The requirements of the ASU are effective for annual periods beginning after December 15, 2024. Early adoption is permitted and the amendments should be applied on a prospective basis. Retrospective application is permitted. The Company is in the process of analyzing the impact of the ASU on its Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03 requiring public companies to disclose, in interim and reporting periods, additional information about certain expenses in the financial statements. The ASU is effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and is effective on either a prospective basis or retrospective basis. The Company is currently assessing the potential impacts of adoption on the consolidated financial statements.

The Company does not believe other new accounting pronouncements issued by the FASB will have a material impact on its consolidated financial statements.

2. Revenue from Contracts with Customers

Disaggregated revenue

The Company disaggregates net sales into the following major product groups as described in its segment information included in these financial statements under Note 19.

Wood Construction Products Revenue. Wood construction products represented approximately 85.1%, 85.4%, and 87.0% of total net sales in the years ended December 31, 2024, 2023, and 2022 respectively.

Concrete Construction Products Revenue. Concrete construction products represented approximately 14.8%, 14.5%, and 13.0% of total net sales in the years ended December 31, 2024, 2023 and 2022, respectively.

Customer acceptance criteria. Generally, there are no customer acceptance criteria included in the Company's standard sales agreement with customers. When an arrangement with the customer does not meet the criteria to be accounted for as a revenue contract under the standard, the Company recognizes revenue in the amount of nonrefundable consideration received when the Company has transferred control of the goods or services and has stopped transferring (and has no obligation to transfer) additional goods or services. The Company offers certain customers discounts for paying invoices ahead of the due date, which are generally 30 to 60 days after the issue date.

Other revenue. Service sales, representing after-market repair and maintenance, engineering activities and software license sales and services were less than 0.5% of net sales for 2024, 2023 and 2022 and recognized as the services are completed or by transferring control over a product to a customer at a point in time. Services may be sold separately or in bundled packages. The typical contract length for services is generally less than one year. For bundled packages, the Company accounts for individual services separately when they are distinct within the context of the contract. A distinct service is separately identifiable from other items in the bundled package if a customer can benefit from it on its own or with other resources that are readily available to the customer. The consideration (including any discounts) is allocated between separate services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the prices at which the Company separately sells the services.

Reconciliation of contract balances

Contract assets are the right to receive consideration in exchange for goods or services that the Company has transferred to a customer when that right is conditional on something other than the passage of time. Contract liabilities are recorded for any services billed to customers and not yet recognizable if the contract period has commenced or for the amount collected from customers in advance of the contract period commencing. As of December 31, 2024 and 2023, the Company had no material contract assets from contracts with customers.

Other accounting considerations

Volume discounts. Volume discounts are accounted for as variable consideration because the transaction price is uncertain until the customer completes or fails to purchase the specified volume of purchases (consideration is contingent on a future outcome - occurrence or nonoccurrence). In addition, the Company applies the volume rebate or discount retrospectively, because the final price of each product or services sold depends on the customer's total purchases subject to the rebate program. Estimated rebates are deducted from revenues based on the gross transaction price and historical experience with the customer.

Rights of return and other allowances. Rights of return create variability in the transaction price. The Company accounts for returned product during the return period as a refund to customer and not a performance obligation. The estimated allowance for returns is based on historical percentage of returns and allowance from prior periods and the customer's historical purchasing pattern. This estimate is deducted from revenues based on the gross transaction price.

Principal versus Agent. The Company considered the principal versus agent guidance of the revenue recognition standard and concluded that the Company is the principal in a third-party transaction. The Company manufactures its products and has control over the transfer of its products to Dealer Distributors, Contract Distributors, and end customers.

Costs to obtain or fulfill a contract. Costs incurred to obtain a contract are immaterial. Commission cost is not an incremental cost directly related to obtaining a contract.

Shipping costs. The Company recognizes shipping and handling activities that occur after the customer has obtained control of goods as a fulfillment cost rather than as an additional promised service. Therefore, the Company recognizes revenue and accrues shipping and handling costs when the control of goods transfers to the customer upon shipment.

Advertising costs. Cooperative advertising and partnership discounts are consideration payable to a customer and not payment in exchange for a distinct product or service at fair value. Estimated cooperative advertising and partnership discounts are reductions of the transaction price.

3. Acquisitions

On April 1, 2022, the Company completed its acquisition of 100.0% of the outstanding equity interest of FIXCO Invest S.A.S. (together with its subsidiaries, "ETANCO") for total purchase consideration of $805.4 million, net of cash acquired (the "Acquisition"). The Acquisition was completed pursuant to the securities purchase agreement dated January 26, 2022, as amended (the “SPA”), by and among the Company, Fastco Investment, Fastco Financing, LRLUX and certain other security holders. The purchase price for the Acquisition was paid using cash on hand and borrowings in the amount of $250.0 million under the revolving credit facility and $450.0 million under the term loan facility. See Note 14 for further information on the Amended and Restated Credit Facility.

ETANCO is a manufacturer and distributor of fastener and fixing products headquartered in France and its primary product applications directly align with the addressable markets in which the Company operates. The Acquisition allows the Company to enter into new commercial building markets such as façades, waterproofing, safety and solar, as well as grow its share of direct business sales in Europe.

ETANCO’s results of operations were included in the Company's consolidated financial statements from the April 1, 2022 acquisition date, and as such, only includes ETANCO's results of operations for the nine months ending December 31, 2022. ETANCO had net sales of $212.6 million and a net loss of $5.9 million for the nine months ended December 31, 2022, which includes costs related to fair-value adjustments for acquired inventory, amortization of acquired intangible assets, and expenses incurred for integration.

Purchase price allocation

The Acquisition was accounted for using the acquisition method of accounting in accordance with A*SC 805, Business Combinations (“ASC 805”)* which requires, among other things, assets acquired and liabilities assumed in a business combination be recorded at fair value as of the acquisition date with limited exceptions.

The allocation of the $824.4 million purchase price, including cash, to the estimated fair values of the tangible and intangible assets acquired and liabilities assumed is as follows:

(in thousands)		**Amount**
Cash and cash equivalents	$	19,010
Trade accounts receivable, net		63,607
Inventory		107,185
Other current assets		4,491
Property and equipment, net		89,695
Operating lease right-of-use assets		5,361
Goodwill		365,591
Intangible assets, net		357,327
Other noncurrent assets		2,881
Total assets		1,015,148
Trade accounts payable		46,457
Accrued liabilities and other current liabilities		22,079
Operating lease liabilities		5,176
Deferred income tax and other long-term liabilities		117,031
Total purchase price	$	824,405

Trade accounts receivable, net

The gross amount of trade receivables acquired was approximately $67.4 million, of which $66.0 million was collected, in excess of the original collectible estimate of $63.6 million.

Inventory

Acquired inventory primarily consists of raw materials and finished goods consisting of building and construction materials products. The Company adjusted acquired finished goods higher by $13.6 million to estimated fair value based on expected selling prices less a reasonable amount for selling efforts. The fair value adjustment was fully recognized as a component of cost of sales over the inventory's estimated turnover period during the nine months ended December 31, 2022. There were no such adjustments during the twelve months ended December 31, 2024 and 2023.

Property and equipment, net

Acquired property and equipment includes land of $16.1 million, buildings and site improvements of $32.5 million, and machinery, equipment, and software of $41.1 million. The estimated fair value of property and equipment was determined primarily using market and/or cost approach methodologies. The acquired fair value for buildings and site improvements will depreciate on a straight-line basis over the estimated useful lives of the assets for a period of up to sixteen years, and machinery, equipment and software will depreciate on an accelerated basis over an estimated useful life of three to ten years.

Goodwill

The excess of purchase price over the net assets acquired is recognized as goodwill and relates to the value that is expected from the acquired assembled workforce as well as the increased scale and synergies resulting from the integration of both businesses. The goodwill recognized from the Acquisition is not deductible for local income tax purposes. Goodwill was allocated to components within ETANCO.

Intangible assets, net

The estimated fair value of intangible assets acquired was determined primarily using income approach methodologies. The values allocated to intangible assets and the useful lives are as follows:

(in thousands except useful life)	**Weighted-average useful life (in years)**	**Amount**
Customer relationships	15	$ 248,398
Trade names	Indefinite	93,811
Developed technology	10	11,256
Patents	8	3,862
		$ 357,327

The acquired definite-lived intangible assets will be amortized on a straight-line basis over estimated useful lives, which approximates the pattern in which these assets are utilized.

Deferred taxes

As a result of the increase in fair value of inventory, property and equipment, and intangible assets, deferred tax liabilities of $105.9 million were recognized, primarily due to intangible assets.

Acquisition and integration related costs

During the year ended December 31, 2022, the Company incurred acquisition and integration related expenses of $17.3 million. These costs were included in the Company's income from operations.

Unaudited pro forma results

The following unaudited pro forma combined financial information presents estimated results as if the Company acquired ETANCO on January 1, 2021. The unaudited pro forma financial information as presented below is for informational purposes only and does not purport to actually represent what the Company's combined results of operations would have been had the Acquisition occurred on January 1, 2021, or what those results will be for any future periods.

The following unaudited pro forma consolidated financial information has been prepared using the acquisition method of accounting in accordance with U.S. GAAP:

	Years Ended December 31,	
(in thousands)	**2022**	**2021**
Net sales	$ 2,195,271	$ 1,884,654
Net income	$ 363,527	$ 261,389
Pro forma earnings per common share:		
Basic	$ 8.47	$ 6.03
Diluted	$ 8.44	$ 6.00
Weighted average shares outstanding:		
Basic	42,925	43,325
Diluted	43,047	43,532

The unaudited pro forma results above includes the following non-recurring charges to net income:

1) Acquisition and integration related costs of $17.3 million which were incurred during the twelve months ended December 31, 2022, were adjusted as if such costs were incurred during the twelve months ended December 31, 2021.

