

Bulls Say. Bears Say.

Bulls Say

- Auto-dimming technology has applications to other parts of the car like headlights, as well as outside autos such as airplane windows. Although small now, markets outside the auto industry could prove to be very large businesses down the road.
- The company's financial health is so strong that we think Gentex can survive any downturn in the U.S. easier than other auto suppliers can.
- Biometrics, surgical room ultraviolet lighting, and electronic toll payments could open up new revenue streams for the company.

Bears Say

- Cameras could replace Gentex's mirrors, if regulators throughout the world allowed it. We don't think this is a likely threat, at least not anytime in the near future in very large volume.
- Gentex hoards cash but has made good effort to buy back stock while increasing its dividend. A higher dividend would give shareholders--instead of management--more control in allocating excess capital.
- As auto-dimming mirrors become available on more vehicle models, OEMs may want to lower their own costs by pressuring Gentex to reduce prices, or by supporting emerging competitors.

Morningstar Fair Value Estimate: \$34.00