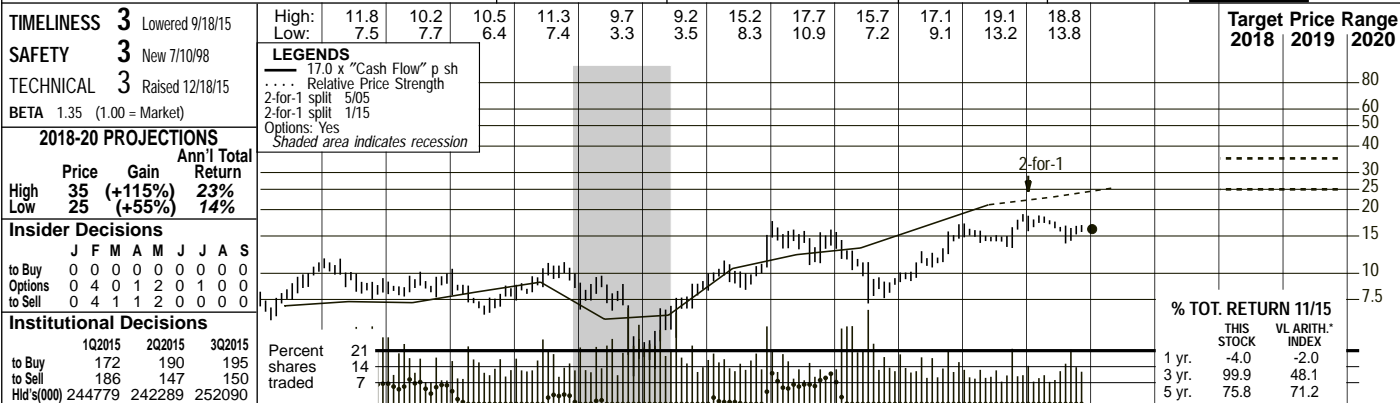


# GENTEX CORP. NDQ-GNTX

RECENT PRICE **16.19** P/E RATIO **14.9** (Trailing: 15.7 Median: 22.0) RELATIVE P/E RATIO **0.85** DIV'D YLD **2.1%** VALUE LINE



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
.89	1.00	1.03	1.30	1.52	1.62	1.72	2.01	2.26	2.27	1.97	2.87	3.55	3.84	4.02	4.66	5.25	5.70	Sales per sh	6.80
.25	.28	.27	.34	.41	.43	.43	.48	.53	.36	.37	.62	.72	.77	.98	1.24	1.35	1.50	"Cash Flow" per sh	1.80
.22	.23	.22	.28	.34	.36	.35	.37	.43	.22	.24	.49	.57	.60	.78	.98	1.05	1.15	Earnings per sh <sup>A</sup>	1.40
--	--	--	--	.04	.16	.18	.19	.20	.22	.22	.24	.26	.28	.31	.33	.36	.36	Div'ds Decl'd per sh <sup>B</sup>	.44
.07	.07	.15	.11	.07	.10	.17	.17	.19	.17	.08	.16	.42	.41	.19	.25	.35	.30	Cap'l Spending per sh	.30
1.08	1.35	1.59	1.88	2.25	2.51	2.70	2.47	2.79	2.54	2.66	3.14	3.56	3.92	4.56	5.32	6.00	6.55	Book Value per sh	8.10
293.65	297.16	300.69	304.89	308.16	311.47	312.09	284.95	289.51	275.27	276.68	284.58	288.14	286.15	291.16	295.25	292.00	293.00	Common Shs Outst'g <sup>C</sup>	297.00
27.9	29.1	30.7	26.2	24.5	26.2	25.1	21.4	22.0	33.0	27.2	20.7	25.2	17.9	15.5	15.7	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	21.0
1.59	1.89	1.57	1.43	1.40	1.38	1.34	1.16	1.17	1.99	1.81	1.32	1.58	1.14	.87	.83			Relative P/E Ratio	1.30
--	--	--	--	.4%	1.6%	2.0%	2.4%	2.1%	3.0%	3.4%	2.2%	1.7%	2.4%	2.3%	2.0%			Avg Ann'l Div'd Yield	1.5%

CAPITAL STRUCTURE as of 9/30/15																			
Total Debt \$227.5 mill. Due in 5 Yrs \$200.0 mill.																			
LT Debt \$227.5 mill. Lt Interest \$13.0 mill. (12% of Cap'l)																			
Leases, Uncapitalized \$1.6 mill.																			
No Defined Benefit Pension Plan																			
Pfd Stock None																			
Common Stock 291,524,142 shs. as of 10/22/15																			
MARKET CAP: \$4.7 billion (Mid Cap)																			
CURRENT POSITION (\$MILL.)																			
Cash Assets																			
Receivables																			
Inventory (FIFO)																			
Other																			
Current Assets																			
Accts Payable																			
Debt Due																			
Other																			
Current Liab.																			