2) The $13.6 million fair value adjustment for inventory recognized during the twelve months ended December 31, 2022, was adjusted as if incurred during the twelve months ended December 31, 2021.

3) Net income for ETANCO includes adjustments of $0.4 million and $3.2 million to conform ETANCO's historical financial results prepared under French GAAP to U.S. GAAP for the twelve months ended December 31, 2022, and December 31, 2021, respectively. The U.S. GAAP adjustments are primarily related to share-based payments expense on awards that were settled prior to the Acquisition, and costs incurred and capitalized by ETANCO on its historical acquisitions.

During the year ended December 31, 2024, the Company also completed three other acquisitions that were not material to the Company's consolidated financial statements, individually and in aggregate. Accordingly, pro-forma historical results of operations related to these business acquisitions during the year ended December 31, 2024 have not been presented, but summarized below.

On June 1, 2024, the Company completed the acquisition of all of the operating assets and assumed liabilities of Calculated Structured Designs, Inc. ("CSD"), a software development company providing solutions for the engineered wood, engineering, design and building industries in North America, Australia and the UK.

On August 1, 2024, the Company completed the acquisition of all of the operating assets and assumed liabilities of Monet DeSauw Inc. and certain properties of Callaway Properties, LLC (together with its subsidiaries, "Monet") for a total purchase consideration of approximately $48.7 million net of cash received and liabilities assumed. Monet specializes in the production of large-scale saws and material handling equipment for the truss industry in the United States.

On September 1, 2024, the Company completed the acquisition of all of the operating assets and assumed liabilities of QuickFrames USA, LLC (QuickFrames), a manufacturer of pre-engineered structural support systems for commercial construction with sales in North America.

The following table summarizes the Company's preliminary purchase price allocations of assets acquired and liabilities assumed as of the acquisition dates for the twelve months ended December 31, 2024, including the related estimated useful lives, where applicable:

	Amounts (in thousands)		Estimated Useful Life (in years)
Net working capital	$	3,165	
Land		310	
Machinery and Equipment		396	1 - 5
Building Improvements		500	28
Intangible assets			8
Tradename and other (definite)		1,088	10
Tradename (indefinite)		11,900	
Customer relationships		10,761	7
Developed technology		13,008	5 - 10
Patent		15,800	10
Goodwill		32,821	
Liabilities assumed		(10,482)	
Total net assets acquired and liabilities assumed	$	79,267	

The valuations of assets acquired and liabilities assumed for CSD and QuickFrames have not yet been finalized as of December 31, 2024, and finalization of these valuations during the measurement period could result in a change in the amounts recorded. The completion of the valuations for CSD and QuickFrames will occur no later than one year from the acquisition dates as required by U.S. GAAP.

The amount of goodwill generated from these acquisitions is deductible for tax purposes.

4. Net Income per Share

The following shows a reconciliation of basic earnings per share (“EPS”) to diluted EPS:

	For the Years Ended December 31,		
(in thousands, except per-share amounts)	2024	2023	2022
Net income available to common stockholders	$ 322,224	$ 353,987	$ 333,995
Basic weighted average shares outstanding	42,182	42,598	42,925
Dilutive effect of potential common stock equivalents	201	239	122
Diluted weighted average shares outstanding	42,383	42,837	43,047
Net earnings per share:			
Basic	$ 7.64	$ 8.31	$ 7.78
Diluted	$ 7.60	$ 8.26	$ 7.76

5. Stockholders' Equity

Stock Repurchases

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law. The provisions included a new Corporate Alternative Minimum Tax "CAMT", an excise tax of 1.0% on stock buybacks, and significant tax incentives for energy and climate initiatives, all effective for tax year 2023 and onwards. The Company is not subject to the provisions of CAMT and does not expect the impact of the remaining provisions to be material.

For the fiscal year ended December 31, 2024, the Company repurchased approximately 0.6 million shares of the Company’s common stock in the open market at an average price of $178.83 per share, for a total of $100.0 million under the previously announced $100.0 million share repurchase authorization (which expired at the end of 2024). As of December 31, 2024, the

Company accrued approximately $0.8 million for the excise tax, which is included as a cost of treasury stock; however, this is not reflected in the share repurchase amounts above.

Comprehensive Income or Loss

The following shows the components of accumulated other comprehensive income or loss as of December 31, 2024, 2023, and 2022 respectively:

(in thousands)	Foreign Currency Translation	Pension Benefit	Cash Flow Hedge	Forward Foreign Currency	Total
Balance as of January 1, 2022	$ (15,221)	$ (2,506)	$ —	$ 122	$ (17,605)
Other comprehensive gain/(loss) net of tax benefit (expense) of $0, ($133), ($10,264) and ($951), respectively.	(20,942)	2,065	42,740	11,898	35,761
Amounts reclassified from accumulative other comprehensive income, net of $0 tax	209	—	(18,987)	(3,437)	(22,215)
Balance as of December 31, 2022	(35,954)	(441)	23,753	8,583	(4,059)
Other comprehensive gain/(loss), net of tax benefit (expense) of $0, ($1), $6,254 and $2,711, respectively.	19,690	73	(3,815)	(8,785)	7,163
Amounts reclassified from accumulative other comprehensive income, net of $0 tax	—	—	(8,187)	(4,907)	(13,094)
Balance at December 31, 2023	(16,264)	(368)	11,751	(5,109)	(9,990)
Other comprehensive gain/(loss), net of tax benefit (expense) of $0, ($1), $1,437 and ($2,207), respectively.	(37,313)	(1,956)	39,000	11,505	11,236
Amounts reclassified from accumulative other comprehensive income, net of $0 tax	—	—	(43,227)	(4,792)	(48,019)
Balance at December 31, 2024	$ (53,577)	$ (2,324)	$ 7,524	$ 1,604	$ (46,773)

6. Stock-Based Compensation

The Company currently maintains the Simpson Manufacturing Co., Inc. Amended and Restated 2011 Incentive Plan (the "2011 Plan") as its only equity incentive plan. Under the 2011 Plan, no more than 16.3 million shares of the Company's common stock in aggregate may be issued, including shares already issued pursuant to prior awards granted under the 2011 Plan. Shares of common stock underlying awards to be issued pursuant to the 2011 Plan are registered under the Securities Act. Under the 2011 Plan, the Company may grant restricted stock and restricted stock units. The Company currently intends to award only performance-based stock units ("PSUs") and/or time-based restricted stock units ("RSUs").

The following table shows the Company's stock-based compensation activity:

	Fiscal Years Ended December 31,		
(in thousands)	2024	2023	2022
Stock-based compensation expense recognized	$ 13,112	$ 19,726	$ 12,503
Tax benefit of stock-based compensation expense in provision for income taxes	3,204	4,808	3,133
Stock-based compensation expense, net of tax	$ 9,908	$ 14,918	$ 9,370

The Company allocates stock-based compensation expense amongst cost of sales, research and development and other engineering expense, selling expense, or general and administrative expense based on the job functions performed by the employees to whom the stock-based compensation is awarded. Stock-based compensation capitalized in inventory was immaterial for all periods presented.

The following table summarizes the Company's unvested restricted stock unit activity for the year ended December 31, 2024:

Unvested Restricted Stock Units (RSUs)	**Shares** *(in thousands)*	**Weighted-Average Exercise Price**	**Aggregate Intrinsic Value *** *(in thousands)*
Outstanding as of January 1, 2024	378	$ 102.87	$ 74,850
Awarded	161	177.60	
Vested	(167)	103.64	
Forfeited	(36)	116.62	
Outstanding as of December 31, 2024	336	130.42	55,333
Outstanding and expected to vest at December 31, 2024	327		54,249

* The intrinsic value for outstanding and expected to vest is calculated using the closing price per share of $165.83, as reported by the New York Stock Exchange on December 31, 2024.

During the year ended December 31, 2024, the Company granted 156 thousand RSUs and PSUs to the Company's employees, including officers at an estimated weighted average fair value of $177.73 per share, based on the closing price (adjusted for certain market factors primarily the present value of dividends) of the Company's common stock on the grant date. The RSUs and PSUs granted to the Company's employees may be time-based, performance-based or time- and performance-based. Certain of the PSUs are granted to officers and key employees, where the number of performance-based awards to be issued is based on the achievement of certain Company performance criteria established in the award agreement over a cumulative three years period. These awards cliff vest after three years. In addition, these same officers and key employees also receive time-based RSUs, which vest pursuant to a three-year graded vesting schedule. Time and performance-based RSUs granted to the Company's employees excluding officers and certain key employees, vest ratably over the four-year life of the award and through 2020, required the underlying shares of the Company's common stock to be subject to a performance-based adjustment during the first year and starting in 2021, were time-based awards which vest ratable over the four-year life of the award.

The Company's seven non-employee directors serving during 2024 are entitled to receive approximately $0.9 million in equity compensation annually. The number of shares granted is based on the average closing share price for the Company over the 60 days period prior to approval of the award in the second quarter of each year. In May 2024, the Company granted 4,692 shares of the Company's common stock to the non-employee directors, based on the average closing price of $173.89 per share and recognized total expense of $0.8 million.

The total intrinsic value of RSUs and PSUs vested during the years ended December 31, 2024, 2023 and 2022 was $31.8 million, $20.3 million and $25.6 million, respectively, based on the market value on the vest date.

As of December 31, 2024, the Company's aggregate unamortized stock compensation expense was approximately $24.2 million, which is expected to be recognized over a weighted-average period of approximately 2.2 years.

