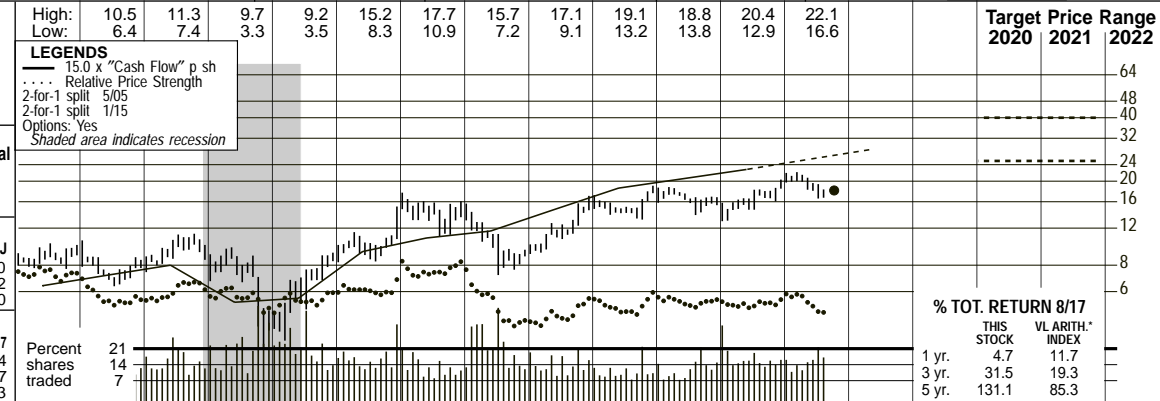


# GENTEX CORP. NDQ-GNTX

RECENT PRICE **18.09** P/E RATIO **13.7** (Trailing: 14.2 Median: 19.0) RELATIVE P/E RATIO **0.72** DIV'D YLD **2.2%** VALUE LINE

**TIMELINESS** 3 Lowered 8/4/17  
**SAFETY** 3 New 7/10/98  
**TECHNICAL** 4 Lowered 9/8/17  
**BETA** 1.15 (1.00 = Market)



**2020-22 PROJECTIONS**  
 Price Gain Ann'l Total  
 High 40 (+120%) 24%  
 Low 25 (+40%) 11%

**Insider Decisions**  
 to Buy 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0  
 Options 1 0 4 4 0 4 1 0 2 0 0 0 0 0 0 0 0 0  
 to Sell 1 0 2 1 0 4 1 1 0 0 0 0 0 0 0 0 0 0

**Institutional Decisions**  
 3Q2016 4Q2016 1Q2017  
 to Buy 170 167 184  
 to Sell 198 208 207  
 Hlds(000) 242931 239722 262363

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
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	5.30	5.84	<b>6.45</b>	<b>7.00</b>	Sales per sh	<b>8.00</b>
.27	.34	.41	.43	.43	.48	.53	.36	.37	.62	.72	.77	.98	1.24	1.37	1.52	<b>1.70</b>	<b>1.90</b>	"Cash Flow" per sh	<b>2.25</b>
.22	.28	.34	.36	.35	.37	.43	.22	.24	.49	.57	.60	.78	.98	1.08	1.19	<b>1.30</b>	<b>1.45</b>	Earnings per sh <sup>A</sup>	<b>1.75</b>
--	--	.04	.16	.18	.19	.20	.22	.22	.22	.24	.26	.28	.31	.34	.36	<b>.39</b>	<b>.43</b>	Div's Decl'd per sh <sup>B</sup>	<b>.55</b>
.15	.11	.07	.10	.17	.17	.19	.17	.08	.16	.42	.41	.19	.25	.34	.42	<b>.45</b>	<b>.45</b>	Cap'l Spending per sh	<b>.45</b>
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	5.91	6.64	<b>7.60</b>	<b>8.30</b>	Book Value per sh	<b>10.10</b>
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	291.34	287.74	<b>283.00</b>	<b>280.00</b>	Common Shs Outst'g <sup>C</sup>	<b>285.00</b>
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	15.5	13.8	<b>13.8</b>	<b>13.8</b>	Avg Ann'l P/E Ratio	<b>18.0</b>
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	.78	.73	<b>.78</b>	<b>.73</b>	Relative P/E Ratio	<b>1.15</b>
--	--	.4%	1.6%	2.0%	2.4%	2.1%	3.0%	3.4%	2.2%	1.7%	2.4%	2.3%	2.0%	2.0%	2.2%	<b>2.0%</b>	<b>2.2%</b>	Avg Ann'l Div'd Yield	<b>1.7%</b>

