

## 2nd Quarter 2015 report for GNTX

Date: 8-14-15

Percentage change in Sales from year ago quarter 12.1%

Percentage change in Earnings per Share from year ago quarter -4.2%

Is company meeting our target sales & earnings estimates? no

Pre-tax Profit on sales trend? (up, even, down) Up

Return on equity trends? (up, even, down) Up

Debt? (up, even, down) Down

Current PE is 15.7.

Where does it fall in my estimated High/low range of PE's? closer to Low P/E

Signature PE = 20.4

Club cost basis for this stock is \$14.51. Current price is \$15.61  
(from latest valuation)

Current fair value: Morningstar: \$18.00 S&P: \$19.10 – 4 Stars, Buy

My SSG Total Return is 15.2 Projected Average Return is 10.8

What will drive future growth: VL Jun 19, 2015 Commentary written before China devalued currency was very favorable to Gentex. Sales during the first quarter rose 10% compared to a year ago, driven by an 11% increase in automotive mirror unit shipments, to 7.933 million. Demand from North America was strong, with the region's volumes rising 10%, to 2.8 million units. This was driven by increased penetration of the company's interior and exterior auto-dimming mirrors. International demand was robust, as well, with volumes rising 12%. Operating margins widened, as higher revenues, purchasing cost reductions, and a better product mix more than offset annual customer price reductions and elevated manufacturing costs related to new technology launches. **VL** believes Gentex will continue to outpace the overall industry, driven by (1) continued penetration into the smaller-car markets, as these vehicles represent the largest segment of auto production globally. (2) New product introductions should help drive results. Some of the largest areas of growth are in frameless interior auto-dimming mirrors, exterior auto-dimming mirrors, and advanced electronic features on these products. Shares of Gentex are ranked to outperform the broader market averages in the coming six to 12 months. Represents 4.6% of our portfolio value. Over the 3- to 5-year stretch, the stock offers good price appreciation potential. Pays over 2 % dividend yield.

Recommend: Buy More   , Hold   yes   , Challenge with a better investment   , Sell