Stock Bonus Plan

The Company also maintains the Simpson Manufacturing Co., Inc. 1994 Employee Stock Bonus Plan (the "Stock Bonus Plan"), whereby it awards shares of the Company's common stock to employees, who do not otherwise participate in any of the Company's equity-based incentive plans and meet minimum service requirements. Shares have generally been awarded under the Stock Bonus Plan following the year in which the respective employee reached his or her tenth, twentieth, thirtieth, fortieth or fiftieth anniversary of employment with the Company or any direct or indirect subsidiary thereof.

The Company awarded shares for service through 2024, 2023, and 2022 as shown below:

	December 31,		
	2024	**2023**	**2022**
Shares to be issued	21,266	9,800	9,300
Shares settled with cash (foreign employees)	763	4,900	7,400
Total awards	22,029	14,700	16,700

As a result, we recorded pre-tax compensation charges of $3.7 million, $1.9 million, and $1.5 million for years ended December 31, 2024, 2023, and 2022, respectively. These charges include cash bonuses to compensate employees for income taxes payable as a result of the stock bonuses.

7. Trade Accounts Receivable, net

Trade accounts receivable consisted of the following:

	As of December 31,	
(in thousands)	**2024**	**2023**
Trade accounts receivable	$ 291,480	$ 292,360
Allowance for credit losses	(2,998)	(3,881)
Allowance for sales discounts	(4,090)	(4,504)
	$ 284,392	$ 283,975

8. Inventories

The components of inventories are as follows:

	As of December 31,	
(in thousands)	**2024**	**2023**
Raw materials	$ 207,818	$ 167,177
In-process products	57,627	57,432
Finished products	327,730	326,966
	$ 593,175	$ 551,575

9. Derivative Instruments

The Company enters into derivative instrument agreements, including forward foreign currency exchange contracts, interest rate swaps, and cross currency swaps to manage risk in connection with changes in foreign currency and interest rates. The Company hedges committed exposures and does not engage in speculative transactions. The Company only enters into derivative instrument agreements with counterparties who have highly rated credit.

The Company produces certain of its concrete products from a wholly owned subsidiary in China, and as a result is exposed to variability in cash outflows associated with changes in the foreign exchange rate between the U.S. Dollar and the Chinese Yuan (CNY). In November 2022, the Company entered into a series of foreign currency derivative contracts that matured monthly between January 2023 and December 2023. These forward contracts are accounted for as cash flow hedges under the accounting standards, and fair value is included in other current assets or other current liabilities, as applicable, in the consolidated balance sheet. Net deferred gains and losses on these contracts relating to changes in fair value are included in accumulated other OCI and are reclassified into cost of sales in the consolidated statements of operations in the which the hedged items are recorded in the same period the hedged item affects earnings. There were $0.2 million in losses recorded on these contracts during the year ended December 31, 2023 and $0.2 million in losses recorded on these contracts during the year ending December 31, 2024.

Beginning in March 2022, the Company entered into a forward foreign currency contract expiring in March 2029 to hedge its exposure to adverse foreign currency exchange rate movements for its operations in Europe and elected the spot method for designating this contract as a net investment hedge with the net interest income from forward points excluded and amortized to interest expense. During May 2022, the Company settled the March 2022 forward foreign currency contract for $3.9 million in cash, which included $0.4 million in recognized forward points, terminated the hedge accounting treatment and simultaneously entered into a new forward foreign currency contract expiring in March 2029 with the same notional amount at a new forward rate. The Company also elected the spot method for designating the May 2022 contract as a net investment hedge. The $3.5 million gain recognized on the March 2022 contract from recognized forward points is deferred in OCI and will remain in OCI until either the sale or substantially complete liquidation of the hedged subsidiaries.

Beginning in March 2022, the Company also converted a Euro-denominated ("EUR"), fixed rate obligation into a U.S. Dollar fixed rate obligation using a receive fixed, pay fixed cross currency swap, which was designated as a cash flow hedge. During May 2022, the Company settled the March 2022 cross currency swap for $22.4 million in cash, which was comprised of $21.3 million gain on the swap excluding accrued interest and $1.1 million of net interest income accrued according to the terms of the swap. The Company terminated the hedge accounting treatment and simultaneously entered into a new cross currency swap expiring in March 2029 with a lower notional amount for the US dollar denominated leg at a new US dollar interest rate. An amount of $28.3 million was reclassified out of OCI into earnings to offset the currency loss on the underlying security being hedged resulting in a net $7.0 million hedge accounting balance reserved within OCI, which is being amortized to interest expense in the consolidated statements of operations through the termination of the underlying hedged intercompany debt in March 2029.

In addition, the Company converted its domestic U.S. variable rate debt to fixed rate debt using a receive variable, pay fixed interest rate swap expiring March 2027. The interest rate swap contract is also designated as a cash flow hedge.

As of December 31, 2024, the aggregate notional amount of the Company's outstanding interest rate contracts, cross currency swap contracts and EUR forward contracts were $388.1 million, $406.9 million, and $321.7 million, respectively. As of December 31, 2023, there were no outstanding forward contracts on its Chinese Yuan denominated purchases.

Changes in fair value of any forward contracts that are determined to be ineffective are immediately reclassified from OCI into earnings. There were no amounts recognized due to ineffectiveness during the twelve months ended December 31, 2024.

The effects of fair value and cash flow hedge accounting on the consolidated statements of operations for the periods ended December 31, were as follows:

	2024			2023		
(in thousands)	Cost of sales	Interest expense, net	Other & foreign exchange loss, net	Cost of sales	Interest expense, net	Other & foreign exchange loss, net
Total amounts of income and expense line items presented in the Consolidated Statements of Operations in which the effects of fair value or cash flow hedges are recorded	$ 1,206,288	$ 5,277	$ (1,209)	$ 1,170,048	$ 3,391	$ (1,993)
The effects of fair value and cash flow hedging						
Gain or (loss) on cash flow hedging relationships						
Interest contracts:						
Amount of gain or (loss) reclassified from OCI to earnings	—	11,712	—	—	15,722	—
Cross currency swap contract						
Amount of gain or (loss) reclassified from OCI to earnings	—	4,939	26,577	—	5,170	(12,704)
Forward contract						
Amount of gain or (loss) reclassified from OCI to earnings	(188)	—	—	(155)	—	—

The effects of derivative instruments on the consolidated statements of operations for the twelve months ended December 31, 2024 and December 31, 2023 were as follows:

Cash Flow Hedging Relationships	Gain (Loss) Recognized in OCI		Location of Gain (Loss) Reclassified from OCI into Earnings	Gain (Loss) Reclassified from OCI into Earnings	
(in thousands)	2024	2023		2024	2023
Interest rate contracts	$ 8,589	$ 4,668	Interest expense	$ 11,712	$ 15,722
Cross currency contracts	28,974	(14,737)	Interest expense	4,939	5,170
Forward contracts		(124)	FX gain (loss)	26,577	(12,704)
			Cost of goods sold	(188)	(155)
Total	$ 37,563	$ (10,193)		$ 43,040	$ 8,033

For the twelve months ended December 31, 2024 and 2023, a gain of $13.9 million and a loss of $11.4 million, respectively, on the net investment hedge were included in OCI. For the twelve months ended December 31, 2024 and 2023, deferred gains from the forward points of $5.1 million for both years were reclassified from OCI to interest expense.

As of December 31, 2024, the aggregate fair values of the Company's derivative instruments on the Consolidated Balance Sheet were comprised of an asset of $32.4 million, of which $13.6 million is included in other current assets, and the balance of $18.8 million as other non-current assets, and of a noncurrent liability of $7.2 million included as deferred income tax and other long-term liabilities.

As of December 31, 2023, the aggregate fair values of the Company's derivative instruments on the Consolidated Balance Sheet were comprised of an asset of $21.9 million, of which $14.5 million is included in other current assets, and the balance of $7.4 million as other non-current assets, and of a noncurrent liability of $30.1 million included as deferred income tax and other long-term liabilities.

As of December 31, 2024, the Company expects it will reclassify net gains of approximately $15.0 million, currently recorded in Accumulated Other Comprehensive Income (AOCI), into interest expense in earnings within the next twelve months. However, the actual amount reclassified could vary due to future changes in the fair value of these derivatives.

10. Property, Plant and Equipment, net

Property, plant and equipment consisted of the following:

	December 31,	
(in thousands)	2024	2023
Land	$ 61,054	$ 62,587
Buildings and site improvements	246,138	246,021
Leasehold improvements	11,313	7,782
Machinery and equipment	567,322	516,017
	885,827	832,407
Less accumulated depreciation and amortization	(516,320)	(474,974)
	369,507	357,433
Capital projects in progress	162,148	61,179
	$ 531,655	$ 418,612

Property, plant and equipment as of December 31, 2024, and 2023, includes fully depreciated assets with an original cost of $402.1 million and $352.5 million, respectively, which are still in use. The Company capitalizes certain development costs associated with internal use software, including the direct costs of services provided by third-party consultants and payroll for internal employees, both of which are performing development and implementation activities on a software project. As of December 31, 2024, and 2023, the Company had capitalized software development costs net of accumulated amortization of $35.9 million and $33.8 million, respectively, included in machinery and equipment and as of December 31, 2024, and 2023, and $16.1 million and $9.7 million, respectively, was included in capital projects in progress.

Depreciation expense, including depreciation of equipment and amortization of internally developed and acquired software, was $59.7 million, $51.2 million, and $43.4 million for the years ended December 31, 2024, 2023 and 2022, respectively.

