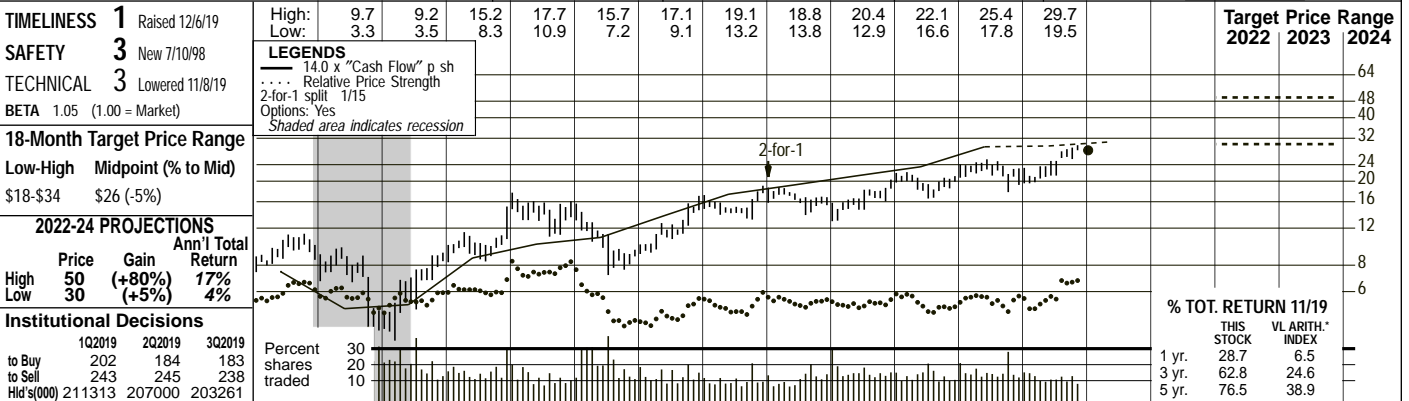


GENTEX CORP. NDQ-GNTX

RECENT PRICE **28.05** P/E RATIO **17.2** (Trailing: 16.8 Median: 16.0) RELATIVE P/E RATIO **0.99** DIV'D YLD **1.6%** VALUE LINE



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	6.40	7.07	7.40	7.90	Sales per sh	9.60
.41	.43	.43	.48	.53	.36	.37	.62	.72	.77	.98	1.24	1.37	1.52	1.67	2.08	2.10	2.20	"Cash Flow" per sh	2.75
.34	.36	.35	.37	.43	.22	.24	.49	.57	.60	.78	.98	1.08	1.19	1.28	1.62	1.65	1.75	Earnings per sh ^A	2.20
.04	.16	.18	.19	.20	.22	.22	.22	.24	.26	.28	.31	.34	.36	.39	.44	.46	.50	Div'ds Decl'd per sh ^B	.64
.07	.10	.17	.17	.19	.17	.08	.16	.42	.41	.19	.25	.34	.42	.37	.33	.35	.40	Cap'l Spending per sh	.40
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	7.31	7.18	7.75	8.30	Book Value per sh	9.85
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	280.28	259.33	251.00	244.00	Common Shs Outst'g ^C	238.00
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	15.3	13.9	13.9	13.9	Avg Ann'l P/E Ratio	18.0
1.40	1.38	1.34	1.16	1.17	1.99	1.81	1.32	1.58	1.14	.87	.83	.78	.72	.77	.75	.77	.75	Relative P/E Ratio	1.00
.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%	2.0%	1.9%	2.0%	1.9%	Avg Ann'l Div'd Yield	1.6%

