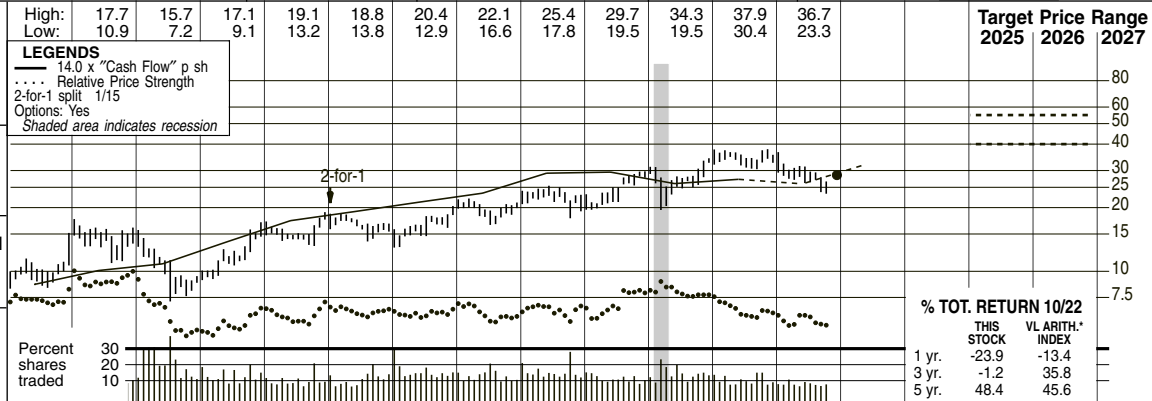


# GENTEX CORP. NDQ-GNTX

RECENT PRICE **28.53** P/E RATIO **18.8** (Trailing: 21.3 Median: 16.0) RELATIVE P/E RATIO **1.15** DIV'D YLD **1.7%** **VALUE LINE**

**TIMELINESS** 3 Lowered 10/2/20  
**SAFETY** 2 Raised 9/10/21  
**TECHNICAL** 5 Lowered 11/25/22  
**BETA** .95 (1.00 = Market)



**18-Month Target Price Range**  
**Low-High** Midpoint (% to Mid)  
 \$23-\$51 \$37 (30%)

**2025-27 PROJECTIONS**  
 High Price Gain Ann'l Total  
 Low 55 (+95%) 19%  
 40 (+40%) 10%

**Institutional Decisions**  
 10/2022 20/2022 30/2022  
 to Buy 208 209 172  
 to Sell 232 201 243  
 Hld's(000) 206691 203528 197938

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
2.01	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	<b>8.30</b>	<b>9.55</b>	Sales per sh	<b>11.80</b>
.48	.53	.36	.37	.62	.72	.77	.98	1.24	1.37	1.52	1.67	2.08	2.11	1.86	1.95	<b>1.85</b>	<b>2.30</b>	"Cash Flow" per sh	<b>3.35</b>
.37	.43	.22	.24	.49	.57	.60	.78	.98	1.08	1.19	1.28	1.62	1.68	1.43	1.52	<b>1.40</b>	<b>1.80</b>	Earnings per sh <sup>A</sup>	<b>2.75</b>
.19	.20	.22	.22	.22	.24	.26	.28	.31	.34	.36	.39	.44	.46	.48	.48	<b>.48</b>	<b>.52</b>	Div'ds Decl'd per sh <sup>B</sup>	<b>.78</b>
.17	.19	.17	.08	.16	.42	.41	.19	.25	.34	.42	.37	.33	.34	.21	.29	<b>.60</b>	<b>.55</b>	Cap'l Spending per sh	<b>.55</b>
2.47	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	<b>8.80</b>	<b>9.55</b>	Book Value per sh	<b>11.80</b>
284.95	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	<b>233.00</b>	<b>230.00</b>	Common Shs Outst'g <sup>C</sup>	<b>220.00</b>
21.4	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	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	<b>18.0</b>
1.16	1.17	1.99	1.81	1.32	1.58	1.14	.87	.83	.78	.72	.77	.75	.78	.99	1.23			Relative P/E Ratio	<b>1.00</b>
2.4%	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%			Avg Ann'l Div'd Yield	<b>1.3%</b>

**CAPITAL STRUCTURE as of 9/30/22**  
 Total Debt Nil  
 Leases, Uncapitalized \$1.4 mill.  
 No Defined Benefit Pension Plan  
 Pfd Stock None  
 Common Stock 234,582,146 shs. as of 10/28/22  
 MARKET CAP: \$6.7 billion (Mid Cap)