**CAPITAL STRUCTURE as of 6/30/17**  
 Total Debt \$197.6 mill. Due in 5 Yrs \$197.6 mill.  
 LT Debt \$9.4 mill. Lt Interest \$1.0 mill.  
 (% of Cap'l)

**Leases, Uncapitalized \$1.3 mill.**  
**No Defined Benefit Pension Plan**

**Pfd Stock None**  
 Common Stock 285,549,444 shs.  
 as of 7/21/17

**MARKET CAP: \$5.2 billion (Large Cap)**

653.9	623.8	544.5	816.3	1023.8	1099.6	1171.9	1375.5	1543.6	1678.9	<b>1820</b>	<b>1965</b>	Sales (\$mill)	<b>2275</b>
26.6%	23.2%	24.4%	28.1%	26.8%	26.3%	31.4%	34.7%	34.9%	35.8%	<b>35.5%</b>	<b>36.0%</b>	Operating Margin	<b>37.0%</b>
32.4	35.9	38.4	38.6	42.6	50.2	62.9	77.4	80.6	88.6	<b>100</b>	<b>105</b>	Depreciation (\$mill)	<b>125</b>
122.1	62.1	64.6	137.7	164.7	171.5	222.9	288.6	318.5	347.6	<b>375</b>	<b>420</b>	Net Profit (\$mill)	<b>515</b>
32.1%	32.7%	32.9%	32.3%	32.6%	32.7%	32.0%	30.5%	31.3%	31.9%	<b>32.0%</b>	<b>32.0%</b>	Income Tax Rate	<b>32.0%</b>
18.7%	10.0%	11.9%	16.9%	16.1%	15.6%	19.0%	21.0%	20.6%	20.7%	<b>20.6%</b>	<b>21.4%</b>	Net Profit Margin	<b>22.6%</b>
460.1	407.7	446.8	583.2	651.6	656.7	481.2	723.2	853.0	1005.1	<b>1025</b>	<b>1100</b>	Working Cap'l (\$mill)	<b>1250</b>
--	--	--	--	--	--	265.6	258.1	225.6	178.1	<b>7.0</b>	<b>2.0</b>	Long-Term Debt (\$mill)	<b>Nil</b>
806.8	698.6	735.9	893.5	1027.1	1121.0	1327.6	1571.4	1722.5	1910.4	<b>2150</b>	<b>2325</b>	Shr. Equity (\$mill)	<b>2875</b>
15.1%	8.9%	8.8%	15.4%	16.0%	15.3%	14.0%	15.9%	16.6%	16.9%	<b>17.5%</b>	<b>18.0%</b>	Return on Total Cap'l	<b>18.0%</b>
15.1%	8.9%	8.8%	15.4%	16.0%	15.3%	16.8%	18.4%	18.5%	18.2%	<b>17.5%</b>	<b>18.0%</b>	Return on Shr. Equity	<b>18.0%</b>
8.2%	.2%	.5%	8.5%	9.5%	8.7%	10.8%	12.8%	12.9%	12.9%	<b>12.0%</b>	<b>12.5%</b>	Retained to Com Eq	<b>13.0%</b>
46%	97%	94%	45%	41%	43%	36%	30%	30%	29%	<b>32%</b>	<b>33%</b>	All Div's to Net Prof	<b>34%</b>