CAPITAL STRUCTURE as of 9/30/19					2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	22-24
Total Debt None					544.5	816.3	1023.8	1099.6	1171.9	1375.5	1543.6	1678.9	1794.9	1834.1	1860	1930	Sales (\$mill)	2280					
Leases, Uncapitalized \$1.4 mill.					24.4%	28.1%	26.8%	26.3%	31.4%	34.7%	34.9%	35.8%	34.7%	33.3%	32.5%	32.5%	Operating Margin	34.0%					
No Defined Benefit Pension Plan					38.4	38.6	42.6	50.2	62.9	77.4	80.6	88.6	99.6	102.2	105	110	Depreciation (\$mill)	130					
Pfd Stock None					64.6	137.7	164.7	171.5	222.9	288.6	318.5	347.6	369.3	437.9	420	430	Net Profit (\$mill)	530					
Common Stock 252,972,254 shs. as of 10/18/19					32.9%	32.3%	32.6%	32.7%	32.0%	30.5%	31.3%	31.9%	30.6%	16.1%	16.0%	18.0%	Income Tax Rate	21.0%					
MARKET CAP: \$7.1 billion (Large Cap)					11.9%	16.9%	16.1%	15.6%	19.0%	21.0%	20.6%	20.7%	20.6%	23.9%	22.6%	22.3%	Net Profit Margin	23.2%					
CURRENT POSITION					446.8	583.2	651.6	666.7	481.2	723.2	853.0	1005.1	940.9	681.7	800	830	Working Cap'l (\$mill)	925					
Cash Assets					735.9	893.5	1027.1	1121.0	1267.6	1571.4	1722.5	1910.4	2049.5	1861.8	1940	2020	Long-Term Debt (\$mill)	Nil					
Receivables					8.8%	15.4%	16.0%	15.3%	14.0%	15.9%	16.6%	16.9%	18.0%	23.5%	21.5%	21.5%	Return on Total Cap'l	22.5%					
Inventory (FIFO)					8.8%	15.4%	16.0%	15.3%	16.8%	18.4%	18.5%	18.2%	18.0%	23.5%	21.5%	21.5%	Return on Shr. Equity	22.5%					
Other					.5%	8.5%	9.5%	8.7%	10.8%	12.8%	12.9%	12.9%	12.7%	17.3%	15.5%	15.0%	Retained to Com Eq	16.0%					
Current Assets					94%	45%	41%	43%	36%	30%	30%	29%	29%	27%	29%	29%	All Div'ds to Net Prof	30%					

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-

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
of change (per sh)	11.5%	11.0%	7.0%
Sales	14.5%	16.5%	8.0%
"Cash Flow"	15.0%	16.0%	8.5%
Earnings	7.0%	8.5%	8.5%
Dividends	10.5%	12.0%	5.5%

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	405.6	423.8	429.6	419.9	1678.9
2017	453.5	443.2	438.6	459.6	1794.9
2018	465.4	455.0	460.3	453.4	1834.1
2019	468.6	468.7	477.8	444.9	1860
2020	490	480	480	480	1930

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	.25	.31	.32	.31	1.19
2017	.33	.31	.31	.33	1.28
2018	.40	.40	.41	.41	1.62
2019	.40	.42	.44	.39	1.65
2020	.40	.40	.45	.50	1.75

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	.08	.085	.085	.085	.335
2016	.085	.09	.09	.09	.355
2017	.09	.10	.10	.10	.39
2018	.11	.11	.11	.11	.44
2019	.11	.115	.115	.115	.44

Gentex posted decent third-quarter results. Sales of \$478 million increased 4% compared to the previous-year tally, a stellar performance considering the roughly 3% decline in global light-vehicle production volumes during the period. Automotive mirror unit shipments rose 6%, to 10.84 million. Demand for exterior mirrors was particularly strong, rising 18%, to 3.51 million units. Partially offsetting these gains was the General Motors strike, which began in mid-September, that tempered volumes. Domestic demand continued to be strong, particularly for exterior mirrors, but international volumes were solid, as well. Margins widened, thanks to the higher volumes, along with a favorable product mix and better-than-expected purchasing cost reductions, which more than offset tariff-related expenses. This allowed share earnings for the period to increase 7% compared to the previous-year tally.

We anticipate a slowdown to finish the year. Management expects a 5% reduction in total light-vehicle production in the fourth quarter, to 19.39 million units. It also thinks the General Motors strike

will decrease sales by between \$7 million and \$8 million per week of the strike. As a result, Gentex estimates that December-quarter sales will be between \$430 million and \$455 million. We have therefore reduced our 2019 top-line forecast by \$40 million, to \$1.86 billion. Management also lowered the top end of its gross margin guidance. All told, we have reduced our 2019 share-net estimate by a nickel, to \$1.65.

We anticipate decent 2020 top- and bottom-line growth. While management noted that 2020 light-vehicle production forecasts have continued to worsen over the past few months, it still expects sales to rise 3%-8% compared to the 2019 estimate. Ongoing trade tensions remain a wild card, however. But continued stock repurchases should provide a boost to share earnings.

Shares of Gentex are ranked to outperform the broader market averages in the coming six to 12 months. The equity, which has a dividend yield of 1.6%, offers about-average price appreciation potential over the 3- to 5-year haul.

Jason Dalavagas December 13, 2019

(A) Diluted earnings. Quarterly earnings may not sum due to rounding. Next earnings report due in late January.	April, July, and October.	Company's Financial Strength	B++
(B) Payments typically made in late January.	(C) In millions, adjusted for stock splits.	Stock's Price Stability	75
		Price Growth Persistence	65
		Earnings Predictability	90