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## Gentex (GNTX) Q2 Earnings and Revenues Lag Estimates

Zacks Equity Research

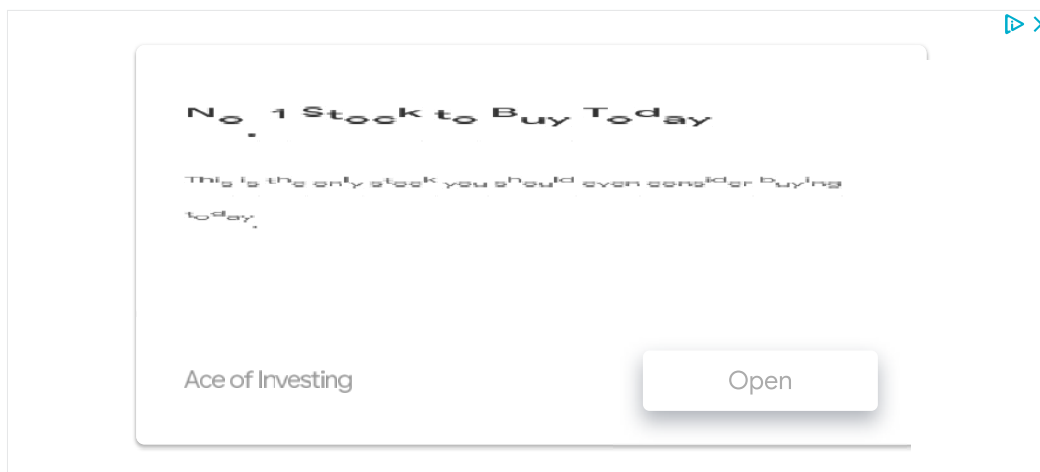
July 23, 2021

GNTX

 Trades from **\$1**

Gentex ([GNTX](#) - [Free Report](#)) came out with quarterly earnings of \$0.36 per share, missing the Zacks Consensus Estimate of \$0.43 per share. This compares to earnings of \$0.02 per share a year ago. These figures are adjusted for non-recurring items.

This quarterly report represents an earnings surprise of -16.28%. A quarter ago, it was expected that this maker of automatic-dimming rearview mirrors and other products would post earnings of \$0.49 per share when it actually produced earnings of \$0.46, delivering a surprise of -6.12%.



Over the last four quarters, the company has surpassed consensus EPS estimates two times.

Gentex, which belongs to the Zacks Automotive - Original Equipment industry, posted revenues of \$428.01 million for the quarter ended June 2021, missing the Zacks Consensus Estimate by 5.36%. This compares to year-ago revenues of \$229.93 million. The company has topped consensus revenue estimates two times over the last four quarters.

The sustainability of the stock's immediate price movement based on the recently-released numbers and future earnings expectations will mostly depend on management's commentary on the earnings call.

Gentex shares have lost about 6.1% since the beginning of the year versus the S&P 500's gain of 16.3%.

### What's Next for Gentex?

While Gentex has underperformed the market so far this year, the question that comes to investors' minds is: what's next for the stock?

There are no easy answers to this key question, but one reliable measure that can help investors address this is the company's earnings outlook. Not only does this include current consensus earnings expectations for the coming quarter(s), but also how these expectations have changed lately.

Empirical research shows a strong correlation between near-term stock movements and trends in earnings estimate revisions. Investors can track such revisions by themselves or rely on a tried-and-tested

rating tool like the Zacks Rank, which has an impressive track record of harnessing the power of earnings estimate revisions.

Ahead of this earnings release, the estimate revisions trend for Gentex was mixed. While the magnitude and direction of estimate revisions could change following the company's just-released earnings report, the current status translates into a Zacks Rank #3 (Hold) for the stock. So, the shares are expected to perform in line with the market in the near future. You can see [the complete list of today's Zacks #1 Rank \(Strong Buy\) stocks here](#).



It will be interesting to see how estimates for the coming quarters and current fiscal year change in the days ahead. The current consensus EPS estimate is \$0.50 on \$487.43 million in revenues for the coming quarter and \$1.97 on \$1.97 billion in revenues for the current fiscal year.

Investors should be mindful of the fact that the outlook for the industry can have a material impact on the performance of the stock as well. In terms of the Zacks Industry Rank, Automotive - Original Equipment is currently in the bottom 32% of the 250 plus Zacks industries. Our research shows that the top 50% of the Zacks-ranked industries outperform the bottom 50% by a factor of more than 2 to 1.

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