

GENTEX CORP. NDQ-GNTX

RECENT PRICE **18.96** P/E RATIO **15.2** (Trailing: 15.8 Median: 20.0) RELATIVE P/E RATIO **0.78** DIV'D YLD **1.9%**

VALUE LINE

TIMELINESS 4 Lowered 10/7/16
SAFETY 3 New 7/10/98
TECHNICAL 3 Lowered 12/9/16
BETA 1.30 (1.00 = Market)

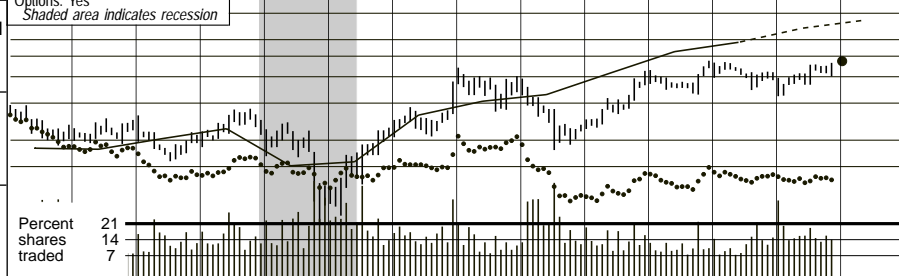
High: 10.2 10.5 11.3 9.7 9.2 15.2 17.7 15.7 17.1 19.1 18.8 19.0
 Low: 7.7 6.4 7.4 3.3 3.5 8.3 10.9 7.2 9.1 13.2 13.8 12.9

Target Price Range
 2019 2020 2021
 64
 48
 40
 32
 24
 20
 16
 12
 8
 6

2019-21 PROJECTIONS
 Ann'l Total
 Price Gain Return
 High 35 (+85%) 18%
 Low 25 (+30%) 9%

Insider Decisions
 F M A M J J A S O
 to Buy 0 0 0 0 0 0 0 0 0
 Options 4 2 0 0 4 4 0 0 4
 to Sell 0 0 0 0 2 4 2 0 2

Institutional Decisions
 12/2016 2/2016 3/2016
 to Buy 199 199 170
 to Sell 178 152 198
 Hlds(000) 257751 247184 242931



% TOT. RETURN 11/16
 THIS STOCK VL ARITH. INDEX
 1 yr. 13.0 13.7
 3 yr. 31.9 20.4
 5 yr. 39.2 92.2

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
1.00	1.03	1.30	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	5.95	6.45	Sales per sh	7.30
.28	.27	.34	.41	.43	.43	.48	.53	.36	.37	.62	.72	.77	.98	1.24	1.37	1.60	1.75	"Cash Flow" per sh	2.05
.23	.22	.28	.34	.36	.35	.37	.43	.22	.24	.49	.57	.60	.78	.98	1.08	1.20	1.30	Earnings per sh ^A	1.60
--	--	--	.04	.16	.18	.19	.20	.22	.22	.22	.24	.26	.28	.31	.34	.35	.38	Div'ds Decl'd per sh ^B	.48
.07	.15	.11	.07	.10	.17	.17	.19	.17	.08	.16	.42	.41	.19	.25	.34	.40	.45	Cap'l Spending per sh	.40
1.35	1.59	1.88	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	6.75	7.40	Book Value per sh	8.75
297.16	300.69	304.89	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	286.00	282.00	Common Shs Outst'g ^C	294.00
29.1	30.7	26.2	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	15.5	15.5	Avg Ann'l P/E Ratio	18.0
1.89	1.57	1.43	1.40	1.38	1.34	1.16	1.17	1.99	1.81	1.32	1.58	1.14	.87	.83	.78	.78	.78	Relative P/E Ratio	1.15
--	--	--	.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%	2.0%	2.0%	Avg Ann'l Div'd Yield	1.5%

CAPITAL STRUCTURE as of 9/30/16
 Total Debt \$195.0 mill. Due in 5 Yrs \$190.0 mill.
 LT Debt \$195.0 mill. Lt Interest \$12.0 mill.
 (10% of Cap'l)

Leases, Uncapitalized \$6 mill.
No Defined Benefit Pension Plan

Pfd Stock None
 Common Stock 286,509,623 shs.
 as of 10/20/16
MARKET CAP: \$5.4 billion (Large Cap)

572.3	653.9	623.8	544.5	816.3	1023.8	1099.6	1171.9	1375.5	1543.6	1700	1820	Sales (\$mill)	2150
26.9%	26.6%	23.2%	24.4%	28.1%	26.8%	26.3%	31.4%	34.7%	34.9%	33.5%	33.5%	Operating Margin	34.5%
27.8	32.4	35.9	38.4	38.6	42.6	50.2	62.9	77.4	80.6	95.0	105	Depreciation (\$mill)	130
108.8	122.1	62.1	64.6	137.7	164.7	171.5	222.9	288.6	318.5	360	390	Net Profit (\$mill)	480
31.6%	32.1%	32.7%	32.9%	32.3%	32.6%	32.7%	32.0%	30.5%	31.3%	32.0%	32.0%	Income Tax Rate	32.0%
19.0%	18.7%	10.0%	11.9%	16.9%	16.1%	15.6%	19.0%	21.0%	20.6%	21.2%	21.4%	Net Profit Margin	22.3%
389.5	460.1	407.7	446.8	583.2	651.6	666.7	481.2	723.2	853.0	950	1000	Working Cap'l (\$mill)	1150
--	--	--	--	--	--	265.6	258.1	225.6	200	175	150	Long-Term Debt (\$mill)	150
702.7	806.8	698.6	735.9	893.5	1027.1	1121.0	1327.6	1571.4	1722.5	1925	2100	Retained to Com Eq	2575
15.5%	15.1%	8.9%	8.8%	15.4%	16.0%	15.3%	14.0%	15.9%	16.6%	17.0%	17.5%	Return on Total Cap'l	17.5%
15.5%	15.1%	8.9%	8.8%	15.4%	16.0%	15.3%	16.8%	18.4%	18.5%	18.5%	18.5%	Return on Shr. Equity	18.5%
7.7%	8.2%	2%	5%	8.5%	9.5%	8.7%	10.8%	12.8%	12.9%	11.5%	12.0%	Retained to Com Eq	12.5%
50%	46%	97%	94%	45%	41%	43%	36%	30%	30%	36%	36%	All Div'ds to Net Prof	36%