1099.6	1171.9	1375.5	1543.6	1678.9	1794.9	1834.1	1858.9	1688.2	1731.2	<b>1930</b>	<b>2200</b>	Sales (\$mill)	<b>2600</b>
26.3%	31.4%	34.7%	34.9%	35.8%	34.7%	33.3%	31.9%	29.9%	29.4%	<b>26.5%</b>	<b>28.5%</b>	Operating Margin	<b>32.0%</b>
50.2	62.9	77.4	80.6	88.6	99.6	102.2	104.7	104.7	99.1	<b>105</b>	<b>110</b>	Depreciation (\$mill)	<b>130</b>
171.5	222.9	288.6	318.5	347.6	369.3	437.9	424.7	347.6	360.8	<b>325</b>	<b>415</b>	Net Profit (\$mill)	<b>610</b>
32.7%	32.0%	30.5%	31.3%	31.9%	30.6%	16.1%	15.1%	15.6%	13.3%	<b>15.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>17.0%</b>
15.6%	19.0%	21.0%	20.6%	20.7%	20.6%	23.9%	22.8%	20.6%	20.8%	<b>16.8%</b>	<b>18.9%</b>	Net Profit Margin	<b>23.5%</b>
656.7	481.2	723.2	853.0	1005.1	940.9	681.7	778.5	801.6	691.3	<b>740</b>	<b>790</b>	Working Cap'l (\$mill)	<b>910</b>
--	265.6	258.1	225.6	178.1	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	Long-Term Debt (\$mill)	<b>Nil</b>
1121.0	1327.6	1571.4	1722.5	1910.4	2049.5	1861.8	1938.1	1963.9	1938.0	<b>2050</b>	<b>2200</b>	Shr. Equity (\$mill)	<b>2600</b>
15.3%	14.0%	15.9%	16.6%	16.9%	18.0%	23.5%	21.9%	17.7%	18.6%	<b>16.0%</b>	<b>19.0%</b>	Return on Total Cap'l	<b>23.5%</b>
15.3%	16.8%	18.4%	18.5%	18.2%	18.0%	23.5%	21.9%	17.7%	18.6%	<b>16.0%</b>	<b>19.0%</b>	Return on Shr. Equity	<b>23.5%</b>
8.7%	10.8%	12.8%	12.9%	12.9%	12.7%	17.3%	15.9%	11.7%	12.7%	<b>10.0%</b>	<b>13.5%</b>	Retained to Com Eq	<b>17.0%</b>
43%	36%	30%	30%	29%	29%	27%	27%	34%	32%	<b>35%</b>	<b>29%</b>	All Div'ds to Net Prof	<b>27%</b>

**CURRENT POSITION (SMILL.)**

	2020	2021	9/30/22
Cash Assets	423.4	262.3	222.9
Receivables	284.9	249.8	292.4
Inventory (FIFO)	226.3	316.3	418.3
Other	44.7	44.6	55.7
Current Assets	979.3	873.0	989.3
Accts Payable	84.8	98.3	171.4
Debt Due	--	--	--
Other	92.9	83.4	93.8
Current Liab.	177.7	181.7	265.2

**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 2021 total sales). Also makes commercial fire protection products. Has approximately 5,000 employees. Vanguard owns 10.1% of common stock; BlackRock, 8.8%; officers and directors, less than 1.0% (4/22 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 '19-'21 to '25-'27

of change (per sh)	10 Yrs.	5 Yrs.	to '25-'27
Sales	10.0%	6.5%	8.0%
"Cash Flow"	13.0%	7.5%	9.0%
Earnings	13.5%	7.5%	10.0%
Dividends	7.5%	7.5%	8.0%
Book Value	10.0%	6.0%	6.0%

**Gentex posted mixed third-quarter results.** While sales increased 24% compared to the previous-year tally, share earnings of \$0.31 were nearly a dime below our forecast and a penny lower than last year's figure. The top-line advance was driven by a 17% increase in total auto-dimming mirror shipments, to 11.489 million. The company benefited from a 26% rise in global light-vehicle production in North America, Europe, Japan, South Korea, and China. Management noted that some of the supply-chain problems that have plagued the industry moderated. However, the product mix was hurt by customer order adjustments and labor availability issues. Margins were also pressured by higher raw material and labor costs. Component shortages were also a headwind.

increases, which will help offset ongoing commodity, freight, and labor cost inflation. As a result, we think share earnings in the fourth quarter should improve both sequentially and on a year-over-year basis. However, the company still expects a high level of volatility in customer orders and vehicle production volumes in the near term due to electronics supply-chain constraints, the war in Ukraine, labor shortages, and overall economic uncertainty.

**QUARTERLY SALES (\$ mill.)**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	468.6	468.7	477.8	443.8	1858.9
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	463.4	493.6	<b>504.7</b>	<b>1930</b>
2023	<b>520</b>	<b>540</b>	<b>560</b>	<b>580</b>	<b>2200</b>

**We think Gentex will end 2022 with better results.** We expect year-over-year sales to increase roughly 20% in the December quarter. Demand from customers in North America, Japan, and South Korea should drive the advance. Management also noted that it has been making progress on talks with customers about price

**We anticipate good top- and bottom-line growth in 2023.** Management expects total global light-vehicle production to rise 4%, to 70.57 million. It looks for sales to increase 15%-20%, with price increases helping to boost the top line. Margins will likely widen due to the higher sales and some moderation in the aforementioned headwinds.

**EARNINGS PER SHARE <sup>A</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.40	.45	.44	.39	1.68
2020	.36	.02	.47	.58	1.43
2021	.46	.39	.32	.35	1.52
2022	.37	.31	.31	<b>.41</b>	<b>1.40</b>
2023	<b>.40</b>	<b>.40</b>	<b>.45</b>	<b>.55</b>	<b>1.80</b>

**Shares of Gentex are ranked to track the broader market averages in the coming six to 12 months.** The stock, which has a modest dividend yield and a Safety rank of 2 (Above Average), offers about-average price appreciation potential over the 3- to 5-year haul.

(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	90
Price Growth Persistence	90
Earnings Predictability	75

**To subscribe call 1-800-VALUELINE**

December 9, 2022