

GENTEX CORP. NDQ-GNTX

RECENT PRICE **30.88** P/E RATIO **15.8** (Trailing: 18.1, Median: 16.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **1.6%**

VALUE LINE

TIMELINESS 3 Lowered 11/10/23
SAFETY 2 Raised 9/10/21
TECHNICAL 2 Lowered 12/1/23
BETA .95 (1.00 = Market)

High: 15.7 17.1 19.1 18.8 20.4 22.1 25.4 29.7 34.3
 Low: 7.2 9.1 13.2 13.8 12.9 16.6 17.8 19.5 19.5
LEGENDS
 14.0 x "Cash Flow" p sh
 Relative Price Strength
 2-for-1 split 1/15
 Options: Yes
 Shaded area indicates recession

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$27-\$47 \$37 (20%)

2026-28 PROJECTIONS
 Price Gain Ann'l Total
 High 65 (+110%) 22%
 Low 45 (+45%) 11%

Institutional Decisions
 4Q2022 1Q2023 2Q2023
 to Buy 211 249 216
 to Sell 197 194 223
 Hld's(000) 202041 201612 200656



2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	© VALUE LINE PUB. LLC	26-28
2.26	2.27	1.97	2.87	3.55	3.84	4.02	4.66	5.30	5.84	6.40	7.07	7.40	6.93	7.32	8.19	9.70	10.85	Sales per sh	13.95
.53	.36	.37	.62	.72	.77	.98	1.24	1.37	1.52	1.67	2.08	2.11	1.86	1.95	1.77	2.20	2.65	"Cash Flow" per sh	3.75
.43	.22	.24	.49	.57	.60	.78	.98	1.08	1.19	1.28	1.62	1.68	1.43	1.52	1.36	1.80	2.20	Earnings per sh ^A	3.10
.20	.22	.22	.22	.24	.26	.28	.31	.34	.36	.39	.44	.46	.48	.48	.48	.48	.52	Div'ds Decl'd per sh ^B	.80
.19	.17	.08	.16	.42	.41	.19	.25	.34	.42	.37	.33	.34	.21	.29	.63	.90	.80	Cap'l Spending per sh	.85
2.79	2.54	2.66	3.14	3.56	3.92	4.56	5.32	5.91	6.64	7.31	7.18	7.71	8.06	8.20	8.82	9.85	11.10	Book Value per sh	13.95
289.51	275.27	276.68	284.58	288.14	286.15	291.16	295.25	291.34	287.74	280.28	259.33	251.28	243.69	236.44	234.17	233.00	230.00	Common Shs Outst'g ^C	222.00
22.0	33.0	27.2	20.7	25.2	17.9	15.5	15.7	15.5	13.8	15.3	13.9	14.7	19.3	22.7	21.1	21.0	21.0	Avg Ann'l P/E Ratio	18.0
1.17	1.99	1.81	1.32	1.58	1.14	.87	.83	.78	.72	.77	.75	.78	.99	1.23	1.22	1.22	1.22	Relative P/E Ratio	1.00
2.1%	3.0%	3.4%	2.2%	1.7%	2.4%	2.3%	2.0%	2.0%	2.2%	2.0%	1.9%	1.9%	1.7%	1.4%	1.7%	1.7%	1.7%	Avg Ann'l Div'd Yield	1.3%

CAPITAL STRUCTURE as of 9/30/23
 Total Debt Nil
 Leases, Uncapitalized \$1.4 mill.
 No Defined Benefit Pension Plan
 Pfd Stock None
 Common Stock 233,252,591 shs. as of 10/27/23
 MARKET CAP: \$7.2 billion (Mid Cap)

1171.9	1375.5	1543.6	1678.9	1794.9	1834.1	1858.9	1688.2	1731.2	1919.0	2260	2500	Sales (\$mill)	3100
31.4%	34.7%	34.9%	35.8%	34.7%	33.3%	31.9%	29.9%	29.4%	24.3%	28.0%	30.0%	Operating Margin	30.5%
62.9	77.4	80.6	88.6	99.6	102.2	104.7	104.7	99.1	96.6	100	110	Depreciation (\$mill)	135
222.9	288.6	318.5	347.6	369.3	437.9	424.7	347.6	360.8	318.8	415	505	Net Profit (\$mill)	695
32.0%	30.5%	31.3%	31.9%	30.6%	16.1%	15.1%	15.6%	13.3%	13.8%	15.0%	17.0%	Income Tax Rate	17.0%
19.0%	21.0%	20.6%	20.7%	20.6%	23.9%	22.8%	20.6%	20.8%	16.6%	18.4%	20.2%	Net Profit Margin	22.4%
481.2	723.2	853.0	1005.1	940.9	681.7	778.5	801.6	691.3	698.1	800	830	Working Cap'l (\$mill)	930
265.6	258.1	225.6	178.1	--	--	--	--	--	--	Nil	Nil	Long-Term Debt (\$mill)	Nil
1327.6	1571.4	1722.5	1910.4	2049.5	1861.8	1938.1	1963.9	1938.0	2065.8	2300	2550	Shr. Equity (\$mill)	3100
14.0%	15.9%	16.6%	16.9%	18.0%	23.5%	21.9%	17.7%	18.6%	15.4%	18.0%	20.0%	Return on Total Cap'l	22.5%
16.8%	18.4%	18.5%	18.2%	18.0%	23.5%	21.9%	17.7%	18.6%	15.4%	18.0%	20.0%	Return on Shr. Equity	22.5%
10.8%	12.8%	12.9%	12.9%	12.7%	17.3%	15.9%	11.7%	12.7%	10.0%	13.5%	15.5%	Retained to Com Eq	17.5%
36%	30%	30%	29%	29%	27%	27%	34%	32%	35%	27%	26%	All Div'ds to Net Prof	28%