11. Goodwill and Intangible Assets

Goodwill

The annual changes in the carrying amount of goodwill, by segment, as of December 31, 2024 and 2023, were as follows, respectively:

(in thousands)	North America	Europe	Asia Pacific	Total
Balance as of January 1, 2023	$ 103,572	$ 390,799	$ 1,301	$ 495,672
Goodwill acquired	(2,077)[1]	1,497	—	(580)
Goodwill disposed	—	(5,678)[2]	—	(5,678)
Foreign exchange	63	13,075	(2)	13,136
Balance as of December 31, 2023	101,558	399,693	1,299	502,550
Goodwill acquired	32,820	—	—	32,820
Foreign exchange	(230)	(22,644)	(113)	(22,987)
Balance as of December 31, 2024	$ 134,148	$ 377,049	$ 1,186	$ 512,383

Goodwill Impairment Testing

The Company tests goodwill for impairment at the reporting unit level on an annual basis (in the fourth quarter). The goodwill balance is not amortized to expense, and the Company may assess qualitative or quantitative factors to determine whether it is more likely than not that the fair value of each reporting unit is less than its carrying amount as a basis for determining whether it is necessary to complete quantitative impairment assessments.

During fiscal year 2023, we re-evaluated our European reporting units after a full year of operations from our acquisition of ETANCO as it has become further integrated into our other European operations resulting in changes to the management, product distribution, and operations structure of our European operations. As a result of this re-evaluation, all European reporting units were consolidated for reporting purposes into one overall Europe reporting unit. A qualitative assessment was performed immediately preceding the reporting unit change and determined that it was not more likely than not that any impairment existed prior to the reporting unit change. For the Company's remaining reporting units, the reporting unit level is generally one level below the operating segment, which is at the country level, except for the United States and Australia.

The Company determined that the U.S. reporting unit includes four components: Northwest United States, Southwest United States, Northeast United States and Southeast United States. The Australia reporting unit includes two components: Australia and New Zealand. For each of these reporting units, the Company aggregated the components because management concluded that they are economically similar, and that the goodwill is recoverable from these components working in concert.

In 2024, the Company applied the ("Step 0") approach to assess qualitative factors related to the goodwill of the reporting units to determine whether it is necessary to perform an impairment test. For this qualitative assessment, the Company assessed various assumptions, events and circumstances that would have affected the estimated fair value of the reporting units. Based on the qualitative assessment performed, the Company concluded that there was no evidence of events or circumstances that would indicate a material change from the Company's prior year quantitative assessment by reporting unit and therefore, it was more likely than not that the estimated fair value of reporting units exceeded their respective carrying values.

In 2023, the Company applied the ("Step 1") approach where the Company compares the fair value of the reporting unit to its carrying value. The fair value calculation uses both the income approach (discounted cash flow method) and the market approach, equally weighted. If the Company determines that the carrying value of the net assets assigned to the reporting unit, including goodwill, exceeds the fair value of the reporting unit, no further action is taken. If the Company determines that the carrying value of a reporting unit's goodwill exceeds its implied fair value, the Company will record an impairment charge equal to the difference between the implied fair value of the goodwill and the carrying value.

The 2024 and 2023 annual testing of goodwill for impairment did not result in impairment charges. "See Item 7 - Critical Accounting Policies and Estimates - *Goodwill and Other Intangible Assets*".

[1] During the year ended December 31, 2023, the Company finalized an acquisition of a business that resulted in $2.1 million decrease in goodwill with $0.9 million reclassified to intangible asset and a corresponding decrease of $1.2 million in a contingent consideration liability. The final amounts are measurement period adjustments for conditions that existed at the acquisition date.

[2] During the year ended December 31, 2023, the Company finalized a sale of a business that did not result in material gain or loss.

Amortizable Intangible Assets

Intangible assets from acquired businesses or asset purchases are recognized at their estimated fair values on the date of acquisition and consist of patents, unpatented technology, non-compete agreements, trademarks, customer relationships and other intangible assets. Finite-lived intangibles are amortized to expense over the applicable useful lives, ranging from three to twenty-one years, based on the nature of the asset and the underlying pattern of economic benefit as reflected by future net cash inflows. The Company performs an impairment test of finite-lived intangibles whenever events or changes in circumstances indicate their carrying value may be impaired.

The total gross carrying amount and accumulated amortization of definite-lived intangible assets as of December 31, 2024, was $487.4 million and $112.3 million, respectively. The aggregate amount of amortization expense of intangible assets for the years ended December 31, 2024, 2023 and 2022 was $24.8 million, $23.5 million and $17.4 million, respectively. The weighted-average remaining amortization period for all amortizable intangibles on a combined basis is 9.6 years as of December 31, 2024.

The annual changes in the carrying amounts of patents, unpatented technologies, customer relationships and non-compete agreements and other intangible assets subject to amortization for the years ended December 31, 2024 and 2023 were as follows:

(in thousands) **Patents**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Balance as of January 1, 2023	$ 24,172	$ (2,803)	$ 21,369
Purchases	13,996	—	13,996
Amortization	—	(2,051)	(2,051)
Foreign exchange	430	—	430
Balance as of December 31, 2023	38,598	(4,854)	33,744
Purchases	15,800	—	15,800
Amortization	—	(3,468)	(3,468)
Foreign exchange	(926)	—	(926)
Balance as of December 31, 2024	$ 53,472	$ (8,322)	$ 45,150

(in thousands) **Unpatented Technology**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Balance as of January 1, 2023	$ 22,410	$ (19,459)	$ 2,951
Amortization	—	(820)	(820)
Foreign exchange	98	—	98
Balance as of December 31, 2023	22,508	(20,279)	2,229
Amortization	—	(991)	(991)
Foreign exchange	(49)	—	(49)
Balance as of December 31, 2024	$ 22,459	$ (21,270)	$ 1,189

(in thousands) **Non-Compete Agreements, Trademarks and Other**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Balance as of January 1, 2023	$ 28,301	$ (12,932)	$ 15,369
Assets acquisitions, net of cash acquired	(380)[3]	—	(380)
Amortization	—	(2,813)	(2,813)
Foreign exchange	226	—	226
Balance as of December 31, 2023	28,147	(15,745)	12,402
Purchases of intangible assets	14,100	—	14,100
Amortization	—	(2,972)	(2,972)
Foreign exchange	(7)	—	(7)
Balance as of December 31, 2024	$ 42,240	$ (18,717)	$ 23,523

(in thousands) **Customer Relationships**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Balance as of January 1, 2023	$ 260,459	$ (28,970)	$ 231,489
Purchases	1,300	—	1,300
Amortization	—	(17,429)	(17,429)
Foreign exchange	7,407	—	7,407
Balance as of December 31, 2023	269,166	(46,399)	222,767
Purchases	10,560	—	10,560
Disposal	331	—	331
Amortization	—	(17,362)	(17,362)
Foreign exchange	(16,745)	—	(16,745)
Balance as of December 31, 2024	$ 263,312	$ (63,761)	$ 199,551

As of December 31, 2024, estimated future amortization of intangible assets was as follows:

(in thousands)

2025	$ 26,649
2026	26,053
2027	25,863
2028	25,719
2029	25,367
Thereafter	139,762
Total	$ 269,413

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets totaled $105.7 million as of December 31, 2024, including $93.2 million, net of an unfavorable foreign exchange impact of $0.7 million, attributable to trade names acquired in the ETANCO acquisition.

[3] During the year ended December 31, 2023, the Company finalized an acquisition of a business that resulted in a $0.4 million decrease in the intangible with an offset of $1.3 million to customer relationships. The final amounts are measurement period adjustments for conditions that existed at the acquisition date.

Definite-lived and indefinite-lived assets, net, by segment as of December 31, 2024, and 2023 were as follows:

(in thousands) **Total Intangible Assets**	**As of December 31, 2023** **Gross Carrying Amount**	 **Accumulated Amortization**	 **Net Carrying Amount**
North America	$ 64,190	$ (33,740)	$ 30,450
Europe	384,432	(53,493)	330,939
Asia/Pacific	4,240	(290)	3,950
Total	$ 452,862	$ (87,523)	$ 365,339

(in thousands) **Total Intangible Assets**	**As of December 31, 2024** **Gross Carrying Amount**	 **Accumulated Amortization**	 **Net Carrying Amount**
North America	$ 116,550	$ (39,061)	$ 77,489
Europe	366,586	(72,621)	293,965
Asia/Pacific	4,240	(643)	3,597
Total	$ 487,376	$ (112,325)	$ 375,051

12. Leases

The Company has operating leases for certain facilities, equipment and automobiles. The existing operating leases expire at various dates through 2039, some of which include options to extend the leases for up to five years. The Company measured the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the Company's incremental borrowing rate. The Company measured the right-of-use ("ROU") assets at the amount at which the lease liability is recognized plus initial direct costs incurred or prepayment amounts. The ROU assets are amortized on a straight-line basis over the lease term.

