

GENTEX CORP. NDQ-GNTX

RECENT PRICE **30.27** P/E RATIO **19.5** (Trailing: 20.3 Median: 16.0) RELATIVE P/E RATIO **1.09** DIV'D YLD **1.6%** **VALUE LINE**

TIMELINESS 3 Lowered 10/2/20
SAFETY 2 Raised 9/10/21
TECHNICAL 2 Raised 2/25/22
BETA .95 (1.00 = Market)

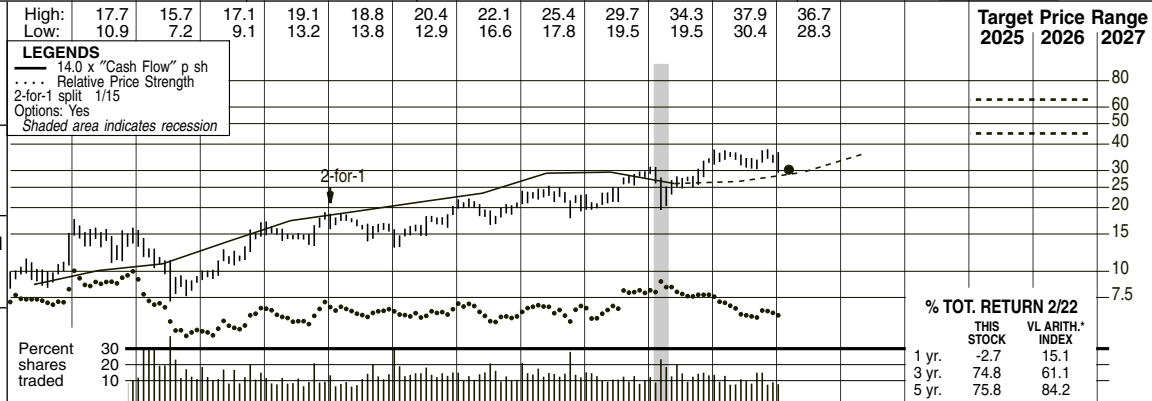
High: 17.7 15.7 17.1 19.1 18.8 20.4 22.1 25.4 29.7 34.3 37.9 36.7
 Low: 10.9 7.2 9.1 13.2 13.8 12.9 16.6 17.8 19.5 19.5 30.4 28.3

LEGENDS
 — 14.0 x "Cash Flow" p sh
 ... Relative Price Strength
 2-for-1 split 1/15
 Options: Yes
 Shaded area indicates recession

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$29-\$53 \$41 (35%)

2025-27 PROJECTIONS
 High Price Gain Ann'l Total
 Low 65 (+115%) 22%
 45 (+50%) 12%

Institutional Decisions
 202021 3Q2021 4Q2021
 to Buy 225 205 201
 to Sell 229 232 250
 Hld's(000) 195843 203099 203415



2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
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	6.93	7.30	8.45	10.00	Sales per sh	12.05
.48	.53	.36	.37	.62	.72	.77	.98	1.24	1.37	1.52	1.67	2.08	2.11	1.86	1.90	2.10	2.60	"Cash Flow" per sh	3.70
.37	.43	.22	.24	.49	.57	.60	.78	.98	1.08	1.19	1.28	1.62	1.68	1.43	1.50	1.65	2.15	Earnings per sh ^A	3.10
.19	.20	.22	.22	.22	.24	.26	.28	.31	.34	.36	.39	.44	.46	.48	.48	.50	.54	Div'ds Decl'd per sh ^B	.78
.17	.19	.17	.08	.16	.42	.41	.19	.25	.34	.42	.37	.33	.34	.21	.30	.55	.45	Cap'l Spending per sh	.50
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	7.71	8.06	8.20	8.60	9.35	Book Value per sh	11.35
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	251.28	243.69	236.40	233.00	230.00	Common Shs Outst'g ^C	220.00
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	14.7	19.3	23.0	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	18.0
1.16	1.17	1.99	1.81	1.32	1.58	1.14	.87	.83	.78	.72	.77	.75	.78	.99	1.22			Relative P/E Ratio	1.00
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%	1.9%	1.7%	1.4%			Avg Ann'l Div'd Yield	1.3%

CAPITAL STRUCTURE as of 12/31/21
 Total Debt Nil
 Leases, Uncapitalized \$1.4 mill.
 No Defined Benefit Pension Plan
 Pfd Stock None
 Common Stock 236,421,351 shs. as of 2/1/22
 MARKET CAP: \$7.2 billion (Large Cap)