CURRENT POSITION (SMILL.)

	2021	2022	9/30/23
Cash Assets	262.3	214.8	260.6
Receivables	249.8	276.5	351.1
Inventory (FIFO)	316.3	404.4	395.5
Other	44.6	53.0	48.3
Current Assets	873.0	948.7	1055.5
Accts Payable	98.3	151.7	171.4
Debt Due	--	--	--
Other	83.4	98.9	103.0
Current Liab.	181.7	250.6	274.4

BUSINESS: Gentex Corporation manufactures automatic-dimming automotive rearview mirrors and electronics for the automotive industry. These mirrors use sensors to detect glare from trailing approaching vehicles and darken to protect the driver's vision. It also makes dimmable aircraft windows for the aviation industry. Sells to most of the major automakers (has 3 customers who each ac-

counted for 10% or more of 2022 total sales). Also makes commercial fire protection products. Has approximately 5,465 employees. Vanguard owns 10.2% of common stock; BlackRock, 9.3%; officers and directors, less than 1.0% (4/23 proxy). Pres. and CEO: Steve Downing, Inc.: MI. Address: 600 N. Centennial Street, Zeeland, MI 49464. Telephone: 616-772-1800. Internet: www.gentex.com.

ANNUAL RATES

Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22	
of change (per sh)	10 Yrs.	5 Yrs.	
Sales	8.0%	5.0%	11.0%
"Cash Flow"	10.0%	4.0%	12.5%
Earnings	10.0%	4.0%	13.5%
Dividends	7.0%	6.0%	9.0%
Book Value	9.0%	5.0%	9.0%

Gentex posted strong third-quarter results. Sales increased 17% compared to the previous-year tally. The advance was driven by a 10% rise in total auto-dimming mirror unit shipments, to 12.6 million. Demand for exterior auto-dimming mirrors from international customers was particularly robust, as volumes abroad jumped 19%. Global industry light-vehicle production increased 5% in the company's primary markets of North America, Europe, Japan, South Korea, and China, indicating Gentex outperformed the industry's gain by five percentage points. Margins widened in the period, supported by higher sales, improvements in freight and tariff-related costs, price increases, and an improving product mix. This more than offset elevated raw material and labor costs. This allowed share earnings of \$0.45 to surge 45% compared to the previous-year figure.

The company expects total global light-vehicle production to rise 4% in its core markets in the December quarter. Gentex's top-line guidance for the year implies fourth-quarter sales are expected to increase 10%-12%, implying that the company will likely continue to outperform the broader market by a considerable amount. We think margins will continue to widen this year, driven by the higher sales, ongoing easing supply-chain challenges, price increases, and moderating costs. This ought to drive a big jump in profits this year. Looking to 2024, our estimates call for slowing, but still robust, top- and bottom-line growth. While management currently expects only a 1% rise in total global light-vehicle production, the company should continue to outperform the industry.

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	453.8	229.9	474.6	529.9	1688.2
2021	483.7	428.1	399.6	419.8	1731.2
2022	468.3	463.5	493.6	493.6	1919.0
2023	550.8	583.5	575.8	549.9	2260
2024	600	620	630	650	2500

We think Gentex will finish 2023 with good results. Management noted that it was seeing a continuation of unit and content growth, which has been driven by the success of its technology platforms and increased take rates of its Full Display Mir-

Shares of Gentex are ranked to track the broader market averages in the coming six to 12 months. But over the 3- to 5-year period, the stock, which has a Safety rank of 2 (Above Average), offers worthwhile price appreciation potential at the recent quotation.
Jason Dalavagas
 December 8, 2023

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.36	.02	.47	.58	1.43
2021	.46	.39	.32	.35	1.52
2022	.37	.31	.31	.37	1.36
2023	.42	.47	.45	.46	1.80
2024	.50	.55	.55	.60	2.20

(A) Diluted earnings. Quarterly earnings may not sum due to rounding. Next earnings report due in early February.
 (B) Payments typically made in late January.

April, July, and October.
 (C) In millions, adjusted for stock split.

Company's Financial Strength B++
Stock's Price Stability 95
Price Growth Persistence 80
Earnings Predictability 80

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