The following table provides a summary of operating leases included on the consolidated balance sheets as of December 31, 2024, and 2023, and consolidated statements of operations, and consolidated statements of cash flows for the years ended December 31, 2024 and 2023:

Consolidated Balance Sheets Line Item *(in thousands)*	**As of December 31,** **2024**	 **2023**
Assets		
Operating lease right-of-use assets	$ 93,933	$ 68,792
Liabilities		
Accrued expenses and other current liabilities	$ 19,415	$ 14,954
Operating lease liabilities	76,184	55,324
Total operating lease liabilities	$ 95,599	$ 70,278

The components of operating lease expense were as follows:

(in thousands)	**Consolidated Statements of Operations Line Item**	**Years Ended December 31,** **2024**	 **2023**
Lease cost	General administrative expenses and cost of sales	$ 19,938	$ 16,936

Other information

Supplemental cash flow information related to leases is as follows:

(in thousands)	Years Ended December 31, 2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 19,243	$ 15,859
Operating right-of-use assets obtained in exchange for new lease liabilities		
Operating leases	$ 46,482	$ 23,074

The following is a schedule, by years, of maturities for lease liabilities as of December 31, 2024:

(in thousands)	Operating Leases
2025	$ 22,883
2026	20,286
2027	17,039
2028	14,942
2029	11,974
Thereafter	24,819
Total lease payments	111,943
Less: Present value discount and other	(16,344)
Total lease liabilities	$ 95,599

The following table summarizes the Company’s lease terms and discount rates as of December 31, 2024:

	Years Ended December 31, 2024	2023
Weighted-average remaining lease terms (in years):		
Operating leases	6.4	5.5
Weighted-average discount rate:		
Operating leases	5.3 %	4.9 %

13. Accrued Liabilities and Other Current Liabilities

Accrued liabilities and other current liabilities consisted of the following:

(in thousands)	As of December 31, 2024	2023
Labor related liabilities	$ 48,867	$ 43,603
Sales incentives & advertising allowances	62,337	85,635
Accrued cash profit sharing and commissions	16,360	26,293
Sales tax payable and other	64,855	31,352
Dividends payable	11,729	11,432
Accrued profit sharing trust contributions	19,313	17,964
Operating lease - current portion	19,415	14,954
	$ 242,876	$ 231,233

14. Debt

On March 30, 2022, the Company entered into the Amended and Restated Credit Facility, which amends and restates the Company's previous Credit Agreement, dated July 27, 2012. The Amended and Restated Credit Facility provides for a 5-year $450.0 million revolving line of credit, which includes a letter of credit-sub-facility up to $50.0 million, and a 5-year term loan facility of $450.0 million.

The Company borrowed $450.0 million under the term loan facility to finance a portion of the purchase price for the acquisition of ETANCO. In addition, the Company incurred $6.8 million of debt issuance costs, which are classified in long-term debt on the consolidated balance sheet, that have been deferred and are being amortized over the 5-year terms of the Amended and Restated Credit Facility. During 2024 and 2023, the Company made principal payments of $97.5 million on the Company's outstanding term loan facility.

The Company is required to pay an annual revolving credit facility fee of 0.1% to 0.3% per annum on the available commitments under the terms of the Amended and Restated Revolving Credit Facility, regardless of usage, with the applicable fee determined on a quarterly basis based on the Company's net leverage ratio. The fee is included within Interest expense, net and other in the Company's consolidated statements of operations.

Amounts borrowed under the Amended and Restated Credit Facility will bear interest from time to time at either the Base Rate, Spread Adjusted Daily Simple SOFR, Spread Adjusted Term SOFR, Adjusted Eurocurrency Rate or Daily Simple RFR, in each case, as calculated under and as in effect from time to time under the Amended and Restated Credit Facility, plus the Applicable Margin, as defined in the Amended and Restated Credit Facility. The Applicable Margin is determined based on the Company's net leverage ratio, and ranges (i) from 0.0% to 0.8% per annum for amounts borrowed under the term loan facility that bear interest at Base Rate, (ii) from 0.8% to 1.8% per annum for amounts borrowed under the term loan facility that bear interest at Adjusted Eurocurrency Rate, Spread Adjusted Daily Simple SOFR or Spread Adjusted Term SOFR, (iii) from 0.0% to 0.5% per annum for amounts borrowed under the revolving credit facility that bear interest at Base Rate, (iv) from 0.7% to 1.5% per annum for amounts borrowed under the revolving credit facility that bear interest at Daily Simple RFR (solely to the extent denominated in pound sterling) and (v) from 0.7% to 1.5% per annum for amounts borrowed under the revolving credit facility that bear interest at Daily Simple RFR (other than loans denominated in pound sterling) or Adjusted Eurocurrency Rate. Loans outstanding under the Amended and Restated Credit Facility may be prepaid at any time without penalty except for customary breakage costs and expenses. Based on current principal payment expectations, the annual interest rate on the outstanding debt will be approximately 2.0% over the life of the debt including the effects of the interest rate swap and other derivatives noted above.

As of December 31, 2024, in addition to the Amended and Restated Credit Facility, certain of the Company's domestic subsidiaries are guarantors for a credit agreement between certain of its foreign subsidiaries and institutional lenders. Together, all credit facilities provide the Company with a total of $458.3 million in available revolving credit lines and an irrevocable standby letter of credit in support of various insurance deductibles.

The Company has $388.1 million, excluding deferred financing costs, outstanding under the Amended and Restated Credit Facility, which is the estimated fair value as of December 31, 2024. There was $485.7 million outstanding balances under the Amended and Restated Credit Facility as of December 31, 2023.

The following is a schedule, by years, of maturities for the remaining term loan facility as of December 31, 2024:

(in thousands)	**5-Year Term Loan**
2025	22,500
2026	22,500
2027	343,125
Total loan outstanding	**$ 388,125**

The Company complied with its financial covenants under the Amended and Related Credit Facility as of December 31, 2024.

The Company incurs interest costs, which include interest net of the effect of cash flow hedges, maintenance fees and bank charges. The amount of costs incurred, capitalized, and expensed for the years ended December 31, 2024, 2023 and 2022, consisted of the following:

(in thousands)	Years Ended December 31, 2024	2023	2022
Interest costs, including benefits from cash flow and net investment hedges	$ 6,349	$ 7,152	$ 9,685
Less: Interest capitalized	(4,078)	(2,666)	(1,658)
Interest expense, including benefits from cash flow and net investment hedges	$ 2,271	$ 4,486	$ 8,027

15. Commitments and Contingencies

Purchase Obligations

In addition to the debt and lease obligations described in the footnotes, the Company has certain purchase obligations in the ordinary course of business. These purchase obligations are primarily related to the acquisition, and construction or expansion of facilities and equipment. The Company is not a party to any long-term supply contracts with respect to the purchase of raw materials or finished goods. As of December 31, 2024, the Company has steel purchase obligations that are expected to be settled during the year. The Company also has debt interest obligations that includes annual facility fees on the Company's primary line-of-credit facility in the amount of $20.2 million at December 31, 2024.

Employee Relations

As of December 31, 2024, approximately 18.4% of our employees are represented by labor unions and are covered by collective bargaining agreements in the U.S. The Company has two-facility locations with collective bargaining agreements covering tool and die craftsmen, maintenance workers, and sheet-metal workers. In Stockton, California, two union contracts will expire in June 2027 and September 2028, respectively. In Riverside, California, two union contracts will expire on February, 28 2025, which is in the process of being renegotiated, and in June 2026, respectively. France also has two collectively bargained agreements, one under the Convention collective nationale de la métallurgie and the other under Plasturgie. Based on current information and subject to future events and circumstances, the Company believes that, even if new agreements are not reached before the existing labor union contracts expire, it is not expected to have a material adverse effect on the Company's ability to provide products to customers or on the Company's profitability.

Environmental

The Company's policy with regard to environmental liabilities is to accrue for future environmental assessments and remediation costs when information becomes available that indicates that it is probable that the Company is liable for any related claims and assessments and the amount of the liability is reasonably estimable. The Company does not believe that any such matters will have a material adverse effect on the Company's financial condition, cash flows or results of operations.

Litigation and Potential Claims

From time to time, the Company is involved in various legal proceedings and other matters arising in the normal course of business. Corrosion, hydrogen embrittlement, cracking, material hardness, wood pressure-treating chemicals, misinstallations, misuse, design and assembly flaws, manufacturing defects, labeling defects, product formula defects, inaccurate chemical mixes, adulteration, environmental conditions, or other factors can contribute to failure of fasteners, connectors, anchors, adhesives, specialty chemicals, such as fiber reinforced polymers, and tool products. In addition, inaccuracies may occur in product information, descriptions and instructions found in catalogs, packaging, data sheets, and the Company's website.

The resolution of any claim or litigation is subject to inherent uncertainty and could have a material adverse effect on the Company's financial condition, cash flows or results of operations.

16. Income Taxes

The provision for income taxes from operations consisted of the following:

(in thousands)	Years Ended December 31, 2024	2023	2022
Current			
Federal	$ 75,783	$ 89,954	$ 90,703
State	22,418	24,323	25,347
Foreign	17,855	15,824	12,544
Deferred			
Federal	(787)	(6,466)	(5,806)
State	690	(860)	(801)
Foreign	(4,140)	(215)	(7,917)
	$ 111,819	$ 122,560	$ 114,070

Income and loss from operations before income taxes for the years ended December 31, 2024, 2023, and 2022, respectively, consisted of the following:

(in thousands*)*	Years Ended December 31, 2024	2023	2022
Domestic	$ 395,777	$ 427,296	$ 437,506
Foreign	38,266	49,251	10,559
	$ 434,043	$ 476,547	$ 448,065

As of December 31, 2024, the Company had $45.6 million of net operating loss carryforwards in various foreign taxing jurisdictions. Most of the tax losses can be carried forward indefinitely.

As of December 31, 2024, and 2023, the Company has valuation allowances of $12.7 million and $10.4 million, respectively. The valuation allowance increased by $2.3 million for the year ended December 31, 2024 and decreased by $0.8 million for the year ended December 31, 2023. The increase in the 2024 valuation allowances was primarily due to the increase in net operating losses in Europe. The decrease in the 2023 valuation allowances was primarily due to expiration of certain U.S. foreign tax credit.