**BUSINESS:** Gentex Corporation manufactures automatic-dimming automotive rearview mirrors. Its *Night Vision Safety* mirrors use sensors and electronic circuitry to detect glare from trailing approaching vehicles at night, and darken accordingly to protect the driver's vision. Sells to most of the major automakers (has 4 customers who each accounted for 10% or more of 2014 total sales). International sales represent 68% of 2014 sales. Also makes commercial fire protection products. Has approximately 4,200 employees. Officers and directors own 3.0% of common stock, including 2.8% owned by Chairman & CEO Fred Bauer (3/15 proxy). Incorporated: 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 '12-'14 of change (per sh)														
Sales	11.0%	14.0%	9.0%														
"Cash Flow"	9.5%	19.0%	12.0%														
Earnings	9.0%	21.5%	12.0%														
Dividends	16.0%	6.0%	7.5%														
Book Value	7.5%	11.5%	9.5%														

Cal-endar	QUARTERLY SALES (\$mill.)				Full Year														
	Mar.31	Jun.30	Sep.30	Dec.31															
2012	290.7	280.4	268.2	260.3	1099.6														
2013	269.5	287.0	288.6	326.8	1171.9														
2014	335.7	338.5	350.9	350.4	1375.5														
2015	368.9	379.3	389.8	392	1530														
2016	400	415	420	435	1670														

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year														
	Mar.31	Jun.30	Sep.30	Dec.31															
2012	.16	.14	.15	.15	.60														
2013	.17	.18	.19	.24	.78														
2014	.23	.26	.25	.24	.98														
2015	.26	.26	.27	.26	1.05														
2016	.28	.28	.29	.30	1.15														

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year														
	Mar.31	Jun.30	Sep.30	Dec.31															
2011	.06	.06	.06	.06	.24														
2012	.065	.065	.065	.065	.26														
2013	.07	.07	.07	.07	.28														
2014	.07	.08	.08	.08	.31														
2015	.08	.08	.085	.085															

**Gentex posted decent third-quarter results.** Sales during the period increased 11% compared to a year ago, driven by a 15% rise in automotive mirror unit shipments. The top line was driven by strong demand from North America, where automotive mirror unit shipments rose 16%, to 3.1 million units. The company has been seeing increased penetration of its interior and exterior auto-dimming mirrors in most regions. International demand was also robust, with shipments jumping 14%. Gentex also posted solid sales of dimmable aircraft windows during the period. Gross margins narrowed slightly, owing largely to unfavorable foreign currency. Annual customer price reductions were essentially offset by purchasing cost reductions. All told, share net for the quarter rose 8% compared to last year's tally.

**We think Gentex will finish 2015 with solid results.** Management looks for total fourth-quarter light-vehicle production in North America, Europe, Japan, and South Korea to be 12.63 million units, basically flat from a year earlier. But we think the company will outperform the industry, as

Gentex has been seeing strong order growth. Auto-dimming mirror shipments should continue to lead the way. However, competitive pricing pressure may well temper earnings growth. All told, we look for 2015 top- and bottom-line growth of 11% and 7%, respectively.

**Business prospects for 2016 look favorable.** The company recently began shipping its *SmartBeam* product in the Japanese market, and we think this launch has the potential to boost revenues in the coming quarters. Gentex is also planning to launch a new full-display mirror on the Cadillac CT6, which will be available to consumers in early 2016. Additional product launches in the coming months should also support the sales and earnings advance that we anticipate.

**Shares of Gentex are ranked to track the broader market averages in the coming six to 12 months.** Solid demand trends ought to allow earnings to grow at a decent pace during this time frame. Over the 3- to 5-year period, these shares offer above-average total return potential at the recent quotation.

*Jason Dalavagas* December 18, 2015

(A) Diluted earnings. Next earnings report due in late January. (B) Payments typically made in late January, April, July, and October. (C) In millions, adjusted for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	25
Price Growth Persistence	75
Earnings Predictability	45

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