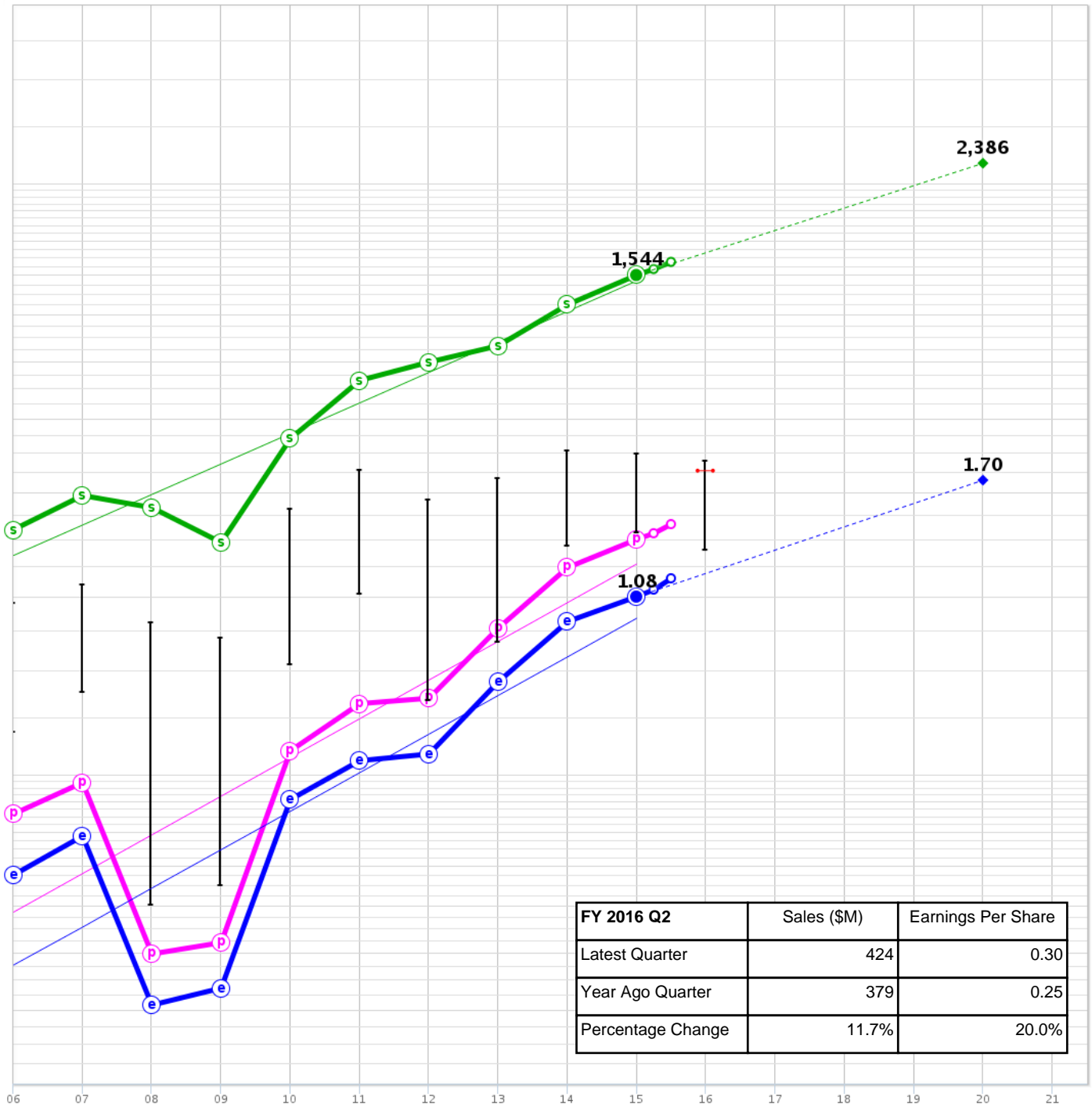


Company	Gentex		Date	09/28/16	
Prepared by	EMMONS		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Auto Parts		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	291.5	2.4	89.0		
Debt (\$M)	206.9	% to Tot Cap	10.4	% Pot Dil	0.9

Stock Selection Guide

Symbol: GNTX

1 VISUAL ANALYSIS of Sales, Earnings, and Price



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 12.6% | (3) Historical Earnings Per Share Growth | 16.2% |
| (2) Estimated Future Sales Growth | 9.1% | (4) Estimated Future Earnings Per Share Growth | 9.5% |

2 EVALUATING Management

Gentex

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Last 5 Year Avg.
Pre-tax Profit on Sales	27.8%	27.5%	14.8%	17.7%	24.9%	23.9%	22.7%	28.0%	30.2%	30.0%	27.0%
% Earned on Equity	15.0%	15.2%	8.8%	8.8%	15.6%	16.7%	14.9%	18.0%	19.3%	18.8%	17.6%
% Debt To Capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.1%	14.5%	11.9%	8.7%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 17.64 (09/28/16)

HIGH THIS YEAR 18.30

LOW THIS YEAR 12.93

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2011	17.7	10.9	0.57	31.0	19.2	0.24	42.1	2.2
2012	15.7	7.2	0.59	26.8	12.3	0.26	44.4	3.6
2013	17.1	9.1	0.78	22.0	11.7	0.28	36.1	3.1
2014	19.1	13.2	0.98	19.4	13.4	0.31	31.6	2.4
2015	18.8	13.8	1.08	17.4	12.8	0.34	31.0	2.4
AVERAGE		10.8		23.3	13.9		37.1	
CURRENT/TTM			1.16			0.36	31.0	
AVERAGE PRICE EARNINGS RATIO: 18.6				CURRENT PRICE EARNINGS RATIO: 15.2				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 23.0 X Estimate High Earnings/Share 1.70 = Forecasted High Price \$ 39.1

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 13.9 X Estimate Low Earnings/Share 1.08 = Forecasted Low Price \$ 15.0

(b) Avg. Low Price of Last 5 Years 10.8

(c) Recent Market Low Price 12.9

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.34}{3.62\%} = 9.3$

Selected Forecasted Low Price \$ 10.8

C ZONING using 25%-50%-25%

Forecasted High Price 39.1 Minus Forecasted Low Price 10.8 = 28.3 Range. 25% of Range 7.1

Buy Zone 10.8 to 17.9

Hold Zone 17.9 to 32.0

Sell Zone 32.0 to 39.1

Present Market Price of 17.64 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{39.1 - 17.64}{17.64 - 10.8} = \frac{21.46}{6.81} = 3.2$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{39.1 - 17.64}{17.64} = 2.2168$ X 100 = 221.68 - 100 = 121.7 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.34}{17.64} = 0.0204 = 2.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{37.1\%}{23.00} = 1.6\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{37.1\%}{18.45} = 2.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 17.3 %
Average Yield 1.6 %
Annualized Rate of Return 18.9 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 12.2 %
Average Yield 2.0 %
Annualized Rate of Return 14.2 %