As of December 31, 2024, the Company asserts that its accumulated undistributed earnings generated by our foreign subsidiaries are permanently reinvested and as such, has not recognized a US deferred tax liability on its investment in foreign subsidiaries. The Company will continue to assess its permanent reinvestment assertion on a quarterly basis.

Reconciliations between the statutory federal income tax rates and the Company's effective income tax rates as a percentage of income before income taxes for its operations were as follows:

	Years Ended December 31, 2024	2023	2022
Federal tax rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	4.1 %	3.8 %	4.4 %
Change in U.S. tax rate applied to deferred taxes	0.1 %	0.6 %	— %
Change in valuation allowance	0.5 %	— %	— %
True-up of prior year tax returns to tax provision	— %	(0.1)%	— %
Difference between U.S. statutory and foreign local tax rates	0.4 %	0.4 %	0.2 %
Change in uncertain tax position	— %	(0.6)%	— %
Other	(0.3)%	0.6 %	(0.1)%
Effective income tax rate	25.8 %	25.7 %	25.5 %

The tax effects of the significant temporary differences that constitute the deferred tax assets and liabilities as of December 31, 2024, and 2023, respectively, were as follows:

	As of December 31,	
(in thousands)	2024	2023
Deferred asset taxes		
State tax	$ 1,388	$ 1,606
Health claims	1,910	2,845
Inventories	8,766	8,218
Sales incentive and advertising allowances	1,751	1,997
Lease obligations	23,493	17,880
Stock-based compensation	4,235	3,962
Foreign tax credit carryforwards	3,782	3,905
Non-United States tax loss carry forward	8,128	5,882
Acquisition expense	1,315	1,904
Capitalized research & development expenditures	11,627	9,369
Other	6,282	3,689
Total deferred tax assets	$ 72,677	$ 61,257
Less valuation allowances	(12,727)	(10,430)
Total deferred asset taxes	$ 59,950	$ 50,827
Deferred tax liabilities		
Depreciation	$ (26,886)	$ (23,484)
Goodwill and other intangibles amortization	(96,779)	(106,041)
Right of use assets	(23,075)	(17,517)
Hedging OCI	(2,190)	(1,386)
Total deferred tax liabilities	(148,930)	(148,428)
Total deferred tax liability	$ (88,980)	$ (97,601)

A reconciliation of the beginning and ending amounts of unrecognized tax benefits in 2024, 2023 and 2022, respectively, were as follows, including foreign translation amounts:

Reconciliation of Unrecognized Tax Benefits (*in thousands*)	2024	2023	2022
Balance as of January 1	$ 4,641	$ 7,232	$ 944
Additions based on tax positions related to prior years	585	39	6,528
Reductions based on tax positions related to prior years	(49)	(103)	(38)
Additions for tax positions of the current year	647	463	73
Lapse of statute of limitations	(1,157)	(2,990)	(275)
Balance as of December 31	$ 4,667	$ 4,641	$ 7,232

During 2024, the Company's uncertain tax positions decreased by $1.2 million, primarily due to positions for open years of which were assumed in the Company's acquisition of ETANCO. Tax positions of $1.5 million, $2.0 million, and $0.2 million are included in the balance of unrecognized tax benefits as of December 31, 2024, 2023, and 2022, respectively, which if recognized, would reduce the effective tax rate.

The Company accrues interest and penalties related to unrecognized tax benefits in income tax expense in accordance with the Company's accounting policy. The Company accrued $1.4 million, $0.7 million and $0.9 million as of December 31, 2024, 2023 and 2022, respectively for the potential payment of interest and penalties before income tax benefits. The Company does not expect any material changes in unrecognized tax benefits within the next 12 months.

As of December 31, 2024, the Company remained subject to federal income tax examinations in the U.S. for the tax years 2021 through 2024. In addition, tax years 2019 through 2024 remain open in various states, local and foreign jurisdictions.

On August 16, 2022, the Inflation Reduction Act “IRA” was signed into the law. The provisions included a new Corporate Alternative Minimum Tax "CAMT", an excise tax on stock buybacks, and significant tax incentives for energy and climate initiatives, all effective for tax year 2023 and onwards. The Company is not subject to the provisions of CAMT and does not expect the impact of the remaining provisions to be material.

17. Retirement Plans

The Company has seven defined contribution retirement plans covering substantially all salaried employees and nonunion hourly employees. The Simpson Manufacturing Co., Inc. 401(k) Profit Sharing Plan (the "Plan") covers U.S. employees and provides for quarterly safe harbor contributions, limited to 3.0% of the employees' quarterly eligible compensation and for annual discretionary contributions, subject to certain limitations. The discretionary amounts for 2024, 2023 and 2022 were equal to 7.0% of qualifying salaries or wages of the covered employees. The Company also has the Simpson Manufacturing Co., Inc. SMW Supplemental 401(k) Plan where it makes periodic contributions to this plan in accordance with the collective bargaining agreement. For 2024, the Company contributed 1.0% of the covered employees' qualifying salaries and wages. The other five defined contribution plans, covering the Company’s European and Canadian employees, require the Company to make contributions ranging from 3.0% to 15.0% of the employees’ compensation. The total cost for these retirement plans for the years ended December 31, 2024, 2023 and 2022, was $29.7 million, $26.8 million, and $23.8 million, respectively.

We participate in various multiemployer benefit plans that cover some of our employees who are represented by labor unions**.** We make periodic contributions to these plans in accordance with the terms of applicable collective bargaining agreements and laws but do not sponsor or administer these plans**.** We do not participate in any multiemployer benefit plans for which we consider our contributions to be individually significant. If we withdraw from participation in any of these plans, the applicable law would require us to fund our allocable share of the unfunded vested benefits, which is known as a withdrawal liability. As of December 31, 2024, we believe that there was no probable withdrawal liability under the multiemployer benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees.

Our total contribution to various industry-wide, union-sponsored pension funds and a statutorily required pension fund for employees in the U.S. and Europe were $6.1 million, $5.7 million and $5.4 million for the years ended December 31, 2024, 2023 and 2022, respectively.

18. Related Party Transactions

In 2023, the Company identified certain purchases of goods and services from companies where the former Chief Executive Officer of the Company served as a director on the respective company's board providing the goods or services. The amount of goods and services purchased by the Company pursuant to these arrangements was not material to the Company’s consolidated statements of operations and cash flows for the year ended December 31, 2023.

The Company identified certain related party transactions for the years ended December 31, 2024 and 2023. The total expenses were not material to the Company, and the majority of the expenses were recorded within general and administrative expenses on our Consolidated Statement of Operations during the years ended December 31, 2024 and 2023.

19. Segment Information

The Company is organized into three reporting segments defined by the regions where the Company’s products are manufactured, marketed and distributed to the Company’s customers. The financial information of these segments is available and utilized by the Chief Executive Officer, the Company’s CODM, to assess the segments’ performance. The primary measurements used to measure the financial performance of the segments are revenue, gross margins, and operating margins to decide whether to reinvest the profits, make acquisitions, pay down debt or borrow, or to return capital to shareholders via dividends and share repurchases.

The three regional segments are the North America segment (comprised primarily of the Company’s operations in the U.S. and Canada), the Europe segment and the Asia/Pacific segment (comprised of the Company’s operations in Asia, the South Pacific, and the Middle East). These segments are similar in several ways, including the types of materials used, the production processes, the distribution channels and the product applications.

The Administrative & All Other column primarily includes expenses such as self-insured workers compensation claims for employees, stock-based compensation for certain members of management, interest expense, foreign exchange gains or losses and income tax expense, as well as revenues and expenses related to real estate activities.

The following table presents financial information of each segment that is used by the CODM to assess the performance of segments for periods ended December 31, 2024, 2023 and 2022, respectively:

(in thousands) 2024	North America	Europe	Asia/ Pacific	Administrative & All Other	Total
Net sales	$ 1,735,879	$ 479,055	$ 17,205	$ —	$2,232,139
Wood Products	1,499,889	384,494	15,141	—	1,899,524
Concrete Products	233,936	94,561	2,060	—	330,557
Cost of sales	885,375	310,073	11,407	(567)	1,206,288
Gross profit	850,504	168,982	5,798	567	1,025,851
Research and development, and other engineering expenses	84,246	8,514	816	—	93,576
Selling expenses	164,947	51,005	3,450	—	219,402
General and administrative expenses	161,958	72,181	1,851	41,542	277,532
Sales to other segments *	3,263	4,764	33,407	—	41,434
Income from operations	439,567	33,806	(294)	(43,104)	429,975
Depreciation and amortization	49,139	31,747	2,630	1,883	85,399
Significant non-cash charges	12,895	1,607	275	4,245	19,022
Provision for income taxes	98,960	9,332	1,271	2,256	111,819
Business acquisitions, net of cash acquired; capital expenditures; asset acquisitions; and equity investments	243,728	13,863	3,280	273	261,144
Total assets	2,062,552	687,955	48,769	(63,108)	2,736,168

(in thousands) 2023	North America	Europe	Asia/ Pacific	Administrative & All Other	Total
Net sales	$ 1,716,422	$ 480,756	$ 16,625	$ —	$ 2,213,803
Wood Products	1,491,848	385,134	14,467	—	1,891,449
Concrete Products	222,720	95,621	2,159	—	320,500
Cost of sales	853,864	303,708	10,946	1,530	1,170,048
Gross profit	862,558	177,048	5,679	(1,530)	1,043,755
Research and development, and other engineering expenses	84,539	7,523	105	—	92,167
Selling expenses	150,616	50,553	2,811	—	203,980
General and administrative expenses	154,241	68,578	2,229	43,055	268,103
Sales to other segments *	4,718	5,900	29,040	—	39,658
Income from operations	473,229	45,998	535	(44,613)	475,149
Depreciation and amortization	40,883	29,668	2,226	1,930	74,707
Significant non-cash charges	13,344	2,379	515	7,658	23,896
Provision for income taxes	109,722	11,435	1,313	90	122,560
Business acquisitions, net of cash acquired; capital expenditures; asset acquisitions; and equity investments	92,725	21,975	6,402	(7,605)	113,497
Total assets	1,745,341	716,396	38,719	204,268	2,704,724