**CURRENT POSITION** 2015 2016 6/30/17 (\$MILL.)

Cash Assets	551.6	546.5	580.6
Receivables	196.0	211.6	229.3
Inventory (FIFO)	174.7	189.3	196.5
Other	61.7	207.6	198.3
Current Assets	984.0	1155.0	1204.7
Accts Payable	66.4	80.0	82.9
Debt Due	7.5	7.5	--
Other	57.1	62.4	188.2
Current Liab.	131.0	149.9	271.1

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '14-'16 to '20-'22

Sales	11.5%	13.5%	7.0%
"Cash Flow"	12.0%	19.0%	8.5%
Earnings	11.5%	20.0%	8.5%
Dividends	7.0%	8.0%	8.5%
Book Value	9.0%	14.0%	9.0%

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

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	335.7	338.5	350.9	350.4	1375.5
2015	368.9	379.3	389.8	405.6	1543.6
2016	405.6	423.8	429.6	419.9	1678.9
2017	453.5	443.1	<b>455</b>	<b>468.4</b>	<b>1820</b>
2018	<b>480</b>	<b>490</b>	<b>495</b>	<b>500</b>	<b>1965</b>

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

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.23	.26	.25	.24	.98
2015	.26	.25	.27	.30	1.08
2016	.25	.30	.32	.31	1.19
2017	.33	.31	<b>.32</b>	<b>.34</b>	<b>1.30</b>
2018	<b>.35</b>	<b>.36</b>	<b>.36</b>	<b>.38</b>	<b>1.45</b>

**QUARTERLY DIVIDENDS PAID <sup>B</sup>**

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.07	.07	.07	.07	.28
2014	.07	.08	.08	.08	.31
2015	.08	.085	.085	.085	.335
2016	.085	.09	.09	.09	.355
2017	.09	.10	.10	.10	.35

**Genetex reported decent second-quarter results.** Sales during the period rose 5% compared to the previous year, driven by a 6% increase in auto-dimming mirror shipments, to 9.8 million units. International demand was strong, which more than offset ongoing softness in North America. This was another stellar showing for the company, particularly given the fact that overall industry light-vehicle production in the Gentex's primary markets decreased 1% during the period. Margins narrowed slightly during the quarter, owing to annual customer price decreases, which were only partially offset by purchasing cost reductions. An unfavorable product mix also hurt the bottom line. All told, share earnings of \$0.31 were only a penny higher than the previous-year tally. **We look for solid top- and bottom-line growth this year.** Management narrowed its previous sales guidance for the year, to between \$1.79 billion and \$1.83 billion. Gentex looks for total light-vehicle production in its markets to rise 2% for the year, to 53.1 million units. It believes North American volumes will decline 2%, to 17.54 million, while Europe and Japan

International sales represent 67% of 2016 sales. Also makes commercial fire protection products. Has approximately 5,315 employees. Officers and directors own 2.5% of common stock, including 2.3% owned by Chairman & CEO Fred Bauer (3/17 proxy). Incorporated: MI. Address: 600 N. Centennial Street, Zeeland, MI 49464. Telephone: 616-772-1800. Internet: www.gentex.com.

& South Korea will rise 3% and 4%, respectively, to 21.14 and 13.42 million. The company's sales should continue to outpace the broader market, thanks to the large number of product launches that have been executed in prior quarters. It should also benefit from its electrochromic technology, which ought to help drive demand for its new applications, particularly for advanced features on its auto-dimming mirrors. While expenses will likely remain elevated, due to ongoing investments in R&D and higher SG&A costs, we think a favorable product mix toward higher-margined auto-dimming mirrors with advanced features should help to offset these concerns. Ongoing share repurchases, as well as purchasing cost reductions, should also help to boost the bottom line. All told, we look for share net to rise nearly 10% this year.

**Shares of Gentex are ranked to track the broader market averages in the coming six to 12 months.** Over the 3- to 5-year period, the stock, which has a solid dividend yield, offers wide appreciation potential at the recent quotation.

*Jason Dalavagas* September 15, 2017

(A) Diluted earnings. Quarterly earnings may not sum due to rounding. Next earnings report due in late October. (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	65
Price Growth Persistence	70
Earnings Predictability	90