1099.6	1171.9	1375.5	1543.6	1678.9	1794.9	1834.1	1858.9	1688.2	1731.2	1970	2300	Sales (\$mill)	2650
26.3%	31.4%	34.7%	34.9%	35.8%	34.7%	33.3%	31.9%	29.9%	30.0%	29.0%	31.0%	Operating Margin	34.5%
50.2	62.9	77.4	80.6	88.6	99.6	102.2	104.7	104.7	99.1	105	110	Depreciation (\$mill)	130
171.5	222.9	288.6	318.5	347.6	369.3	437.9	424.7	347.6	354.9	380	490	Net Profit (\$mill)	680
32.7%	32.0%	30.5%	31.3%	31.9%	30.6%	16.1%	15.1%	15.6%	17.0%	17.0%	17.0%	Income Tax Rate	17.0%
15.6%	19.0%	21.0%	20.6%	20.7%	20.6%	23.9%	22.8%	20.6%	20.5%	19.3%	21.3%	Net Profit Margin	25.7%
656.7	481.2	723.2	853.0	1005.1	940.9	681.7	778.5	801.6	691.3	740	790	Working Cap'l (\$mill)	910
--	265.6	258.1	225.6	178.1	--	--	--	--	--	Nil	Nil	Long-Term Debt (\$mill)	Nil
1121.0	1327.6	1571.4	1722.5	1910.4	2049.5	1861.8	1938.1	1963.9	1938.0	2000	2150	Shr. Equity (\$mill)	2500
15.3%	14.0%	15.9%	16.6%	16.9%	18.0%	23.5%	21.9%	17.7%	18.3%	19.0%	23.0%	Return on Total Cap'l	27.0%
15.3%	16.8%	18.4%	18.5%	18.2%	18.0%	23.5%	21.9%	17.7%	18.3%	19.0%	23.0%	Return on Shr. Equity	27.0%
8.7%	10.8%	12.8%	12.9%	12.9%	12.7%	17.3%	15.9%	11.7%	12.5%	13.0%	17.5%	Retained to Com Eq	21.0%
43%	36%	30%	30%	29%	29%	27%	27%	34%	32%	32%	32%	All Div'ds to Net Prof	27%

CURRENT POSITION (SMILL.)

	2019	2020	12/31/21
Cash Assets	296.3	423.4	262.3
Receivables	235.4	284.9	249.8
Inventory (FIFO)	248.9	226.3	316.3
Other	169.7	44.7	44.6
Current Assets	950.3	979.3	873.0
Accts Payable	97.6	84.8	98.3
Debt Due	--	--	--
Other	74.2	92.9	83.4
Current Liab.	171.8	177.7	181.7

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-

counted for 10% or more of 2020 total sales). Also makes commercial fire protection products. Has approximately 5,305 employees. Vanguard owns 9.4% of common stock; BlackRock, 8.9%; officers and directors, less than 1.0% (4/21 proxy). Pres. and CEO: Steve Downing, Inc.: 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 '18-'20 to '25-'27

of change (per sh)	10 Yrs.	5 Yrs.	Est'd '18-'20 to '25-'27
Sales	11.5%	9.0%	8.0%
"Cash Flow"	16.0%	11.0%	9.0%
Earnings	17.5%	11.0%	10.0%
Dividends	7.5%	8.5%	8.0%
Book Value	10.5%	8.0%	6.0%

Gentex finished 2021 with soft results. Fourth-quarter sales of \$420 million decreased 21% compared to the previous-year tally, largely due to a 20% decline in light-vehicle production in the company's primary markets of North America, Europe, Japan, and South Korea. The ongoing industrywide electronics components shortages hurt Gentex's ability to meet customer demand for full-display mirrors, integrated toll modules, and other advanced feature unit shipments. Total auto-dimming mirror unit shipments decreased 18%, to 9.813 million. Margins narrowed due to the lower sales, along with higher raw material, freight, and labor costs. This caused December-quarter share earnings of \$0.35 to plummet 40% compared to the previous-year figure.

rise that we expect on the top line in 2022, as Gentex believes sales will come in between \$1.87 billion and \$2.02 billion. While management expects several headwinds to persist in the first half of 2022, including raw material, freight, and labor, it believes it will be able to offset some of these concerns through higher prices and product redesigns. Earnings growth this year will probably rise at a slower clip than sales, due to the aforementioned costs, but we still expect share net to increase 10%.

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	468.6	468.7	477.8	443.8	1858.9
2020	453.8	229.9	474.6	529.9	1688.2
2021	483.7	428.1	399.6	419.8	1731.2
2022	440	480	510	540	1970
2023	550	570	580	600	2300

We expect a better performance this year. Management believes total global light-vehicle production will increase 8% in 2022, to around 69.4 million, with strong demand coming from both North America and Europe. Pent-up demand, along with several full-display mirror launches, should drive growth. These factors ought to help support the double-digit

We are introducing our 2023 top- and bottom-line estimates of \$2.3 billion and \$2.15 per share, respectively. Management provided preliminary guidance for next year, calling for revenue growth of 15%-20% driven by a 10% increase in total global light-vehicle shipments, to 76.6 million.

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	.40	.45	.44	.39	1.68
2020	.36	.02	.47	.58	1.43
2021	.46	.37	.32	.35	1.50
2022	.35	.40	.45	.45	1.65
2023	.45	.50	.55	.65	2.15

Shares of Gentex are ranked to track the broader market averages in the coming six to 12 months. The stock, which has a decent dividend yield, offers wide price appreciation potential over the 3- to 5-year haul.

(A) Diluted earnings. Quarterly earnings may not sum due to rounding. Next earnings report due in early May.
 (B) Payments typically made in late January.

April, July, and October.
 (C) In millions, adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	95
Earnings Predictability	80