CURRENT POSITION 2014 2015 9/30/16 (\$MILL.)

Cash Assets 497.4 551.6 534.5
 Receivables 168.0 196.0 229.2
 Inventory (FIFO) 141.8 174.7 179.4
 Other 49.4 61.7 165.7
 Current Assets 856.6 984.0 1108.8
 Accts Payable 71.5 66.4 71.0
 Debt Due 7.5 7.5 --
 Other 54.4 57.1 85.5
 Current Liab. 133.4 131.0 156.5

BUSINESS: Gentex Corporation manufactures automatic-dimming automotive rearview mirrors. Its *Night Vision Safety* mirrors use sensors and electronic circuitry to detect glare from trailing approaching vehicles at night, and darken accordingly to protect the driver's vision. Sells to most of the major automakers (has 3 customers who each accounted for 10% or more of 2015 total sales).

International sales represent 68% of 2015 sales. Also makes commercial fire protection products. Has approximately 4,757 employees. Officers and directors own 2.9% of common stock, including 2.6% owned by Chairman & CEO Fred Barre (3/16 proxy). Incorporated: MI. Address: 600 N. Centennial Street, Zeeland, MI 49464. Telephone: 616-772-1800. Internet: www.gentex.com.

ANNUAL RATES Past Past Est'd '13-'15
 of change (per sh) 10 Yrs. 5 Yrs. to '19-'21
 Sales 11.0% 14.5% 9.0%
 "Cash Flow" 11.0% 21.5% 12.0%
 Earnings 10.5% 24.5% 12.0%
 Dividends 9.5% 7.0% 7.5%
 Book Value 8.0% 13.5% 9.5%

Gentex reported solid third-quarter results. Sales during the period rose 10% compared to the prior year, driven by a 9% increase in automotive mirror unit shipments, as well as a favorable shift in product mix. The advance was achieved despite a slight decrease in overall light-vehicle production in the company's primary regions. North American demand was modest, with revenues there rising 2%, but international demand was robust, with sales increasing 14%. The company continues to benefit from higher penetration of its interior and exterior auto-dimming mirrors among vehicle manufacturers. Margins during the quarter widened, thanks to purchasing cost reductions and a favorable product mix, which more than offset annual customer price reductions. This allowed share net to rise 19% from the prior-year tally, to \$0.32.

estimates are all slightly below the guidance provided in the prior quarter. Based on this production forecast, the company slightly lowered the top end of its sales forecast for the year, by \$10 million, to a range of between \$1.68 billion and \$1.71 billion. We are maintaining our share-net estimate of \$1.20 for the year, as ongoing purchasing cost reductions, along with a more favorable mix toward auto-dimming mirrors with advanced features, ought to help support the advance.

QUARTERLY SALES (\$mill.)

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	269.5	287.0	288.6	326.8	1171.9
2014	335.7	338.5	350.9	350.4	1375.5
2015	368.9	379.3	389.8	405.6	1543.6
2016	405.6	423.8	429.6	441	1700
2017	440	450	460	470	1820

EARNINGS PER SHARE ^A

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.17	.18	.19	.24	.78
2014	.23	.26	.25	.24	.98
2015	.26	.25	.27	.30	1.08
2016	.28	.30	.32	.30	1.20
2017	.31	.32	.33	.34	1.30

QUARTERLY DIVIDENDS PAID ^B

Cal-ender	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.065	.065	.065	.065	.26
2013	.07	.07	.07	.07	.28
2014	.07	.08	.08	.08	.31
2015	.08	.085	.085	.085	.335
2016	.085	.085	.09	.09	

We think Gentex will finish the year with decent results. Management now looks for 2016 total light-vehicle production to rise 2% in North America, to 17.88 million units; climb 3% in Europe, to 21.49 million; and decline 2% in Japan and South Korea, to 12.95 million. These

We look for 2017 top- and bottom-line growth of 7% and 8%, respectively. Management noted that, despite continued downward revisions in light-vehicle production estimates for the year, it is reaffirming its previous revenue projection. The company will likely continue to outpace industry vehicle production due to the large number of products it expects to launch in the coming year.

Shares of Gentex are ranked to trail the broader market averages in the coming six to 12 months. Over the 3- to 5-year period, these shares offer wide total return potential at the recent quotation.
Jason Dalavagas December 16, 2016

(A) Diluted earnings. Next earnings report due in late January.
 (B) Payments typically made in late January, April, July, and October.

(C) In millions, adjusted for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	35
Price Growth Persistence	70
Earnings Predictability	60

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