(in thousands) 2022	North America	Europe	Asia/ Pacific	Administrative & All Other	Total
Net sales	$ 1,701,041	$ 400,303	$ 14,743	$ —	$ 2,116,087
Wood Products	1,496,062	323,065	12,453	—	1,831,580
Concrete Products	202,687	77,228	2,290	—	282,205
Cost of sales	890,384	274,687	9,834	(111)	1,174,794
Gross profit	810,657	125,616	4,909	111	941,293
Research and development, and other engineering expenses	62,676	5,467	254	(43)	68,354
Selling expenses	126,990	39,872	2,509	7	169,378
General and administrative expenses	135,163	52,958	1,462	38,885	228,468
Sales to other segments *	4,862	5,732	32,979	—	43,573
Income from operations	485,899	11,121	723	(38,676)	459,067
Depreciation and amortization	36,003	22,594	1,730	563	60,890
Significant non-cash charges	7,504	1,099	510	5,868	14,981
Provision for income taxes	112,537	1,193	1,091	(751)	114,070
Business acquisitions, net of cash acquired; capital expenditures; asset acquisitions; and equity investments	54,594	817,163	1,173	2,871	875,801
Total assets	1,393,968	675,634	34,599	399,770	2,503,971

* Sales to other segments are eliminated upon consolidation.

Cash collected by the Company's U.S. subsidiaries is routinely transferred into the Company's cash management accounts, and therefore is in the total assets of "Administrative & All Other." Cash and cash equivalent balances in "Administrative & All Other" were $126.1 million, $368.6 million and $222.5 million as of December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, the Company had $111.6 million, or 46.6%, of its cash and cash equivalents held outside the U.S. in accounts belonging to the Company's various foreign operating entities. The majority of this balance is held in foreign currencies and could be subject to additional taxation if repatriated to the U.S.

The significant non-cash charges comprise compensation related to equity awards under the Company's stock-based incentive plans, the Company's employee stock bonus plan, and the Company's non-qualified deferred compensation plan. The Company's measure of profit or loss for its reportable segments is income (loss) from operations. The reconciling amounts between consolidated income before tax and consolidated income from operations are net interest income (expense), net and other, foreign exchange gain (loss), certain legal and professional fees associated with the acquisition of ETANCO, refer to Note 3 "Acquisitions," and gain on disposal of a assets. Interest income (expense) is primarily attributed to "Administrative & All Other."

The following table shows the geographic distribution of the Company's net sales and long-lived assets as of December 31, 2024, 2023 and 2022, respectively:

(in thousands)	2024 Net Sales	2024 Long-Lived Assets	2023 Net Sales	2023 Long-Lived Assets	2022 Net Sales	2022 Long-Lived Assets
United States	$ 1,640,669	$ 439,326	$ 1,630,359	$ 305,564	$ 1,615,728	$ 273,407
France	225,336	54,807	223,562	62,547	170,904	90,296
Canada	90,220	2,799	81,404	2,722	81,036	2,571
Italy	56,042	24,869	62,428	25,245	47,294	4,342
Germany	48,134	12,273	45,319	12,077	42,954	11,507
Poland	45,528	11,452	39,978	10,836	27,803	2,721
United Kingdom	29,310	2,286	32,058	2,352	37,349	1,898
Belgium	17,549	1,723	18,802	2,297	15,032	2,182
Sweden	13,946	2,192	15,342	2,579	16,156	2,369
Denmark	12,746	4,614	12,318	3,734	12,610	1,015
Australia	12,196	1,181	11,351	800	9,468	245
Norway	8,391	—	9,635	852	12,241	—
Other countries	32,072	17,461	31,247	19,487	27,512	11,496
	$ 2,232,139	$ 574,983	$ 2,213,803	$ 451,092	$ 2,116,087	$ 404,049

Net sales and long-lived assets, excluding intangible assets and goodwill, are attributable to the country where the sales or manufacturing operations are located.

The Company's wood construction products are used in light-frame building applications and include connectors, truss plates, screw fastening systems, fasteners and pre-fabricated lateral-force resisting systems. Its concrete construction products are used in concrete, masonry and steel building applications and include adhesives, chemicals, mechanical anchors, carbide drill bits, powder actuated tools, fiber reinforced materials, and other repair products used for protecting and strengthening structures. The following table shows the distribution of the Company’s net sales by product for the years ended December 31, 2024, 2023 and 2022, respectively:

(in thousands)	2024	2023	2022
Wood Construction	$ 1,899,524	$ 1,891,449	$ 1,831,580
Concrete Construction	330,557	320,500	282,205
Other	2,058	1,854	2,302
Total	$ 2,232,139	$ 2,213,803	$ 2,116,087

No customers accounted for more than 10.0% of net sales for the years ended 2024, 2023 and 2022.

20. Subsequent Events

Dividend Declaration

On January 31, 2025, the Company's Board of Directors (the "Board") declared a quarterly cash dividend of $0.28 per share of the Company's common stock, estimated to be $11.8 million in total. The record date for the dividend will be April 3, 2025, and will be paid on April 23, 2025.

Treasury Share Retirement

On January 31, 2025, the Board adopted a resolution to retire 559,179 shares held as treasury account in Stockholders' Equity.

Sale of Asset

On January 24, 2025, the Company has executed an agreement to sell its Gallatin, Tennessee facility for $19.1 million. As of December 31, 2024, the assets did not meet the held-for-sale criteria.

Share Repurchases

In February 2025, the Company repurchased 146,640 shares of the Company’s common stock in the open market at an average price of 170.48 per share for a total of approximately $25.0 million. As a result, as of February 28, 2025, approximately $75.0 million remained available for share repurchase through December 31, 2025 under the Company’s previously announced $100.0 million share repurchase authorization.

SCHEDULE II

Simpson Manufacturing Co., Inc. and Subsidiaries

VALUATION AND QUALIFYING ACCOUNTS
for the years ended December 31, 2024, 2023 and 2022

(in thousands) Classification	Balance at Beginning of Year	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts — Write-offs	Deductions	Balance at End of Year
Year to date December 31, 2024					
Allowance for doubtful accounts	$ 3,881	$ 115	$ 998	$ —	$ 2,998
Allowance for sales discounts	8,181	—	995	—	7,186
Allowance for deferred tax assets	10,430	2,595	—	298	12,727
Year to date December 31, 2023					
Allowance for doubtful accounts	3,240	730	89	—	3,881
Allowance for sales discounts	8,769	—	588	—	8,181
Allowance for deferred tax assets	11,179	955	—	1,704	10,430
Year to date December 31, 2022					
Allowance for doubtful accounts	1,932	1,663	355	—	3,240
Allowance for sales discounts	7,225	1,544	—	—	8,769
Allowance for deferred tax assets	11,991	97	—	909	11,179

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures. As of December 31, 2024, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the chief executive officer the ("CEO") and the chief financial officer (the "CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15-d-15(e) under the Exchange Act. Based on this evaluation, the Company's CEO and CFO have concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level. Disclosure controls and procedures are controls and other procedures designed reasonably to assure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures are also designed reasonably to assure that this information is accumulated and communicated to the Company's management, including the CEO and the CFO, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the CEO and the CFO, does not, however, expect that the Company's disclosure controls and procedures or the Company's internal control over financial reporting will prevent all fraud and material errors. Internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the facts that there are resource constraints and that the benefits of controls must be considered relative to their costs. The inherent limitations in internal control over financial reporting include the realities that judgments can be faulty and that breakdowns can occur because of simple error or mistake. Controls also can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of controls. The design of any system of internal control is also based in part on assumptions about the likelihood of future events, and there can be only reasonable, not absolute assurance that any design will succeed in achieving its stated goals under all potential events and conditions. Over time, controls may become inadequate because of changes in circumstances, or the degree of compliance with the policies and procedures may deteriorate.

Management's Report on Internal Control over Financial Reporting. The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, using the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and concluded that the Company's internal control over financial reporting was effective as of December 31, 2024.

Grant Thornton LLP, an independent registered public accounting firm that audited the Company's Consolidated Financial Statements, has also audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, as stated in their report included in the Company's Consolidated Financial Statements.

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the year ended December 31, 2024, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

None of the Company's directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended December 31, 2024, as such terms are defined under Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdiction That Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The other information required by this Item will be contained in the Company's proxy statement for the 2025 Annual Meeting of Stockholders to be held on Tuesday, May 6, 2025, to be filed with the SEC not later than 120 days following the end of the Company's fiscal year ended December 31, 2024, which information is incorporated herein by reference.

Insider Trading Policies and Procedures
We have adopted an insider trading policy (the "Insider Trading Policy") which applies to all employees and prohibits trading in the Company's and its affiliates' securities by persons associated with the Company that may possess material nonpublic information relating to the Company and affiliates. A copy of the Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

Item 11. Executive Compensation.

The information required by this Item will be contained in the Company's proxy statement for the 2025 Annual Meeting of Stockholders to be held on Tuesday, May 6, 2025, to be filed with the SEC not later than 120 days following the end of the Company's fiscal year ended December 31, 2024, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item will be contained in the Company's proxy statement for the 2025 Annual Meeting of Stockholders to be held on Tuesday, May 6, 2025, to be filed with the SEC not later than 120 days following the end of the Company's fiscal year ended December 31, 2024, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item will be contained in the Company's proxy statement for the 2025 Annual Meeting of Stockholders to be held on Tuesday, May 6, 2025, to be filed with the SEC not later than 120 days following the end of the Company's fiscal year ended December 31, 2024, which information is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

The information required by this Item will be contained in the Company's proxy statement for the 2025 Annual Meeting of Stockholders to be held on Tuesday, May 6, 2025, to be filed with the SEC not later than 120 days following the end of the Company's fiscal year ended December 31, 2024, which information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Consolidated financial statements

The following consolidated financial statements are filed as a part of this report:

Reports of Independent Registered Public Accounting Firms

Consolidated Balance Sheets as of December 31, 2024, and 2023

Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022

Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022

Consolidated Statements of Stockholders' Equity for the years ended December 31, 2024, 2023 and 2022

Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022

Notes to Consolidated Financial Statements

2. Financial Statement Schedules

The following consolidated financial statement schedule for each of the years in the three-year period ended December 31, 2024, is filed as part of this Annual Report on Form 10-K:

Schedule II - Valuation and Qualifying Accounts-Years ended December 31, 2024, 2023 and 2022.

All other schedules have been omitted as the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and related notes thereto.

(b) Exhibits

The following exhibits are either incorporated by reference into, or filed or furnished with, this Annual Report on Form 10-K, as indicated below.

3.1 Certificate of Incorporation of Simpson Manufacturing Co., Inc., as amended, is incorporated by reference to Exhibit 3.1 of its Quarterly Report on Form 10-Q for the quarter ended March 31, 2018.

3.2 Certificate of Amendment of Certificate of Incorporation of Simpson Manufacturing Co., Inc.is incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on May 6, 2024.

3.3 Amended and Restated Bylaws of Simpson Manufacturing Co., Inc., as amended, are incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on March 14, 2023.

4.1 Description of Securities Registered under Section 12 of the Exchange Act is filed herewith.

10.1* Form of Indemnification Agreement between Simpson Manufacturing Co., Inc. and its directors and executive officers, as well as the officers of Simpson Strong-Tie Company Inc., is incorporated by reference to Exhibit 10.2 of Simpson Manufacturing Co., Inc.'s Annual Report on Form 10-K for the year ended December 31, 2004.
*Management contract or compensatory plan or arrangement.

10.2 Amended and Restated Credit Agreement among the Company, the subsidiaries of the Company party thereto as guarantors, the lenders party thereto, Wells Fargo Bank, National Association, as administrative agent, and the other parties party thereto is incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed April 4, 2022.

10.3* Simpson Manufacturing Co., Inc. Executive Officer Cash Profit Sharing Plan, as amended through March 17, 2017 is incorporate by reference to Exhibit 10.5 of its Annual Report on Form 10-K dated February 28, 2024.
*Management contract or compensatory plan or arrangement.

10.4* Simpson Manufacturing Co., Inc. Amended and Restated 2011 Incentive Plan is incorporated by reference to Exhibit A of Simpson Manufacturing Co., Inc.'s Schedule 14A Proxy Statement dated March 9, 2015.
*Management contract or compensatory plan or arrangement.

10.5* Simpson Manufacturing Co., Inc. 401(k) Profit Sharing Plan is incorporated by reference to Exhibit 4.5 of Simpson Manufacturing Co., Inc.'s Registration Statement on Form S-8, File Number 333-173811, dated December 15, 2015.
*Management contract or compensatory plan or arrangement.

10.6* Simpson Manufacturing Co., Inc. Executive Severance Plan is incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on May 6, 2024.
*Management contract or compensatory plan or arrangement.

10.7* Simpson Manufacturing Co., Inc. Non-qualified Plan is incorporated by reference to Exhibit 4.3 of the Company's Form S-8 filed on May 8, 2023.
*Management contract or compensatory plan or arrangement.

10.8* Form of Simpson Manufacturing Co., Inc. Director Time Based Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10.9 of its Annual Report on Form 10-K dated February 28, 2022.
*Management contract or compensatory plan or arrangement.

10.9 *Form of Simpson Manufacturing Co., Inc. 2022 Performance Based Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10.10 of its Annual Report on Form 10-K dated February 28, 2022.
*Management contract or compensatory plan or arrangement.

10.10*Form of Simpson Manufacturing Co., Inc. 2022 Time Based Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10.11 of its Annual Report on Form 10-K dated February 28, 2022.
* Management contract or compensatory plan or arrangement.

10.11*Form of Simpson Manufacturing Co., Inc. 2024 Performance Based Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10.12 of its Annual Report on Form 10-K dated February 28, 2024.
* Management contract or compensatory plan or arrangement.

10.12*Form of Simpson Manufacturing Co., Inc. 2024 Time Based Restricted Stock Unit Agreement is incorporated by reference to Exhibit 10.13 of its Annual Report on Form 10-K dated February 28, 2024.
* Management contract or compensatory plan or arrangement.

19.1 Insider Trading Policy of Simpson Manufacturing Co., Inc., effective as of February 20, 2025, is filed herewith.

21. List of Subsidiaries of the Registrant is filed herewith.

23 Consent of Grant Thornton LLP is filed herewith.

31.1 Chief Executive Officer's Rule 13a-14(a)/15d-14(a) Certification is filed herewith.

31.2 Chief Financial Officer's Rule 13a-14(a)/15d-14(a) Certification is filed herewith.

32. Section 1350 Certifications are furnished herewith.

97. Compensation Recovery Policy of Simpson Manufacturing Co., Inc., effective as of July 28, 2023, is incorporated by reference to Exhibit 97 of its Annual Report on Form 10-K dated February 28, 2024.

101 Financial statements from the annual report on Form 10-K of Simpson Manufacturing Co., Inc. for the year ended December 31, 2024, formatted in XBRL, are filed herewith and include: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Statement of Comprehensive Income, (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements.

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated:	February 28, 2025		**Simpson Manufacturing Co., Inc.**
			(Registrant)
		By	/s/Matt Dunn
			Matt Dunn Chief Financial Officer and Duly Authorized Officer of the Registrant (principal accounting and financial officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated below.

Signature	Title	Date
Chief Executive Officer:		
/s/Mike Olosky (Mike Olosky)	Chief Executive Officer and Director (principal executive officer)	February 28, 2025
Chief Financial Officer:		
/s/Matt Dunn (Matt Dunn)	Chief Financial Officer and Treasurer (principal accounting and financial officer)	February 28, 2025
Directors:		
/s/Philip E. Donaldson (Philip E. Donaldson)	Chairman of the Board and Director	February 28, 2025
/s/James S. Andrasick (James S. Andrasick)	Director	February 28, 2025
/s/Chau Banks (Chau Banks)	Director	February 28, 2025
/s/Felica Coney (Felica Coney)	Director	February 28, 2025
/s/Gary M. Cusumano (Gary M. Cusumano)	Director	February 28, 2025
/s/Angela Drake (Angela Drake)	Director	February 28, 2025
/s/Celeste Volz Ford (Celeste Volz Ford)	Director	February 28, 2025
/s/Kenneth Knight (Kenneth Knight)	Director	February 28, 2025

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We have issued our reports dated February 28, 2025, with respect to the consolidated financial statements, financial statement schedule, and internal control over financial reporting included in the Annual Report of Simpson Manufacturing Co., Inc. on Form 10-K for the year ended December 31, 2024. We consent to the incorporation by reference of said reports in the Registration Statements of Simpson Manufacturing Co., Inc. on Forms S-3 (File Nos. 333-44603 and 333-102910) and on Forms S-8 (File Nos. 033-90964, 333-37325, 333-40858, 333-97313, 333-97315, 333-173811, 033-85662 and 333-271724).

/s/ Grant Thornton LLP
San Francisco, California
February 28, 2025

Exhibit 31.1

Simpson Manufacturing Co., Inc. and Subsidiaries
Rule 13a-14(a)/15d-14(a) Certifications

I, Mike Olosky, certify that:

1. I have reviewed this annual report on Form 10-K of Simpson Manufacturing Co., Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: February 28, 2025

By /s/Mike Olosky
Mike Olosky
Chief Executive Officer

Simpson Manufacturing Co., Inc. and Subsidiaries
Rule 13a-14(a)/15d-14(a) Certifications

I, Matt Dunn, certify that:

1. I have reviewed this annual report on Form 10-K of Simpson Manufacturing Co., Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: February 28, 2025

By /s/Matt Dunn
Matt Dunn
Chief Financial Officer

Exhibit 32

Simpson Manufacturing Co., Inc. and Subsidiaries
Section 1350 Certifications

The undersigned, Mike Olosky and Matt Dunn, being the duly elected and acting Chief Executive Officer and Chief Financial Officer, respectively, of Simpson Manufacturing Co., Inc., a Delaware corporation (the "Company"), hereby certify that the annual report of the Company on Form 10-K for the year ended December 31, 2024, fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934, as amended, and that information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

DATE: February 28, 2025

By /s/Mike Olosky
Mike Olosky
Chief Executive Officer

By /s/Matt Dunn
Matt Dunn
Chief Financial Officer

A signed original of this written statement required by Section 1350 of Chapter 63 of Title 18 of the United States Code has been provided to Simpson Manufacturing Co., Inc. and will be retained by Simpson Manufacturing Co., Inc. and furnished to the Securities and Exchange Commission or its staff on request.

The foregoing certification is being furnished to the Securities and Exchange Commission pursuant to § 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIMPSON
Manufacturing
COMPANY

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